

Weekly Report
January 7 – 11, 2008
Michael Maxey

Summary of Activities

I reported to duty on January 7th at USAID and was sworn in as a Foreign Service Officer under a non-career, 5 year limited appointment. My duty station is USAID Iraq and I am on TDY for the training in USAID/Washington. On January 7 and 8, I underwent security training, obtained government identification badges, and took care of personnel administrative matters. On Wednesday, January 9, I started the FACT (Foreign Affairs Counter Threat) Area Studies and Language course which is a three day course. I completed this course on Friday, January 11.

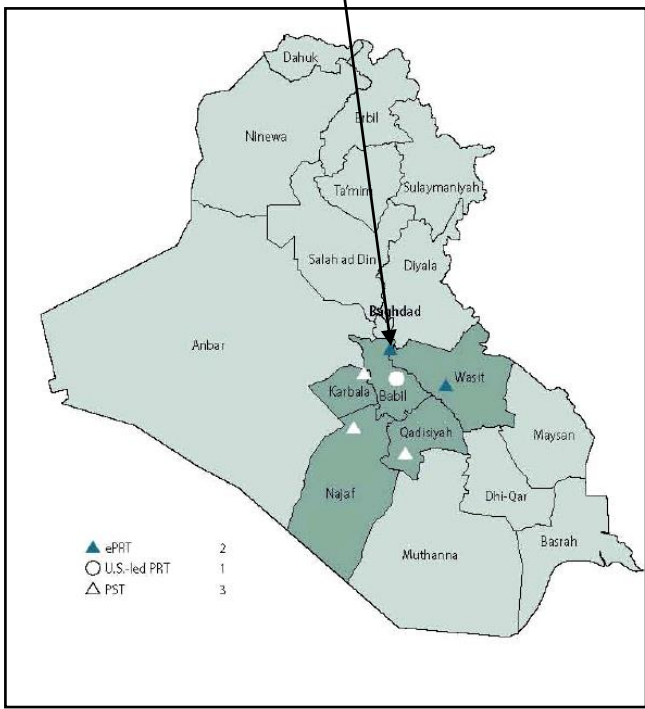
FACT Area Studies course provided a useful overview of Iraqi politics, local customs and basic Arabic. Lectures were given on how we should interact with counterparts, highlighted cultural sensitivities and discussed Iraqi customs, courtesies and social practices. The last day provided a summary of various deployment related issues ranging from pay/benefits, family support and casualty assistance to counter intelligence and stress issues. This was a good course providing some valuable information by people who either worked in Iraq or interacted closely with people who have. Jerry Thompson was the course director and gave many of the lectures with an eye to practical matters. Jerry's stress on respect, courtesy and comfort was important in that achieving results in Iraq depends in large part in the personal relationships that one is able to build. He said to achieve strong relationships we must communicate to our counterparts, hosts and FSN staff the respect that they deserve as the primary leaders in the reconstruction of their country. We communicate respect by demonstrating knowledge of local customs and showing courtesy from an Iraqi perspective. We need to show everyone that we are comfortable in the environment (i.e., never complain in public!) and we were cautioned to "...watch out for how much you think you are in control." There were a couple of good sessions on basic Arabic with a focus on Iraqi dialect for basic vocabulary, greetings and courtesies which included handout audio material (2 cds – (1) audio that tracked with the written material and (2) an interactive cd that can be used with an Internet browser). The final day sessions included a briefing by Nan Leininger, Unaccompanied Tours Support Officer, which provided good information on family support services that are available from the State Department for family members in the Washington DC area.

During the week, USAID Iraq confirmed that I will be assigned to the ePRT North Babil (see attached map). I will replace North Babil USAID Representative Lewis Tate. Lewis provided me with my mailing address (copy attached) and gave me useful information on the security situation in the North Babil area and emphasized the professionalism of the US military and the unity of mission. Very exciting stuff.

Plans for Next Week

I will attend the FACT (Foreign Affairs Counter Threat Course) held from 01/14 – 01/18. During the week, I can be reached on my cell phone. As requested by USAID/Iraq, I will submit my time and attendance for PP #1.

ePRT North Babil Iraq



Google Earth Satellite Image



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Iraq – First Week

Michael Maxey

February 7 - 14, 2008

My family came with me to the airport as I left for Iraq. It was bittersweet as I had a chance to tell them I loved him and say goodbye to everyone but it hurt when my youngest son, Justin, ran down the corridor as I approached the security gate and grabbed me for a last hug and then said, “Dad, I touched you last.”

My flight out of Dulles connected to an Amman, Jordan flight in Frankfurt, Germany. In Amman, I took a military flight into Baghdad, Iraq. Travel time from my home in Fairfax Virginia to the USAID compound in Baghdad’s International Zone took 59 hours. I slept for four hours on the flight between Dulles and Frankfurt and then slept another three hours on the Frankfurt/Amman leg. We arrived in Amman at 2:30 in the morning and I was taken to a hotel to shower and sleep for a few hours. We later went to a military airport and flew into the BIAP (Baghdad International Airport) on a C-17 military transport jet.



Michael Maxey aboard C-17 aircraft to Iraq.

First impressions on the trip were that Europe and the Middle East do not have the same number of people traveling by air. Airports were not crowded, none of the aircraft were full to capacity, and movement into and out of airport baggage and security areas was relatively easy. In Jordan, the Customs officials X-rayed my bag and let me pass through Customs without checking my suitcases. A driver was waiting for me and took me to a hotel in Amman. The drive took 40 minutes or so and I was able to get a sense of the countryside which was mostly dry and sandy. The houses I saw were white with an adobe type construction. I was reminded of the Spanish architecture on the Mediterranean coast that Annie and I saw on our honeymoon in 1990. Along the road signs appeared indicating the direction and route to take to Saudi Arabia and Iraq. I also

saw a sign to Petra, an ancient caravan city carved from stone and now classified as one of the Seven Wonders of the World. At the hotel I was able to sleep for a few hours. The wake up call I had requested did not come but the driver (same as the one from the airport) came early to pick me up and he called to wake me. Very nice guy.

We went to the military airport in Amman and boarded a C-17 US Air Force flight to Baghdad. The flight was uneventful. We had been told that there would be an evasive dive near Baghdad to avoid possible ground to air missile attack but the approach and landing were relatively calm. As we landed I took a photo as the back of the plane was lowered – this was my first view of Iraq.



We left the airplane, formed two lines, and were escorted to a building near the runway. As we walked toward the building, we passed a group of people being brought out to board the same aircraft for a flight back to Jordan. They were, many of them, on their way home and I remember seeing smiling faces as they walked by. We, on the hand, were focused on getting our gear and moving on to the International Zone. Everyone was told that they must carry their luggage the 150 yards to the initial staging area called Sully Compound. In a building just off the tarmac, we were given instructions on how to collect our bags and get our names on the list of passengers for the armored bus, the “Rhino”, leaving later that night for the International Zone. I got my suitcase, briefcase and a small backpack and started walking toward Sully Compound.



Large gravel on trail to Sully Compound.

Footnote: It's worth mentioning that the “Alpine” backpack I found at Dick’s Sporting Goods in Fairfax Virginia was a great investment. It had a handle and wheels like a regular carry-on but could also convert into a backpack by unzipping the back and pulling out shoulder straps. This back pack really helped me make it as I trekked to Sully Compound with three bags weighing a total eighty pounds. I had to use the carry-on as a backpack because the trail to Sully has large gravel making it impossible to pull a roller suitcase.



Alpine Backpack/Carryon

After we got to Sully Compound, we were given body armor and a Kevlar helmet then shown where to store our luggage. The staff signed us up for the trip on the Rhino to the International Zone. We arrived at 3:00 pm in the afternoon and our trip on the Rhino was scheduled for sometime that night (it runs at a different time each night for security reasons). In the meantime, we were able to go on the Internet to check emails then later

we went to eat at the mess hall near the compound. Later in the evening we were taken to a nearby military camp that serves as the pickup point for the Rhino.

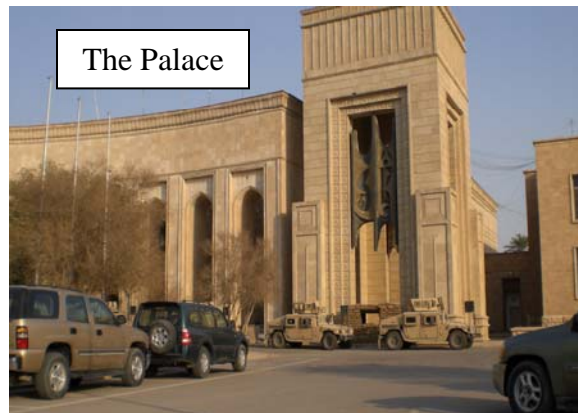
This camp was an interesting place in that it was also a staging area for soldiers going on R&R. There were many soldiers there for the night as they prepared for a flight out the next day. I was able to talk to some young soldiers from Forward Operating Base (FOB) Kalsu where I will be stationed. They were positive about the FOB and the security situation in the area. One of them told me that they were on the roads all the time and that there were no major issues. I was surprised at the number of young women in uniform and in combat. The soldier that told me about FOB Kalsu was a girl not much older than my niece, Wren Maxey, had been when she died. These young soldiers are our heroes. They fight and they are aware of the sacrifice that is being asked of them. While the soldiers I talked to were positive, I did see some graffiti in a remote spot in the camp that simply said, "Their Freedom, Our Blood."



The photo on the left is inside the Rhino, an armored bus, that took us into the International Zone. Here I am on the right in flak jacket and helmet on the Rhino.



I arrived at the International Zone at 4 in the morning and was taken to the USAID compound where I was able to get some sleep. I stayed in my trailer the next day and rested. On Saturday, I started to explore the area around the compound. There were concrete "T" walls everywhere to prevent damage from car bombs. Security guards were posted at every compound entrance. I noticed they were mostly Hispanic so I asked one what country he was from and he said, "Peru." He explained that there were more than 1,000 Peruvians serving as security guards in the International Zone and they were employed the security firm Triple Canopy. I explained that we had lived six years in Peru and that my youngest son was born in Peru. After that I stopped and talked to many of the Peruvian guards – it was a nice touch of familiarity in a strange place. I walked to the Embassy offices at the Palace and took photos along the way and at the Palace. The following photos were taken on the second and third day I was in Iraq.





Street in the International Zone



Gate to the Palace



Monument to 1958 Revolution



Humvee in the IZ



Monument to Iraq-Iran War



Palace

The week included a number of briefings on different aspects of the US strategy in Iraq which consists of kinetic (fighting people) and non-kinetic (building things) activities. The standard response to any question here is – “It’s complicated.” If you ask me what the overall strategy is for achieving our objective of a stable, democratic Iraq, I can tell you what we hope will happen but so much depends upon the Iraqis standing up and taking responsibility for their country. It would mean people would have to decide to reconcile their differences, share the wealth, and share power. That hasn’t happened in Iraq without the force of a central dominating king or dictator in 5,000 years (probably not since the city states of the Sumerians which were based kinship and clan). So the overall picture appears dim. However, the one bright spot is what is happening at the local level in the Provincial Reconstruction Teams (PRTs).

We now have 25 PRTs in Iraq and the United States Agency for International Development (USAID) has a representative on each one. I am going to be the USAID Representative at ePRT North Babil located south of Baghdad (see Attachment One). My primary job is to work with the Army Brigade Commander to develop and implement a counter-insurgency strategy that promotes Iraqi government legitimacy and meets the economic and social needs of the people in our area of operation. This work will be guided by the Army – Marine Corps Counter-insurgency Manual edited by General Petraeus. What we do here and the lessons we learn will determine how the US fights wars and secures our country for the remainder of this century. This is a historic effort and we are fortunate to be participants in it. God bless our efforts.

During the week we had briefings on the Iraqi economy – they actually have a significant amount of money but are having trouble getting the funds out to the provinces. The PRTs are focusing on ways to increase Iraqi government budget execution by working with individual ministries and local groups to get the funding moving. This has been a very successful area for the PRTs and this is one of the reasons that President Bush and others in the administrations are interested; PRTs are making a difference at the local level. This is the civilian surge that started last year and was the objective of a contentious meeting at the Department of State between Secretary of State Rice and Foreign Service Officers facing the prospect of being forced to serve in Iraq. In the end, enough people volunteered and no one was forced to serve here.

I made my first trip into Baghdad on Thursday for a meeting with a group promoting local economic growth. It was a good meeting and I was impressed with the Iraqi staff. They are true heroes in this process literally facing death everyday. I had long discussions with one Iraqi lady who at the end of our meetings indicated she could not shake hands because of Islam. Interesting – I, as a non-Muslim, have to learn the customs here. Walter Yates, my Desk Officer at the Office of Provincial Affairs, went with us (see photo on right).



The ride to my first meeting in the Red Zone was very interesting. We had two armored cars, an armored Humvee with 50 caliber machine gun on top, and a Bell helicopter overhead with two gunners. The lead car cleared intersections and the Humvee provided overall security with the helicopter acting as a scout and lookout but also capable of getting us out of there if necessary. We were dressed in body armor and Kevlar helmets.



Here are photos from the trip.



Trip to meeting in Baghdad.



Today, February 15th, was supposed to be a day off but work pretty much goes on all the time in Baghdad. I went with an Army Non-Commissioned Officer to get new and improved protective gear before I go out to my field assignment next week. The photos below show the training we went through in how to assemble, protect and use our gear. “This can save your life, so listen up.” Sergeant Jack Perry provided a great overview of what we needed to do and he got us suited up with state of the art body armor.



M.Maxey with other ePRT colleagues & military support staff.

Attachment No. 1 – Location of ePRT North Babil



Weekly Report
Michael Maxey, USAID Rep.
EPRT North Babil
February 23 – March 1, 2008

Arrival at EPRT North Babil – I arrived at FOB Kalsu on February 24th to assume my assignment as USAID Rep. for EPRT North Babil. Vanguard staff provided excellent support. I was briefed on current issues facing the team and was formally presented to the 4th Brigade Combat Team Commander, Col. Thomas James.

Field Trip to Sedah City – On February 25th I traveled with Team Leader Howard Van Vranken to Sedah City area to (1) visit hydroelectric dam and discuss power infrastructure issues with Iraqi officials, (2) discuss local issues and development priorities with the Sedah City Council, and (3) tour the state owned cement factory and discuss production and marketing issues with the factory officials. See attached trip report and photos.

Field Trip to Fish Farm Areas with General Lynch – EPRT was directed to prepare for a visit by General Lynch to fish farm operations in the North Babil area. We proposed a visit to INMA Fish Farm activities that under consideration by USAID with two part visit planned by the INMA Aquaculture Expert to the Euphrates Fish Farm near Hillah followed by a visit to the Iskandariya Fish Farm area as a site for expansion for aquaculture support. See attached trip report and photos.

Participation in Governance Conference - On March 1st, I attended “State of Babil” Conference convened by General Cardon. Attached is Memorandum of Conversation from that meeting with a list of follow on actions.

Brief to Division Leadership on USAID Activities in North Babil – A FRAGO directed the EPRT to prepare a brief on present and future USAID activities in North Babil. The attached brief was prepared and will be delivered at some date in the future. The points included in the brief were requested in the FRAGO.

Upcoming Events:

(1) Meeting and Field Trip on March 2 and 3 at FOB ISKAN – I will travel to Iskandariya to discuss IDP (Internally Displaced Persons) situation for the Khidr area with USAID staff and USAID implementing institutions with objective of developing a plan of action to address IDP issues.

(2) Briefing with Vanguard Surgeons – August 7th meeting is scheduled to brief staff on USAID activities in health sector and discuss how we can better coordinate our efforts.

(3) Meeting with RTI Representative, Lamar Cravens, for briefing on Governance Training in North Babil and to discuss the potential of having two RTI staff assigned to this area.

Trip Report
Sedah City, North Babil
Michael Maxey
February 25, 2008

I accompanied EPRT Team Leader, Howard Van Vranken to Sedah City with Lt. Ray and a military escort from FOB ISKAN to three sites in the Sedah City area.

Sedah Dam - We first stopped at the Sedah Hydroelectric Dam and met with Mohammad Nasir, the General Manager of the Dam. He along technical staff explained that the facility was running at about 10 percent capacity. It produces only 1.5 megawatts out of a potential capacity of 15 megawatts. While the power produced at the plant feeds into the national grid, there is a dire situation locally in terms of access to electricity with power available only 3 to 4 hours per day. Four turbines are currently installed at the dam but because of (1) silting, which lowers water intake, (2) problems with trash removal of water going into the turbines, which limits the effective of power generation and can damage the still functioning turbines, and (3) a general lack of spare parts, the dam is barely functioning. Money is not available within the regular budget of the facility to purchase spare parts, repair the trash removal system, nor initiate dredging. Mr. Nasir indicated the highest priority need is to hire an engineer to fix the trash collection system. "Our problem is finding the money to pay for an engineer to repair the facility." We asked what actions were taken to address this within the Government of Iraq (GOI) and were told that a request for repairs had been sent to the Director General of Electricity but there had been no response. We asked for a copy of the request and a document number so that we could follow up directly with the DG of Electricity in Al Hillah. Mr. Nasir indicated he would forward us the necessary documentation.



Sedah Hydroelectric Dam

Sedah City Local Council - Our second stop was at the Sedah Local Council where we discussed governance issues and economic development. We met with Said Hayar and other members of the Council. They said that RTI governance training had been good

and that they learned important aspects of budget planning and execution as well as how to improve management systems.

Howard Van Vranken asked, “I wonder if there will be wide participation of the election in March?” Said Hayar stated that there were concerns because the election slate would be a closed list – people would not be able to vote for particular candidates. When asked about the last elections Mr. Hayar indicated that they had been fair. When asked about the council’s relation with the Provincial



Council, Mr. Hayar indicated that things were not great, the Provincial Council overstepped its authority in mandating two men to be hired under one of the trash pick up programs administered by the Local Council. When asked about the security situation, Mr. Hayar replied that security had improved significantly. When asked what were the greatest problems Sedah City faced, he replied that unemployment was the biggest issue the Local Council had to address.

Pressed to describe their local economic development plan, the Council said they had a strategy to promote tourism through the construction of a hotel and targeting the upscale religious pilgrims coming to the Shia Holy sites. Some actions are underway to support this project but the needed investment capital for the hotel has not been found yet. When we asked what do the local people think is most important, the Council members responded that the No. 1 complaint of the local population was the lack of essential services (electric power, sewage management, road rehabilitation and maintenance, and potable water).



The meeting closed with a ceremony and presentation of funding for small grants to the Local Council by Lt. Ray and his colleague.



Walk through Sedah City Market – After the meeting we toured the downtown market area. Stores were open and there was economic activity. We talked to different shopkeepers who were selling vegetables, cell phones, dry goods, etc. Everything appeared secure and people approached us and were open and friendly.



Cement Factory – The last stop on our trip was at a state owned cement factory where we met with Technical Representative Mr. Hussein. The plant is limited in the amount of cement it can produce because of a lack of electricity – production is at 25 percent of capacity (it has the potential to produce up to 12,000 metric tons of cement per month but now the production is around 3,000 metric tons). If the plant were fully operational, it would employ 1,000 people (it currently has 317 employees). We asked if funding could be made available from the Provincial Council for capital improvements at the factory. Mr. Hussien said that the repairs needed to infrastructure are very big. He then took us to see the 4 electric generators that previously powered the plant at full production – none of them worked.

Trip Report

General Lynch Visit to Euphrates Fish Farm &
Meeting with USAID/INMA Officials
Michael Maxey --- February 29, 2008

I accompanied Col. Shuck, Lt. Gottschall, and USDA Rep. George Stickels on a trip with General Lynch to the Euphrates Fish Farm area near Al Hillah. We were accompanied by INMA Chief of Party, Herschel Weeks, USAID Cognizant Technical Officer, Ron Curtis, and INMA Aquaculture Specialist Duane Stone. The purpose of the trip was to look at Euphrates Fish Farm operation and discuss INMA support for this project.

We landed at the fish farm site and General Lynch toured the hatchery, fish ponds and buildings with Duane Stone. The General questioned the lack of activity at the facility and asked what was being done. Stone explained that water was just now flowing into the ponds with support from INMA and the hatchery operation would be underway soon. The plan is to provide water, carp fingerlings, and fish feed for this growing season in the Al Hillah area with the idea of expanding INMA support for commercial fish farming to the Iskandariya area next season. It was agreed in an adhoc meeting with General Lynch after the tour that representatives of USDA, USAID, INMA and the EPRT North Babil would meet with General Cardon in the near future in Baghdad to determine what INMA and Vanguard could do to put together a functioning fish farm program in North Babil as soon as possible.

From a purely technical and operational view point, my suggestion is that from the INMA side we include their Chief of Party Herschel Weeks who is the director of all INMA operations in Iraq along with their Aquaculture Expert Duane Stone. USAID participants should include INMA CTO Ron Curtis and EPRT North Babil USAID Rep Michael Maxey who is also the INMA Activity Manager for the area. USDA should be represented by George Stickels. A representative from BCT who speaks for Col. James concerning allocation of CERP funding should participate as well.



The second part of the meeting focused on the Central Euphrates Farmers Market. It was decided to discuss INMA participation to support this activity in partnership with the military. A general discussion focused on how Vanguard could put up the funding for construction of a farmers market while INMA put funding for training and technical assistance for agricultural production and marketing. INMA Chief of Party asked EPRT North Babil staff to bring the proposal for the Central Euphrates Farmers Market to the meeting on Tuesday in order to work details and funding amounts in how we can cooperate.

Actions Requiring Decision: Col. James needs to decide how we will proceed in meeting General Lynch's request to have a meeting to discuss specific activities, funding sources and implementation issues for the Iskandariya Fish Farm Program and the Central Euphrates Farmers Market. We also need to finalize the details for the meeting with INMA, USAID and EPRT North Babil staff to decide how we can move forward on both these programs.



General Lynch studying map of fish farm areas.



General Lynch giving gift of a book to Fish Farm Manager.

Memorandum of Conversation
State of North Babil Meeting with General Cardon
March 1, 2008

I participated in a meeting on governance issues for Babil Province convened by General Cardon and attended by USAID Baghdad officials (Julie Koenen-Grant, Gavin Helf, Geoff Minott), RTI Regional Manager Lamar Cravens, Office of Provisional Affairs Desk Officer Walter Yates, Vanguard officer corps led by Col. Thomas James, and EPRT North Babil and PRT Babil. General Cardon started the meeting off by highlighting three problems that needed to be addressed (1) Sons of Iraq – Funding is coming to an end and a transition to private sector is needed, (2) North Babil – As a mixed Shia – Sunni area, there is a need to quickly promote economic development, participation and ownership of local governance mechanisms, and (3) Focus- What are the key areas to focus on.

There was open discussion on election process and how to promote transparent, Iraqi-owned elections. Linking North Babil to Babil area activities was discussed with PRT Babil explaining an effort already underway for better asset management through training and GIS technology provided by RTI. Original focus was on Hillah City but the program is now ready to expand north to Iskandariya and other cities in North Babil. In terms of focus, it was made clear that we should focus our efforts on the Belaydiah and leverage greater Ministry investment in the province. General Cardon reminded everyone that the 2009 budget cycle was almost ready to begin and that it was imperative to get Local Councils, Belaydiah and the Provincial Councils talking to each other to plan adequate investments that are equitable (investment amount based on population was discussed as one criterion for assessing fairness in budget planning and executing).

Follow up issues included:

- (1) Determining how we can promote more governance training for our Local Council, Provincial Council and other governance participants – RTI suggested having mixed classes in their facility at REO Hillah while LTC Shuck suggested also trying to find ways to bring the training classes to North Babil to ensure wide participation.
- (2) Given the need for economic development, it was suggested that General Cardon consider convoking an economic development discussion like had been done for governance that included USAID Baghdad Economic Growth staff.
- (3) Find out what type of investment promotion support is available within the Iraqi government or from donors to help the country attract investment capital. Recently a venture capital group talked with General Cardon about investing in agriculture, real estate and financial instruments in Iraq but he didn't know where to send them or to with whom they could talk.



Weekly Report March 8, 2008
ePRT North Babil
Michael Maxey, USAID Rep.

Primary action for the week was trip to Khidr area, north of Iskandariya, where elements of the 4th Brigade Combat Team, 3rd Infantry Division, “The Rock of the Marne,” had cleared out Al Qaeda of Mesopotamia from the fish farm areas. Purpose of the trip was to bring out USAID partners to determine what could be done to rebuild the area, provide essential services, and restore a sense of hope. Attached is a trip report to the Khidr area on March 2 – 3, 2008.

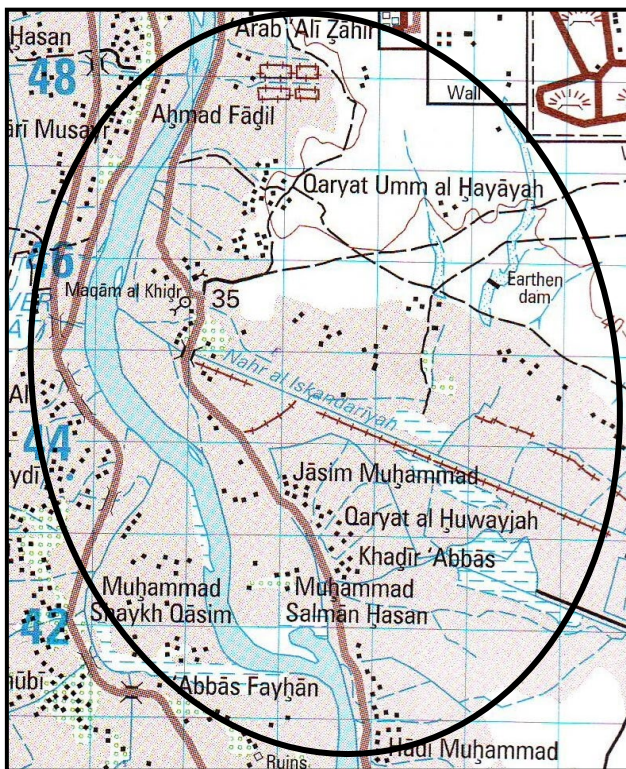


Shia Holy Shrine in Khidr – completely destroyed by Al Qaeda in December 2008

Trip Report
Meeting with Local Leaders & Field Trip to Khidr
To Assess Internally Displaced Persons (IDP)
Michael Maxey - USAID Rep. – EPRT North Babil
March 2 – 3, 2008

The purpose of this trip was to assess IDP issues and develop a preliminary plan for USAID financed activities in Khidr and nearby villages. Meetings were hosted by LTC Timothy Newsome on March 2nd with USAID staff and partners¹ as part of the assessment process. Three meetings were held on March 2nd: (1) USAID staff and partners introduced themselves explained their role in IDP situations, and what they could potentially bring to the fight, (2) the US military briefed on the situation in Khidr and the region, and (3) Iraqi local leaders from Khidr area explained their priorities for assistance.

We started the meeting with introductions of the different people and a brief explanation of their specific programs: Jane Thomson, IRD Manager for the Community Stabilization Program (CSP) explained that she was starting up activities in North Babil and their her mission was to provide assistance in community infrastructure (roads, schools, health clinics, etc.), small business development (micro-grants, votech training, etc.), and youth programs (sports leagues, sports facilities, etc. Jack Myer, Office of Foreign Disaster Assistance (OFDA) IDP Program. Manager highlighted the role of OFDA as the first responder to emergency situations where their goal is too keep people from dying immediately. OFDA



has a number of partners managing IDP activities in Iraq (one of which is IRD) and they are involved in providing temporary shelter, potable water, etc. The OFDA IDP program also interfaces with the Ministry of Migration payments to help people meet basic needs while they get back on their feet. Jon Wiebe and Rebecca Coolidge, DAI IRAP (this is

¹ Jon Wiebe, Iraqi Rapid Assistance Program (IRAP) DAI Program Manager; Rebecca Coolidge, DAI Grants Manager; Jane Thomson, IRD Manager Community Stabilization Program (CSP) and Mat Simmons, Security IRD; Jack Myer, OFDA IDP Expert; Michael Maxey, USAID Rep. EPRT North Babil.

the QRF mechanism) explained that IRAP is an EPRT led process that can do a variety of projects ranging from infrastructure rehabilitation (with sustainability assured in some way) to micro-finance for businesses. Jon explained the new limit for a grant under IRAP at the local level was raised to \$500,000 of which not more than \$200,000 could be used for construction. He also explained the process for developing and submitting proposals via the IRAP database.

The meeting with the Iraqis included three local leaders: (1) Sheik Jafe Hussens – Khidr; (2) Sheik Sadar – Ditung; Sheik Sadaoon – (not from the Khidr area), Mr. Omar and Mr. Udah (I believe are from a village called Umm al Hayahay which translates to Mother of Snakes). We met for two hours and had a wide ranging discussion. The Iraqis were focused on big ticket items – road paving, electricity and reconstruction of houses destroyed by AQI. We finally got down to some specific issues regarding their priorities: schools (especially refurbishing and expanding the high school in Khidr), potable water and home reconstruction. They also raised issues concerning inequities in distribution of food as well as payments for rebuilding of homes. They said Sunni were discriminated against – that Shia received benefits but the Sunni were excluded. They also said that they felt the Government of Iraq was unfair to them.

At one point, one of the Sheiks said, “The most important thing you can do for us is to get the Iraqi government to equitably allocate resources to our communities.”



Meeting with Iraqis at FOB ISKAN

In the discussion with the Iraqis it was noted that we could help them review the Provincial Reconstruction Program activities that were supposed to have been completed this year and also help them work with the Provincial Council on the 2009 budget. We discussed a possible trip to Hilla to assess budget allocation and execution for North Babil in general and the Khidr area specifically. It was also agreed that some quickly funded activity like canal cleaning was needed immediately to generate income for local residents.

March 3rd Field Trip to Khidr, Ditum and Umm al Hayayah – We went to the field with battle space commander, Captain Jim Hart who provided a briefing during the trip of how the battle was won for this area. He explained that the final fighting had taken place in mid-December and that as AQI left they destroyed homes, mosque, Shia shrine and medical clinic.

As we approached Khidr we saw many destroyed homes, a completely demolished shrine to Khidr, one of the 12 Imams of Shia Islam. This was an important shrine and was deliberately targeted. We stopped in Khidr and toured the area, at one point we stopped at the local school. The photographs below area composite of photos made near the school, the Shia Shrine lies in ruins in the background with people all around trying to rebuild and LTC Newsome with school children we found in their class room at the damaged school.

I visited one of the classrooms and made a photo with the local children. It was evident everywhere that people were not waiting for assistance but were actively trying to rebuild with whatever resources they could scavenge from the rubble.





Rebecca Coolidge – DAI



Jack Myer – USAID OFDA



Jon Wiebe - DAI



USAID Partners

The “Way Forward” for Khidr and Surrounding Area: At the end of the trip, LTC. Newsome met with us and asked for feedback on what we thought was possible in terms of assistance for Khidr. Each partner explained what they saw as primary issues and then told what the next steps were for providing assistance.

Jane Thomson – CSP – Immediate need for the area is employment. Over 3,700 SOIs that will need to be absorbed into local labor pool after the end of June. Focus should be on canal clean up to employ people. Jane requested and received from the US military a listing and map of all priority canal cleanup sites in the Iskandariya area. Jane also indicated there could be assistance in refurbishing the school in Khidr and in rebuilding the medical clinic. Some small business activity agriculture or fish farming may be possible as well.

Jon Wiebe – DAI IRAP - Reconstruction of destroyed homes is a key issue and this is an area that IRAP could possibly help on but Jon indicated he needs to confirm with staff in Baghdad on how to put together a proposal that would meet criteria for approval. If this is worked out, there could be up to \$200,000 for Khidr in reconstruction assistance (in-kind materials and supplies following a model unit to provide temporary housing until the community is rebuilt). Lower amounts of funding could possibly be provided to surrounding communities. Assistance in rebuilding the high school (adding bath rooms for women teachers and female students as well as refurbishing classrooms could be done – Jon and Jane will coordinate what CSP and DAI will do – one will work in Khidr with other focused on school rehabilitation elsewhere). The same for the destroyed medical clinic. Either CSP or DAI will work to rebuild it. In either case, a commitment will be obtained from the DG of Health and Education in Hilla committing teachers and medical staff. Jon indicate that something could also be possibly done for potable water. Finally, he mentioned the need to go forward with the pending \$500,000 business development microfinance program and tie this area into the training and micro-credit activities under the proposed Small Business Development Center. We also discussed seeking ways to link CSP and IRAP to combine the CSP micro-grant system with the IRAP micro-credit in order to leverage more synergy and support more viable businesses.

Rebecca Coolidge – DAI Civil Society – Highlighted the need to move forward in setting up registered NGOs as a way to provide assistance at the local level. She mentioned the intermediate term need to establish an “NGO Incubator” possibly in conjunction with the Small Business Development Center in Iskandariya. Regarding NGO registration Rebecca mentioned that the law has been changed and it is apparently becoming more difficult to register an NGO. We agreed to follow up on this issue after she meets with Embassy staff who have been involved in analyzing the new law.

Jack Myer – OFDA IDP – Conceded that CSP and DAI can play a stronger role than OFDA in the development Khidr since OFDA’s role is limited to people in very dire circumstances. Jack did mention that he could work with us terms of addressing the inequitable distribution of grants for reconstruction by the Ministry of Migration. We will follow up with more details so Jack can track this issue in Baghdad for us.

Recommendations/ Next Steps:

- (1) Take immediate action to promote better budget planning and execution of GOI resources to Iskandariya area (including Khidr). It was recommended that Capt. Jim Hart and I go to Hilla in order to do the following: (i) Get the PRDC list for the Iskandariya area (with this list we can compare what was planned against actual accomplishments) and we make sure the list is publicized for this year and when the 2009 list comes out, (ii) get written commitment of support in the form of a Memorandum of Understanding (MOU) with the DG for Health and for Education regarding the construction and/or refurbishment of schools and health clinics, and (iii) Meet with Small Business Development Center director (Dr. Asmaa) to discuss strategic vision of proposed SBDC in Iskandariya – how do we think strategically in order to have the greatest impact on small business development and how can we coordinate partner support toward a common goal.
- (2) Registration of NGOs - This may be a serious problem if Inma can only do grants and activities with registered farmer associations. Rebecca will work with us to find out how to proceed under the new law and also help us think about ways to work around any constraints the new law may bring (one idea was to work with existing registered NGOs in Baghdad and have them manage grants with unregistered farmer groups, fish farm association, etc.
- (3) Identify Local Committees – As part of Civil Society initiatives we agreed to help find out where the Community Action Committees are located and how they are operating. I agreed to request this information from CHF.

Destruction in Khidr Area



Weekly Report
Michael Maxey, USAID Rep.
EPRT North Babil
March 9 - 15, 2008

Inma, USAID, Military & EPRT North Babil Meeting – There was a meeting on March 9th at the USAID Compound hosted by Ron Curtis, USAID CTO for Inma. We brought together military and Inma representatives to discuss a “partnership” for moving forward on a comprehensive agricultural development strategy in North Babil. The attached trip report describes the discussions and next steps in this process. A meeting is currently scheduled with General Cardon on March 21, 2008 to continue this discussion and finalize commitments from the different partners.

Fish Farm Association Meeting - Approximately 60 fish farm owners met at FOB Iskandariya on March 12, 2008, and voted to create the Al Ezdihar Agriculture and Fisheries Association. This was a critical step forward for addressing problems that constraint a major ag sector initiative in North Babil – fish farming. In a sense this was a major success in grass roots nation building which some (William Polk, author of “Understanding Iraq”, for one) believe is the most important approach to creating sustainable governance systems in Iraq.

Iskandariya “Business Incubator” Model – With the approval last week of our IRAP Microfinance Program proposal for \$500,000, we want to continue business training program started with support from the Small Business Development Center and include additional that could evolve into a business incubator for the Iskandariya area. Attached is a one page proposal for next steps on the incubator model.

Briefing for General Lynch - I developed a slide showing current USAID program activities compared to a proposed “way forward” for USAID in the North Babil region. My job as USAID Rep is to find ways to build linkages to USAID long term programs from the on-going activities funded by various sources in such a way that we promote sustainability, capacity building and a better chance for lasting economic development.

Upcoming Events:

(1) Meeting with Farmer Association representatives that will form the Central Euphrates Farmers Market. The purpose is to discuss status of farmers’ market program and identify key actions to move the program forward.

(2) Meeting with General Cardon – A meeting is scheduled with General Cardon on March 21st with Inma, USAID and EPRT North Babil staff to discuss status of fish farm program and the farmers’ market initiative.

Trip Report

Meeting with Inma, USAID & Military Representatives
to Discuss Coordination on Agricultural Activities in North Babil

Michael Maxey - USAID Rep. – EPRT North Babil

March 9, 2008

A meeting was held at the USAID Baghdad to discuss coordination of USAID funded activities in the North Babil agricultural sector¹ focusing on two major topics: (1) Fish Farm Program, and (2) Central Euphrates Farmers' Market.

Fish Farm Program - We discussed 5 areas in getting the Fish Farm program underway in Iskandariya - Khidr area. An email response to the points raised in this trip report was sent to me by Inma Senior Ag Advisor Tony Laos and is attached. The following topics were discussed:



Herschel Weeks, Inma Chief of Party,
discussing Inma's planned activities in North
Babil.

(1) Fingerlings - Inma stated it had contracted for the delivery of 6 million fingerlings in Babil Province and that it is willing to grant fingerlings to the Iskandariya Fish Farm Association to distribute to its members but wants a service contract established to create financial system, accounts and records that track the funding generated by the sale of fingerlings by Association to its members. Price and actual revenue generation would have to be determined. At any rate, a significant amount of fingerlings could be made available through mid-May to members of Fish Farm Association.

(2) Pond Cleanup - Concern was raised in the meeting that members of Fish Farm Association must be ready to receive fingerlings. There was a discussion that the micro

¹ Participants included: (1) LTC Roger Shuck, Deputy Commanding Officer BCT 4/ 3rd Infantry Division (roger.shuck@4bct3id.army.mil); (2) LTC Bruce Baker, G9 Economic, 3rd Infantry Division (bruce.baker@iraq.centcom.mil); (3) Major Nathan Fischer, G5 Plans, 3rd Infantry Division (nathan.s.fischer@us.army.mil); (4) SSG Richard Jones, G9 Pumps, 401st CA, 3rd Infantry Division (richard.allan.jones@iraq.centcom.mil); (5) Robert Sindler, MNC-I C9 (Robert.sindler@iraq.centcom.mil); (6) Herschel Weeks, Chief of Party, Inma (hweeks@inma-iraq.com); (7) Fred Mann, Deputy Chief of Party, Inma (fmann@inma-iraq.com); (8) Tony Laos, Ag Sector Manager (tlaos@inma-iraq.com); (9) Patricia Buckles, Advisor (pbuckles1@hotmail.com) Tel. (0)7901-108-812; (10) Al Merkel, Advisor (amerkel@inma-iraq.com); (11) Ron Curtis, USAID Inma Cognizant Technical Officer (CTO) (rcurtis@usaid.gov); (12) Reta Assegid, USAID Inma (rasssegid@usaid.gov); (13) Michael Maxey, USAID Rep. EPRT North Babil (mmaxey@4bct3id.army.mil).

grants could be used to prepare ponds for receipt of fingerlings. We would need to get a handle on how many ponds would be ready for production and what would the actual demand for the fingerlings be.

(3) Water Flow Management – Concern was raised about water flow management problems with canal drainage, canal clean up, etc --- will the ponds have water in which the fingerlings can be placed. I told the group that Col Newsome was arranging a meeting of the Fish Farm Association leaders with the DG for Irrigation to discuss water management in the fish farm area. If there are immediate actions required to get water into ponds and have a water management capability that supports fish production, then we need to outline what they are. I told the group that CSP (Jane Thomson) was given a list of priority canal cleanup sites and that we would coordinate with her to make sure the highest priority canals for fish farming would be on the list for cleaning (I also mentioned that primary canals required a backhoe and probably wouldn't be on the CSP list because their focus is on creating labor intensive projects). There was a discussion that micro-grants could be used in water management (purchase of pumps, diesel fuel, etc.), There was also a discussion about what the US military role could be in canal cleanup.

(4) Fish Feed - Inma requested assistance in procuring fish feed for this production season. A follow up discussion among military staff focused on getting sufficient feed (based on quality specs and sourcing information from Inma) for the fingerling production estimated to be 12 metric tons (essentially one truck load). Additional feed requirements for this season could be met by the farmers and since this is a longer term requirement we could try to link this financing need to a micro-finance capability available under a proposed micro-finance institution we are trying to start in Iskandariya. Also, there was a discussion of using micro-grants and micro-financing for local feed procurement.

(5) Marketing - We discussed "live haul" tanks with aeration pumps. The military discussed the possibility of getting up to 30 tanks built. Ten tanks would be built within 2 months to use in transporting fingerlings with another twenty tanks ready within 9 months for marketing of fish. The distribution of the tanks would be through Fish Farm Associations with details to be worked out.

In summary, micro-grants could be used effectively to bridge to Inma longer term program if they could be used to get fish production under way this year by supporting (1) pond cleanup, (2) water management (canal work and/or diesel water pumps), and (3) feed (initial purchase requirements with potential access to micro-credit downstream). One idea discussed in general terms was to provide a micro-grants to Fish Farm Association members administered through the Association with a requirement that they use the funding for specified purposes to address key constraints on getting fish production under way this year. As much of the credit as possible would be supplied in kind, monitored on the ground by Capt. Hart's Company, with technical oversight by EPRT North Babil staff (Fouad Hussein). The three areas we cited (pond cleanup, water management and feed) could be the focus or there could be other, more critical areas.

Central Euphrates Farmers' Market

There was a general discussion of the proposal prepared by the EPRT North Babil Ag Team. It was decided that Inma should field a team to come to North Babil to discuss the Central Euphrates Farmers' Market concept with the Ag Team and meet with farmer representatives. The Inma Regional Manager, Tony Laos, would manage the design of any Inma support to the Farmers' Market. Inma indicated there was great potential in the Ag. Team's concept and that it offered a vehicle for providing a wide array of services to the local farmers. We agreed that we should reiterate that our No.1 priority for CERP funding for the Brigade is for the construction of the market.

Key Actions

From my meeting notes the following were key actions for followup.

- **What are immediate priorities for getting fish farm ponds ready to receive 6 million fingerlings? Action:** Get Inma representative (Dean Aqiqi & Assistant Engineer) to Fish Farm Association meeting on March 12th. This is setup -- we are preparing a flight for Dean to FOB ISKAN on the 12th. Assistant Engineer is to travel by land to FOB ISKAN. They will discuss canal draininage and water management issues. We need to get an update on outcome of discussions of LTC Newsome, Capt. Hart and Fish Farm Representatives with the Irrigation DG office in Iskandariya. Also need to determine priorities for cleaning and other work on canals critical to operation of fish ponds.
- **Can military provide fish feed, canal work and live haul tanks? Action:** Follow up meeting after the conclusion of main meeting with the military personnel indicated they were ready to provide feed for fingerling production (approximately 12 metric tons) with consideration of additional feed. The canal work would also be considered. I was asked to provide Capt. Hart's brief on the fish pond canal issues to Sgt. Jones. I'll have a CD with all the information for Inma Water Management Advisor, Dean Aqiqi, on the 12th at FOB ISKAN. Regarding the live haul tanks, as discussed previously, the military understood that they were being prepared for transport of fingerlings and later for marketing of fish production with 10 live haul tanks ready within 2 months and the other 20 live haul tanks would be ready within 7 months in time for marketing fish.
- **What actions can be taken to move forward on the Central Euphrates Farmers' Market? Action:** We agreed to get Inma staff out to North Babil to talk with EPRT North Babil Ag Team and hold discussions with farmer representatives. Discussions are underway to get Tony Laos, Inma Regional Manager for North Babil out to FOB Kalsu for these meetings prior to March 18th. It was also discussed and agreed that CERP funding (>\$2 million) for the Central Euphrates Farmers' Market was the highest priority for 4BCT 31D. Inma indicated a willingness to discuss all options regarding how they could assist the

farmer associations.

- **When can we meet with General Cardon to go over decisions and "Way Forward" approach in North Babil? Action:** I understand that LTC Shuck is going to work with LTC Bruce Baker to setup a time for the meeting with General Cardon during March 18 - 23 at the USAID Compound. This meeting would be to review the details of coordination between Inma, EPRT North Babil, USAID and the military for getting fish farm production underway this year. The meeting would also focus on next steps for the Central Euphrates Farmers' Market.

Inma/USAID/Military/EPRT North Babil Meeting

USAID Compound – March 9, 2008



Back Row – Left to Right: Fred Mann, Patti Buckles, Al Merkel, Herschel Weeks, Ma. Nathan Fischer, LTC Bruce Baker, Michael Maxey. Front Row – Left to Right: SSG Richard Jones, Tony Laos, Ron Curtis, LTC Roger Shuck

Attachment

Email to Michael Maxey from Tony Laos, Inma – Senior Ag. Advisor, dated March 11, 2008:

Michael,

I will try to address your topics as they appear in you memos of March 10 & 11, 2008.

1. Fingerlings - Inma mentioned that it was in process of purchasing 6 million fingerling from the Euphrates Fish Farm. We mentioned that we could consider making available a portion of these 6 million fingerlings to the new association once it was formed and had all the necessary prerequisites needed to receive help from Inma. There are other associations and fish farmers who also need fingerlings, and Inma would like to ensure the distribution is equitable. As you are aware, all awardees of fingerlings go through a grant mechanism and must meet minimum ADS and USAID administrative and accountability requirements.
2. Pond cleanup – Inma did not commit or say that it would give grants for pond cleanup. On the list that Inma distributed, of things that could be done the military was asked if it could clean the lined canals and drainage ditches. Inma does not have resources for funding micro-grants for this purpose. Micro-grants would come out of other resources.
3. Water Flow Mgt. – Again Inma did not state or mention that it would give micro grants for canal cleaning. Inma asked if the military could use the large labor force that it had hired under the Sons of Iraq program to clean canals and drainage ditches, as well as provide all heavy equipment needed.
4. Feed – Inma is not going to give micro-grants, but Inma did say that it could offer micro financing to about 200 fish farmers directly associated with the Inma demonstration program to meet feed requirements.
5. Marketing – Here as you state Inma did **ask** military to build and prepare up to 50 live haul tanks with aeration and trailers. Inma offered to see about getting the 12 volt pumps that the tanks would need for aeration.

With regards to the discussion of micro-grants, we must advise that we are not considering any micro grant program at this time. Under our program accountability requirements, giving a number of micro-grants is out of the capability of Inma both administratively and managerially. That said, we are considering a micro-finance loan program through CHF and perhaps other micro finance organizations provided they can qualify under USAID regulations. Any microcredit organization must have considerable management capability and be certified by USAID for managing US Government funds. The purpose of this meeting is to obtain as much information as possible on the new association that is being formed in the North Babil area. Stating again what Dr. Herschel Weeks said at the beginning of our meeting on the 9th: General Lynch stated to him that military would or could clean canals and ponds, build transfer tanks and buy fish feed. Inma has said that it would get water pumping to EFF, distribute 6 million fingerlings to the region (methodology not yet set), establish feedlots and also help establish improved feed grains production. Inma would also help add to the wholesale market that was started using CERP funds in North Babil by adding cold storage and possibly a feed depot if enough land was available. Inma is also looking at assisting in grant to loan and micro-finance institutions. We are all waiting to have the date set with General Cardon for the meeting where we can come to some kind of conclusion of how we are going to move forward on all of these issues that will help the development of the Hilla and North Babil AO.

Trip Report
Meeting of Fish Farm Association to Elect Officers
Michael Maxey - USAID Rep. – EPRT North Babil
March 12, 2008



Al Ezdihar Fish Farm Association Members

Approximately 60 fish farm owners met at FOB Iskandariya on March 12, 2008, and voted to create the Al Ezdihar Agriculture and Fisheries Association (see attached member list). The group voted for officers and elected Chairman of the Association (Sheik Jaffar), Treasurer (Mahmod Kadum Mohammed), Treasurer Assistant (Mahmod Uda Basher), Secretary (Sattar Rahman Jandel), Secretary Assistant (Hussein Ali Zaher). EPRT North Babil will provide direct assistance and coordinate with others to provide the necessary inputs for the Association members to expand fish production this year¹.

“What actually makes representational government work is neither a written constitution, nor lofty offices, nor even reasonably honest officials, but the participation of citizens at the grass roots. Only when people take charge of their mundane problems do they acquire the habits, skills, and self assurance that make them able to restrain or guide government.”

*P. 196, “Understanding Iraq”
William R. Polk*

This was a concrete step in a thousand mile journey of nation-building in Iraq with Iraqis at the grass roots taking matters into their own hands. Aside from solving their immediate problems, they are achieving a greater goal, they are giving hope to others that the future holds a brighter promise, that putting aside differences, laying down weapons and working together is better than continued strife.

¹ George Stickels, USDA Rep., and Fouad Hussein, BBA Agriculture, previously provided the leaders of the group instructions on how to proceed with the registration of their NGO. The Association will now move forward with the registration process. EPRT North Babil agreed to support the Association members move into fish production this season with a micro-grant program and coordinate efforts by the US Military and USAID funded Inma Program to provide critical inputs for this production season.

Al Ezdihar Agriculture and Fisheries NGO Association

Management board members:

- | | |
|--------------------------|------------------------|
| 1. Sheik Jaffar | NGO Chairman |
| 2. Mahmud Kadum Mohammed | Treasure |
| 3. Mahmud Uda Basher | Treasure assistance |
| 4. Sattar Rahman Jandel | Secretary |
| 5. Hussein Ali Zaher | Secretary's assistance |

The NGO area's representatives:

<u>Region</u>	<u>Representative Name</u>
1. Abu Loka	Mahmod Shaker Mohammed
2. Al- Kaderiah	a- Alawi Muhsin Hamadi b- Falih Ubaid Hamad
3. Abo Shamsy	Sattar Rahman Jandel
4. Al-Kosa – Abo Syaa	a- Shamil Taha Modib b- Saad Kareem Al-Rashid
5. Al-Hawija	a- Mahmud Kadum Mohammed b- Mahmud Uda Basher
6. Um Hayaya- Dedam	a- Hussein Ali Zaher b- Fadel Ali Abtan
7. Al-Sharikat alsamakiyah	a- Dr. Raed b- Sheik Jaffar
8. Al –Jarashiah	Thamir Mozhir

North Babil "Business Incubator" Proposal
EPRT North Babil
Michael Maxey, USAID Rep.
March 10, 2008

Background: Since August 2007, business development training has been offered by the Small Business Development Center (SBDC) in Hillah in cooperation with the Iskandariya Nahia Council. Trainers from the Hillah SBDC travel to Iskandariya and teach 15-20 students every other week in various aspects of business skills, financial planning, computer skills and software training. By the end of March 2008, the program will have trained approximately 240 students. Local government representatives in North Babil have expressed interest in expanding business training and start-up support.¹ EPRT North Babil now seeks to expand this training concept into a comprehensive business services center that provides not only training but access to micro-finance, micro-grants, vo-tech training and, in coordination with USAID partners, links to long-term development rural development and business promotion projects. This "business incubator" approach will (1) help the Nahia obtain vital information from the community on regulatory, infrastructure and other challenges faced by actual and potential business persons, (2) provide a central location for business training and support services for Iskandariya, Haswa, Mussayyib and Seddah, and (3) allow different USG funded programs to make investments in a coordinated way so that overall impact is increased.

Purpose: The purpose of this program is to provide North Babil with improved an improved environment for business, by providing microfinance, training and business advisory services thorough a Small Business Development Center located in Iskandariya.

Approach: Support actions to evolve the current small business training program into a self sustaining Small Business Development Center that will serve not only Iskandariya but the surrounding cities of Haswa, Musayyib and Seddah. This would entail developing a business strategy for the area, hiring a business services coordinator, identify specialists to assist in areas identified as priority needs for small business (i.e., computer skills, accounting, business registration, business planning, etc.), coordinate micro-financing and micro-grants, and linkages to larger scale development programs.

Next Steps: Confer with partners to develop a comprehensive proposal for a sustainable "business incubator" model, seek broad community input, and develop win/win approaches to create this Small Business Development Center that includes business training, networking, access to micro-finance and micro-grants, and mentoring support with linkages to longer term USG funded economic development programs.

¹ The EPRT and the Nahia council members agreed in discussions with previous EPRT North Babil USAID Rep. Lewis Tatem that the training program should evolve into a business development center that would offer training, financial and technical assistance to small business. A training facility has been completed in the Nahia council building and the Nahia council has agreed to provide an office for a branch of an MFI. The EPRT is already in the process of opening a branch of a microfinance institution using QRF funds.

USAID Activities in North Babil

USAID Current Programs

Economic Development

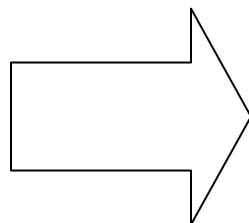
Community Action Program (CAP) II – Small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.

IZDIHAR – 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.

Governance

Community Action Program (CAP) II – School, health clinics, and infrastructure improvement. \$1,923,000 invested (Oct. 2007 – May 2008) benefitting 34,105 people.

Local Government Program (LGP) II – Training provided to over 300 local council members in budget planning and execution, participation in provincial planning process, and design of local economic development strategy.



Proposed USAID “Way Forward”

Economic Development

Community Action Program (CAP) II – Expand small business financing, infrastructure improvement, & victim compensation.

Community Stabilization Program – Support provided to Iskandariya Votech jobs training program. 1,000 additional students trained.

IRAP (Iraqi Rapid Assistance Program) – Support for business training, microfinance and marketing programs. Specifically, focus on “Business Incubator” in Iskandariya with capacity to establish 700 small businesses coordinated with CSP Vocational Technical Training Program.

INMA (Ag Production & Marketing Program) – Approval and start of implementation of three major agricultural activities in AO: (1) Central Euphrates Farmers Market – benefit 8,000 farmers and provide critical farm to market links; and (2) 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.

Governance

Community Action Program (CAP) II – Expand school, health clinics, and infrastructure improvement.

Local Government Program (LGP) II – 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 governance and economic development planning in North Babil area.

Weekly Report
Michael Maxey, USAID Rep.
EPRT North Babil
March 16 - 22, 2008

Meeting with Farmers Association – EPRT North Babil staff met with Farmers’ Association leaders to discuss status of land purchase and to inform them that CERP funding had been approved for the construction of the Central Euphrates Farmers Market.

Meeting with Fish Expert – EPRT North Babil staff met with local fish expert to discuss fish farm program and the need for technical support to the Fish Farm Association.

Trip to REO Hillah – Brigade Deputy Commander and EPRT North Babil staff traveled to REO to discuss economic development and governance issues. Meetings were held with DG of Municipalities and DG of Agriculture. Discussions were held with PRT Babil staff and RTI Local Governance II leadership.

Meeting with General Cardon - Brigade leadership and EPRT North Babil met with General Cardon to discuss ag issues in North Babil. Discussions focused on fish farm program and farmers’ market.

Trip by USAID & Partners to FOB Kalsu - USAID, Inma, OPA and USAD representatives came to FOB Kalsu to meet local farmers and discuss development issues in North Babil.

Upcoming Events:

(1) Meeting with Farmer Association representatives and farmers who are requesting micro-grants to get their ponds ready for production this year. March 24th ERPT North Babil will receive grant proposals and start the assessment process to determine the number and amount of grants to be provided.

(2) Field Visit by Minister of Agriculture and Minister of Water Resources – These two officials will visit farmers in the Iskandariya area this week to discuss local agricultural issues. I provided talking points for our discussions with these officials. Local Fish Farm Association will meet and discuss issues (water management ??) with them.

Memorandum of Conversation
Meeting with Farmer Associations
Central Euphrates Farmers Market
Michael Maxey – USAID Rep. EPRT North Babil
March 17, 2008

A meeting was held with the leaders of the four Farmer Associations that will be part of the Central Euphrates Farmers Market Program. We had a wide ranging discussion on a variety of agricultural issues (1) access to fertilizer and other production inputs, (2) status of NGO registration of the four associations, and (3) status of land purchase for the farmers market. Major Kim Peeples announced the



approval of the Farmers' Market Program by General Lynch. Fouad Hussein discussed next steps with the farm leaders in terms of moving forward on land purchase for site of the market. We agreed to meet again on Saturday, March 22, 2008, with the farmer leaders.

Fertilizer – Supply is limited for this year for good quality Potassium and Phosphorus fertilizer – Russia import is selling at a very high price (\$1,200 per metric ton). Urea is available but the price is going up (there was 29% increase in price of urea last week as the fertilizer went from \$310/MT to \$400/MT). The farmers said part of the price increase is due to increased demand as the planting season approaches.¹ There are supply problems and an evidently thriving “black market” in fertilizer. Farmers indicated that last year they had to get 60 percent of their fertilizer supply from the black market. Prices there range from 100 percent to 150 percent higher than the government price for fertilizer. When asked how they finance private purchase of fertilizer, the farmers explained that they have to sell an asset (a cow) to buy fertilizer. There does not appear to be functioning rural credit market. The farmers talked about some improvements that could be made by the Ministry of Agriculture in the delivery of inputs. This is an area for follow-up.

¹ Summer planting season starts in March for egg plant, peppers, okra, green beans, watermelon, honeydew melon, and cantaloupe.

Status of NGO Registration – Of the four associations, two already have an NGO number issued by the NGO office in Baghdad. The more advanced associations offered to help the other two move their registration process forward. This appears to be advancing.

Land Purchase – A brief discussion on the pending land purchase of 8 donum of land for the Central Euphrates Farmers Market indicated that everything is in place for the purchase. Fouad Hussein and Major Kim Peoples are going to schedule a meeting with the DG of Agriculture to discuss the land purchase and other issues related to the construction of the market.

Leaders of Farmer Associations in the North Babil Region			
AG Association	Person Interviewed	Position	Tribes in Association's Area
Al WaHaa (Muelha)	Umran Hashim Hassan	Chairman	<ul style="list-style-type: none"> • Al Juboori • Al Janabi • Al Masoudi • Al Ghirtani • Bani Saad
	Khudair Unayed Al Janabi	Vice President	
	Khudair Aliwi Al Jubori	Treasurer	
	Ibraim Bedaiwi Hassan	Secretary	
	Hussein Abid Ali	Board Member	
Al Reef (Jiff Jaffa)	Turky Salman Hijel	Chairman	<ul style="list-style-type: none"> • Al Juboori • Al Masoudi • Al Khafaji • Al Greaat Bani • Temeemi
	Hamid Merza Hatrosh	Vice President	
	Sayeed Hussein Alwan	Treasurer	
	Kabdil Shyaa Abdil Hussein	Secretary	
	Basim Abdul Amer Abdullah	Board Member	
Sheik Taha (Al Haq)	Ismail Dayih	Chairman	<ul style="list-style-type: none"> • Al Janabi • Al Juboori • Al Masoudi • Bani Ajeel • Al Jorani • Muhaimraa
	Fadel Kudair	Vice President	
	Ahmed Abbas Ahmed	Treasurer	
	Ziyad Taha	Secretary	
	Mandi Muhsin Munir	Board Member	
Al Baraka (Diyarah)	Jasim Mohammed Muhsin	Chairman	<ul style="list-style-type: none"> • Al Janabi • Al Sultan • Al Khafaji • Al Jubori • Al Khazraj • Albo Ajeel • Al Gharan • Al Ubaid • Al Echaish • Al Esar
	Hatem Hasoon	Vice President	
	Marzook Ehraiz	Treasurer	
	Nasir Madloom Muhammed	Secretary	
	Rashid	Board Member	

Memorandum of Conversation
Meeting with Dr. Raied Hussain Salih Rabe'e
Former Manager, Al-Ithmar Agricultural Company
Michael Maxey – USAID Rep. – EPRT North Babil
March 17, 2008

Dr. Fouad Hussein, Major Kim Peeples and I met with Dr. Raied Hussain to discuss technical issues related to the Fish Farm Program in Iskandariya. He was the manager of the Al-Ithmar Agricultural Company which was destroyed by an AQI occupation that lasted from October 2005 to January 2008. The company with an original capitalization of \$320,000 and over 5,000 shareholders produced between 5,000 MT



to 8,000 MT per year on 96 fish ponds that covered an area of 220 hectares (800 donum).¹ The company's operations included a hatchery, live haul tanks, a 16 donum area fish silage production and fish feed factory, and other processing facilities. Dr. Raied Hussain met with the EPRT North Babil staff to request assistance in re-building his company which employed over 150 people when it was in operation. Specifically, he cited the following needs:

- Canal work, cleanup and also pond repair and cleanup.
- High capacity water pumps to drain areas that are currently under permanent flood and also to manage water effectively for optimal fish production.
- Re-equip the hatchery and make it operation again.
- Furnish live haul tanks and vehicles for delivery of fingerlings.
- Rebuild, re-furnish and resupply the company's administrative house.

We asked Dr. Raied a series of technical questions regarding fish production this year in the Iskandariya – Khidr area. Here is a summary of his reply:

- (1) What do you estimate the production area to be for the Iskandariya – Khidr region in terms of surface area of fish ponds that can be in production this season? Dr.

¹ One donum is equivalent to 2,500 sq. meters.

Raied Hussain - I believe there are 2,500 donums of surface area of ponds or 625 hectares.²

(2) How many fingerlings would be needed to meet the needs of the production zone in the Iskandariya – Khidr area?

Approximately 800 fingerlings of common carp would be needed per donum of production area. The total amount of fingerlings needed for the Iskandariya – Khidr area would be approximately 2,000,000. The cost for each fingerling at 30 grams or more would be \$0.40 each. The first delivery date for fingerlings greater than 30 grams would be June 1 to 15. The first delivery date for fingerlings between 25 – 30 grams would May 15.

(3) What is the species of carp that should be used in the Iskandariya – Khidr area?

Common carp is what is produced in the area. There is some silver and grass carp but primarily commercial production focuses on common carp.

We continue our discussion with Dr. Hussain focusing on his technical expertise and whether he would be available to work with the Fish Farm Association to (1) provide technical assistance in the purchase, management and distribution of fingerlings, (2) provide technical supervision of fish production during the 9 month growing season, and (3) assist the Fish Farm Association members in marketing their production. Dr. Hussain said that he was available and would be willing to work under a service contract to provide technical assistance in fish production and marketing.

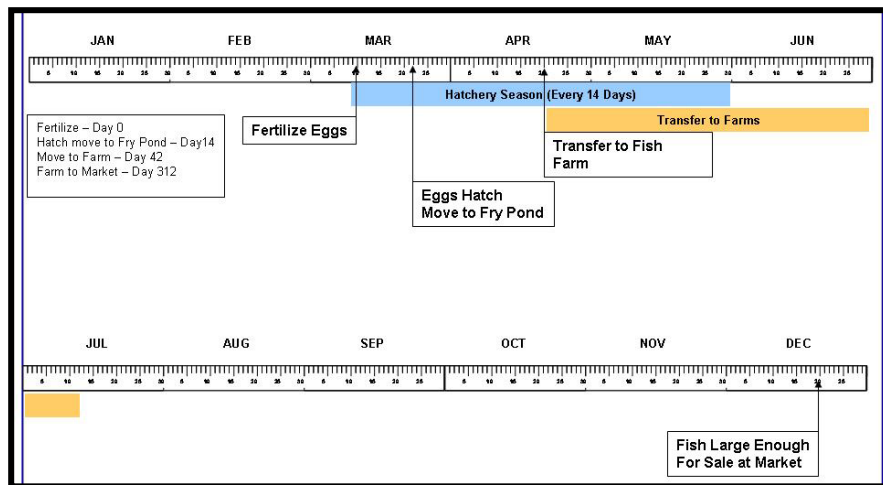
We said we would draft a Scope of Work and present to the Dr. Hussain and the Fish Farmer Association and request a proposal from them on the cost of providing technical assistance for all aspects of common carp production and marketing with Fish Farm Association members this year. A QRF grant would be made directly to the Association to in turn procure the services of Dr. Hussain. Attached is a draft Scope of Work.

² We explained to Dr. Hussain that we were only going to work with those farmers that entered into our micro-grants process. That way we would know the production area and needs of our specific target group. Based on interviews planned for March 24th we will be able to project a total production area that will be supported by EPRT North Babil this year.

Scope of Work
 Technical Advisor for the
 Al Ezdihar Agriculture and Fisheries Association
 March 18, 2008

Purpose: This Scope of Work will provide the basis for a contract administered by the Al Ezdihar Agriculture and Fisheries Association using QRF grant funding to accomplish the following objectives: (1) develop a production and marketing workplan to support Association's members; (2) advise and monitor technical aspects of all production inputs needed by the Association members to undertake common carp production this growing season; and (3) advise and monitor all marketing aspects for Association members. This work will be funded on a deliverables basis (that is specific products will be required for disbursement of funds) that will include, but may not be limited to, the following activities.

Production & Marketing Workplan – 1 month – Meet with fish farm owners and determine the specific production needs in terms of water management, access to fingerlings, pond maintenance and access to fish feed. Draft a plan to address the specific problems faced by the Fish Farm owners. This plan will track with current activities underway by the Coalition Forces, EPRT North Babil, Inma and others. It will provide critical timelines for key events and describe what is needed to effectively initiate production. Key events will be highlighted and target dates set. See example below.



Monitoring and Technical Assistance for Production – 7 months - For the key events described in the workplan, the advisor will be responsible for providing technical advice and monitoring. A monthly report and briefing will be provided to EPRT North Babil staff regarding the progress made to date, issues identified and resolved, and pending issues that require additional action.

Any special production requirements (i.e., vehicle rental for delivery of fingerlings, equipment needed to aid in production monitoring, etc.) should be included in the proposal provided to EPRT North Babil by the Fish Farm Association.

Monitoring and Technical Assistance for Marketing – 2 months - For the key events described in the workplan, the advisor will be responsible for providing technical advice and monitoring . A marketing report and briefing will be provided to EPRT North Babil staff regarding the progress made to date, issues identified and resolved, and pending issues that require additional action.

Final Report and Development of Strategic Long Term Plan – 1 month – Based on the experience of the 2008 productions season the advisor shall develop a strategic long range plan for the Fish Farm Association that guides them toward sustainable, profitable production and marketing operations with their members. A final report will be submitted which describes the actions carried out under this grant, provides a written record of the activities undertaken in supporting improved production and marketing of common carp.

Based upon the proposal provided by the Fish Farm Association, EPRT North Babil shall execute a grant to the association for the execution of this contract.

FISH FARM PROGRAM

Izkandariya - Khidr

Al Ezdihar Agriculture and Fisheries Association established & up to \$250,000 QRF Micro-grants Program will be provided by March 31, 2008 for pond preparation, water management & initial production costs.

Actions coordinated for USAID support for canal cleaning, fingerling supply, and GOI improved water management in fish pond area.

Actions underway to either import or find local sources of fish feed for current growing season.

Technical Assistance to support fish production and marketing will be contracted by March 31, 2008 under service contract via Al Ezdihar Agriculture and Fisheries Association.



Memorandum of Conversation
Meeting with Officials in Regional Embassy Office (REO)
Hillah, Babil Province
Michael Maxey – USAID Rep. – EPRT North Babil
March 19, 2008

I traveled with Brigade Deputy Commander LTC Shuck, Major Kim Peeples and Dr. Fouad Hussein to the REO for meetings with DG of Municipalities, DG of Agriculture, leaders of Farmers Association, PRT Babil staff, and Lamar Cravens, Regional Director for RTI's Local Government Program II. These were productive meetings – a summary of each meeting is presented below:

Farmers Association – We met with representatives of the Farmers Association to discuss their meeting that morning with the DG of Agriculture for Babil Province. The purpose of their meeting was to present a letter of petition to have a plot of land sold to the Association upon which to build the Central Euphrates Agricultural Market. The Ministry of Agriculture accepted the petition and advised the local farm leaders that it would be considered as quickly as possible.



LTC Roger Shuck, Dr. Fouad Hussein with local farm leader.



Michael Maxey & Major Kim Peeples with leaders of local farmers.

PRT Babil Staff – We met with LTC Terri Blake and Gary Tietzga to discuss the Euphrates Fish Farm Program they are implementing with Inma. We were given a good briefing on the status of the program to date, including an update on fingerling production, the possibility of purchasing live haul fish tanks on the local market, and other topics. We agreed to coordinate with PRT Babil on fish farm program activities.

DG Municipalities & DG Agriculture – We met with both DGs. We discussed public infrastructure issues and funding priorities. LTC Shuck recommended a follow up meeting at FOB Kalsu to discuss linkages between the Ministries and local leaders. See photo on next page.



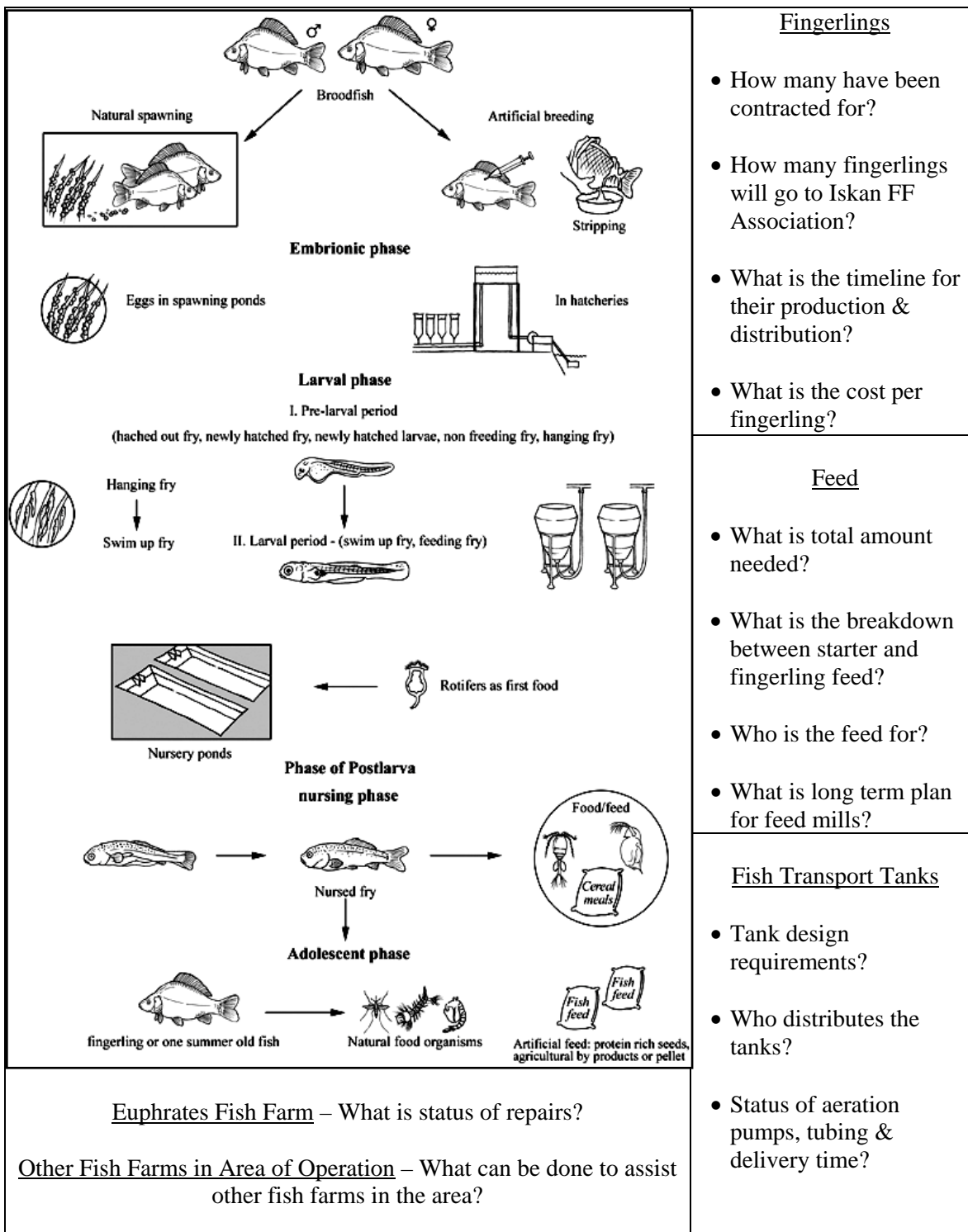
LTC Shuck, Major Peeples & Director General of Municipalities

RTI – Lamar Cravens – Major Peeples and I met with Lamar Cravens to discuss governance issues and EPRT North Babil's needs for RTI staff. It was agreed that at least two long-term governance staff (one of them a city planner) could be located at FOB Kalsu to work on the ERPT North Babil's efforts to assist local governments improve their budget planning and execution. We agreed to follow up with a meeting in REO in early April to map out a joint strategy for training and capacity building in North Babil local governments.

Meeting to Discuss North Babil Agriculture Development Issues
USAID, Inma, US Military & EPRT North Babil
March 21, 2008

- USAID “Way Forward” in North Babil Agriculture Sector - USAID Strategy calls for private sector led agricultural initiatives that are market-driven, economically viable, and environmentally sustainable.
- How We Work Together - The current efforts to update the Joint Common Plan for North Babil focus on coordinating efforts – short, intermediate and long-term – to achieve sustainable economic development in the region.
- Two Examples of How This Partnership Works – The North Babil Fish Farm Program and the Central Euphrates Farmers Market provide two key examples of how different partners are leveraging the overall impact of our efforts.
 - North Babil Fish Farm Program – EPRT North Babil identified local fish farmers, helped them form an association and is providing up to \$250,000 in micro-grants to support their efforts to initiate fish farming this season. USAID funded Community Stabilization Program (CSP) will support canal cleanup and waterway improvement. The US Military is providing key support for fish feed and live haul tanks. USAID funded Inma will provide fingerlings.
 - Central Euphrates Farmers’ Market – EPRT North Babil has helped establish 4 farmer associations (representing 8,000 farmers), and guided their planning for shared support of production and marketing infrastructure. The US Military has committed to building the farmers’ market physical infrastructure. Inma has indicated a willingness to work with these farmer associations.
- Issues – The primary purpose of the meeting today is to reaffirm the commitment of the US Military and EPRT North Babil to both major ag initiatives and to request a confirmation of the USAID/Inma role in these initiatives.

Fish Farm Program Issues*

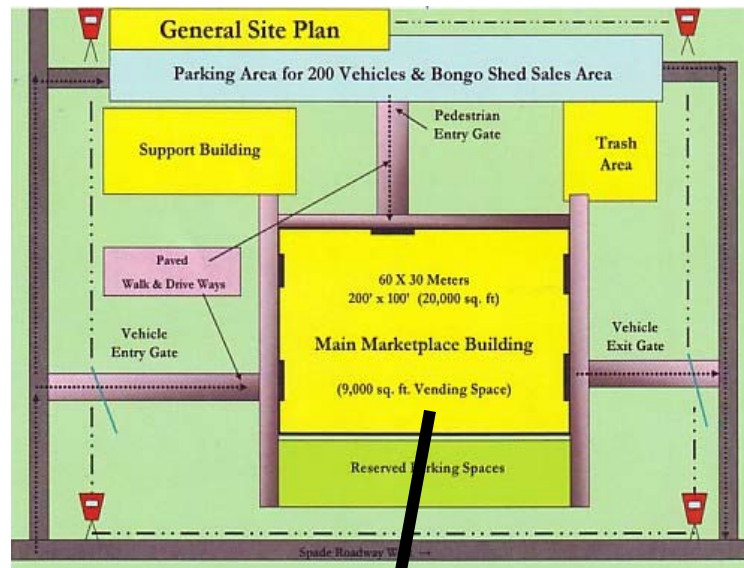


* EPRT North Babil is contracting a local aquaculture expert to provide technical assistance for entire production season. See attached Scope of Work.

Central Euphrates Farmers Market Issues

The Farmers' Market will be a privately owned facility serving 8,000 to 10,000 North Babil farmers.

It will be built in three phases: (1) general building and market place structures; (2) veterinarian clinic, pre-auction inspection service, slaughter house and butcher facilities; and (3) food chain value-added processing capabilities.



The facility will be built on 11 donum of land (1 donum is equivalent to 2,500 sq. meters or .25 hectare) with the possibility to expand this area at a later date.



Issues

- Where will the support come for development of Phases 2 and 3 – the livestock auction, veterinarian clinic, slaughterhouse, feedlot and the expanded and commodity specific value-added processing. What can Inma consider providing?
- Where will the technical assistance for production, processing and marketing come from – what part can Inma consider providing?

Aquaclture Technical Advisor for the
Al Ezdihar Agriculture and Fisheries Association
March 18, 2008

Purpose: This Scope of Work will provide the basis for a contract[†] administered by the Al Ezdihar Agriculture and Fisheries Association to accomplish the following objectives: (1) develop a production and marketing workplan to support Association's members; (2) advise and monitor technical aspects of all production inputs needed by the Association members to undertake common carp production this growing season; and (3) advise and monitor all marketing aspects for Association members. This work will be funded on a deliverables basis (that is specific products will be required for disbursement of funds) that will include, but may not be limited to, the following activities.

Production & Marketing Workplan – 1 month – Meet with fish farm owners and determine the specific production needs in terms of water management, access to fingerlings, pond maintenance and access to fish feed. Draft a plan to address the specific problems faced by the Fish Farm owners. This plan will track with current activities underway by the Coalition Forces, EPRT North Babil, Inma and others. It will provide critical timelines for key events and describe what is needed to effectively initiate production. Key events will be highlighted and target dates set.

Monitoring and Technical Assistance for Production – 7 months - For the key events described in the workplan, the advisor will be responsible for providing technical advice and monitoring . A monthly report and briefing will be provided to EPRT North Babil staff regarding the progress made to date, issues identified and resolved, and pending issues that require additional action. Any special production requirements (i.e., vehicle rental for delivery of fingerlings, equipment needed to aid in production monitoring, etc.) should be included in the proposal provided to EPRT North Babil by the Fish Farm Association.

Monitoring and Technical Assistance for Marketing – 2 months - For the key events described in the workplan, the advisor will be responsible for providing technical advice and monitoring . A marketing report and briefing will be provided to EPRT North Babil staff regarding the progress made to date, issues identified and resolved, and pending issues that require additional action.

Final Report and Development of Strategic Long Term Plan – 1 month – Based on the experience of the 2008 productions season the advisor shall develop a strategic long range plan for the Fish Farm Association that guides them toward sustainable, profitable production and marketing operations with their members. A final report will be submitted which describes the actions carried out under this grant, provides a written record of the activities undertaken in supporting improved production and marketing of common carp.

[†] Based upon the proposal provided by the Fish Farm Association, EPRT North Babil shall execute a grant to the association for the execution of this contract.

Memorandum of Conversation
USAID, Inma, EPRT North Babil, PRT Babel Meeting
with General Cardon
March 21, 2008

Representatives of USAID, Inma, PRT, EPRT for the Babil Province, and 3rd Infantry Division personnel met with General Cardon to discuss agricultural development in Babil Province.¹ There was a round robin discussion that helped everyone understand the issues, current status of activities, and key dates for actions to be completed. Attached is a graphic handed out by Inma that shows their objectives and timeline for Babel Province Agricultural Development.

The following topics were discussed:

Fingerlings -

- How many have been contracted for? Inma has contracted for 6 million 50 gram fingerlings with the Euphrates Fish Farm.
- How many will go to Iskandariya Fish Farm Association? Up to 2.5 million fingerlings may be needed in the Iskandariya –Khidr area. How many will be needed specifically by the Iskandariya Fish Farm Association will be determined on March 24th when Dr. Hussein and Michael Maxey accept micro-grant applications. At that point we will know the production area and the needs of farmers producing fish in those ponds. It was agreed that a “voucher” system could be put in place to sell fish to non-association members provided there was proof that they were indeed fish farmers.

What is the timeline for receipt, by date and amount? Inma indicated that first batch of fingerlings would be ready by May 1 and then start coming out in increasing numbers after that. It was agreed that we need to focus on fingerling production and distribution. EPRT North Babil indicated that QRF funds would be used for a service agreement for a fish production/marketing expert to be hired under the auspices of the Iskandariya Fish Farm Association.

What is the cost of the fingerlings and who controls where fingerlings are sold? Cost of fingerlings to the Associations is free. It was agreed that the Associations would sell the fingerlings on credit to their members and others in the community. This credit in-kind would be paid back when the fish of the association members or sold. People buying fish on a voucher system who are not members of the association would pay for the fingerlings at time of

¹ 3rd Infantry Division – LTC Bruce Baker, Major Nathan Fisher, Political Advisor Craig Reilly; 4BCT 3ID – DCO LTC Roger Shuck; EPRT North Babil – Howard Van Vranken, Michael Maxey & Fouad Hussein; PRT Babil – LTC Bruce Yanaway; USAID – John Seong, Ron Curtis; Inma – Herschel Weeks, Tony Laos, Patti Buckles; and Community Stabilization Program – Jane Thomson.

delivery. USAID staff raised concerns that the association would be in a very young state to start managing money – the question was asked, “What will be done to help the association be capable of managing money, accounting for inventory, keep records, establishing administrative controls and good business procedures. EPRT North Babil staff indicated that this would be a matter that would be addressed in some way in the near term (possibly service contract of some type) and that discussions would be held with Inma staff regarding their plans for local NGO strengthening. Mention was also made of trying to develop an NGO incubator program like the type already developed by IRAP (Iraqi Rapid Action Program) in other areas of Iraq.

Feed

What is the total amount needed? It was agreed that the lower end amount of feed needed was 4,000 metric tons. The cost at \$500 per metric ton would be \$2,000,000. A lengthy discussion ensued on whether to purchase the feed locally or import it from either the region or the US. One suggestion was to comprise on importing a small amount for fish fry feed while working to purchase as much as possible locally. Key date – Tony Laos with Inma indicated he is having three firms provide samples of their feed for analysis of protein content and suitability as a fish feed. He will have the results by March 26th. If possible, feed will be purchased locally. It was unclear who will purchase the feed. This was originally discussed as military contribution. It's unclear if \$2 million is available from the military for the purchase of the 4,000 metric tons of initial feed needed.

What is the breakdown between Fingerling and Starter Feed? It was unclear what that breakdown was but the overall discussion focused on providing the bulk of the fish feed to the fish fry.

Who is the feed for -- Euphrates Fish Farm Association , Iskandariya Fish Farm Association? The portion of the feed that is not for fingerling production would, it was suggested by Dr. Fouad Hussein, be divided proportionally between the two regions based on estimated area of production.

What is the long term INMA plan for feed mills for the following year? Inma gave a brief overview of their plan to stand up fish feed facilities for next year. The cost is relatively minor for fish feed extruders. This is an area that will be worked as a priority for next year.

Fish Transport Tanks



Tank design was discussed as well as source of tanks locally. Inma indicated they had found the aeration pumps locally for the tanks. Key date of delivery of the first 10 tanks by May 1 in order to facilitate distribution of the fingerlings. An additional 40 tanks would be provided over the course of the production season (9 months). Military is taking the lead on this . There may

be locally available tanks. The tank below is supposed to be available on the local market in Al Hillah.

Agricultural Tank

Featuring cylindrical type with dished ends mounted on one axle chassis trailed by tractor (70) hourees or more .Agricultural tank is intended for irrigating , spraying and water transporting . also the pump is operated by PTO of tractor .

Specifications :-
Capacity 2500 (L)
Mass 473 (kg)
Height of tank 2070 (mm)
Length 2910 (mm)
Diameter of tank 1200 (mm)
Tyre size 10 x 75 x 15 PR10 (qty:2)



Iraq - Babylon - Iskandariya العراق - بابل - الاسكندرية
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E-mail: raad_khafaji@yahoo.com معاون المدير العام
E-mail: scmicommercial@yahoo.com التجارية
E-mail: scmi_market@yahoo.com التسويق

It was agreed that all parties would continue coordinating activities. EPRT North Babil indicated that by March 31st up to \$250,000 in micro-grants would be available for fish farmers in the Iskandariya – Khidr area who are members of the Iskandariya Fish Farm Association. The team is also going to send staff to REO Hillah to coordinate more closely with Babil PRT staff involved in their fish farm program. A trip by Michael Maxey and Dr. Fouad Hussein is planned for April 2nd & 3rd.

Tasks	2008												2009											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Euphrates Fish Farm	█	█	█	█	█	█	█	█	█	█	█	█												
Pumping Station		█	█	█	█	█	█	█	█	█	█	█												
Fingerling Production			█	█	█	█	█	█	█	█	█	█												
Irrigation and Drainage Canals Rehabilitation				█	█	█	█	█	█	█	█	█												
Fish Feed Purchased for Demo				█	█	█	█	█	█	█	█	█												
Long Haul Carriers Manufactured				█	█	█	█	█	█	█	█	█												
Iraqi Fish farmer's Association	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Established	█	█	█	█	█	█	█	█	█	█	█	█												
Fingerling Distribution				█	█	█	█	█	█	█	█	█												
Iskandariya Fish Association																								
Established				█	█	█	█	█	█	█	█	█												
Microfinance Pond Prep				█	█	█	█	█	█	█	█	█												
Fingerling Distribution				█	█	█	█	█	█	█	█	█												
Euphrates Farmer's Market				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Hybrid Seed Distribution				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Packing Shed/Cold Storage Installed																								
Feed Depot Construction																								
Farmer's Inputs Shop																								
Feed Lots																								
Sheep																								
Cattle																								
Feed Mills																								
Hilla																								
Iskandariya																								
Micro Lending Program																								
Grant Signed																								
Disbursement Begins																								
Wholesale Market Upgrade																								

This graphic was included in both the “Working Paper on Proposed Activities for Babil Agribusiness Sector Initiative” and the “Babil Area Development Program.” Both documents were shared in the meeting and were briefly discussed. Further discussions are planned at FOB Kalsu on March 22, 2008, with USAID, Inma and EPRT North Babil staff.

Memorandum of Conversation

Meeting with USAID, Inma, Office of Provincial Affairs & USDA Representatives
FOB Kalsu

Michael Maxey – USAID Rep. – EPRT North Babil
March 22, 2008



Representatives from USAID, Inma, the Embassy Office of Provincial Affairs and USDA came to FOB Kalsu to meet with local farmers and discuss coordination with EPRT North Babil staff. The group also discussed ways to cooperate in the development of the 4th Brigade Combat Team’s “Joint Common Plan.”

Meetings were held regarding the Farmers Market Program, Fish Farm Program, and the Business Incubator Initiative for Iskandariya. A comprehensive discussion among the visitors, EPRT North Babil staff and the Brigade leadership provided some useful insight into how to proceed in developing a Joint Common Plan. EPRT North Babil appreciates the effort of these representatives to come out and participate in some critical discussions.



Walter Yates, OPA Desk Officer; Michael Maxey, USAID Rep. North Babil

Weekly Report
Michael Maxey, USAID Rep. - EPRT North Babil
March 23 - 29, 2008

Fish Farm Micro Grants – On March 24th EPRT North Babil staff interviewed 77 farm owners, renters and/or representatives that are affiliated with the Iskandariya Fish Farm Association. Attached is a summary of the interviews and information on the farmers. Grants will be provided based on farm size and need to the fish farmers on March 31, 2008. Based on the fish farmer interviews, a draft Memorandum of Agreement was drafted and a copy is attached. This template formed the basis for the micro grants being provided to fish farmers on March 31st in the Iskandariya – Khidr area.

Follow-up on Trip by USAID & Partners to FOB Kalsu - USAID, Inma, OPA and USAD representatives came to FOB Kalsu to meet local farmers and discuss development issues in North Babil. Attached is a summary of issues by USAID Ag Advisor Ron Curtis. The EPRT North Babil will follow up with USAID on these points.

Summary of “The Great Arab Conquests: How the Spread of Islam Changed the World We Live In” Hugh Kennedy, 2007 - The world was changed profoundly by Arab conquests during the period 630 AD to 750 AD. A large part of the known world came under Arab control through a remarkable series of victories accomplished with relatively small armies. The Arab conquests were quick and world ranging like those of Alexander the Great and Genghis Khan but were “made permanent” in a way that other conquests were not. This book provides a historical perspective for how we find the Arab world today.

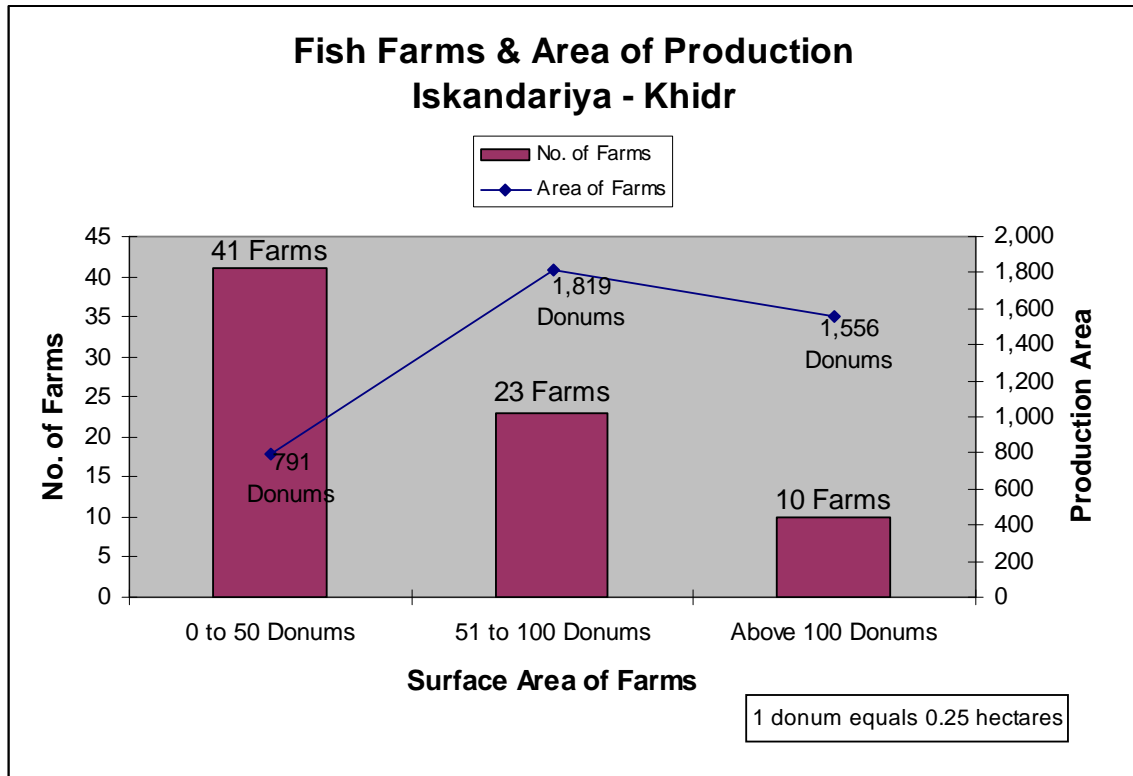
Case Study – Iskandariya – Khidr – Counter Insurgency Initiative – 4BCT leadership wants to write a case study on Brigade and EPRT North Babil efforts to implement counter insurgency activities in the Iskandariya – Khidr Area. The USAID contribution focused on economic growth, governance and essential services. I will write a short concept piece for the Case Study using my March 3, 2008 Trip Report to the Khidr Area as a starting point – we brought out a group of USAID partners as an initial effort that was later expanded. The study will be shared with the Center for Army Lessons Learned.

Upcoming Events:

- (1) Finalize design of fish tanks and submit to LTC McKone for construction by VoTech Center in Iskandariya.
- (2) Draft QRF grant to Iskandariya Fish Farm Association to obtain technical assistance for fingerling distribution and fish production/marketing.
- (3) Trip to Regional Embassy Office in Al Hillah to meet with PRT Babil staff and coordinate efforts on fish farm program.

Assessment of Micro-Grant Applications
 Iskandariya Fish Farm Association
 Michael Maxey – USAID Rep. EPRT North Babil
 March 24, 2008

EPRT North Babil staff¹ traveled to Forward Operating Base (FOB) Iskan to meet with Iskandariya Fish Farm Association members. Representatives of approximately 80 farms were interviewed. A breakdown of the farm size and production area is presented below.



Grant applicants, or their representatives, were present for the interviews. Each presented a completed grant application. From 10:00 to 16:30, we interviewed 77 farm owners, renters and/or representatives that are affiliated with the Iskandariya Fish Farm Association. These fish farms represent 4,400 donums of fish pond area (1 donum is 2,500 sq. meters or .25 hectares and a 1 hectare equals 2.4 acres). Dr. Fouad Hussein interviewed each grant applicant and translated the questions and responses. Michael Maxey and Major Eric Kerr noted the data on each grant applicant. Information recorded included data on whether they owned the land or rented, whether they had a valid fish farm license or not, their level of experience in fish farming, and a listing of their specific needs. Capt. Jim Hart vouched for each applicant as being part of the area and involved in fish farming. He also kept detailed notes on grant applicant responses to our questions.

¹ Michael Maxey, USAID Rep.; Dr. Fouad Hussein, BBA – Economic Growth; Major Eric Kerr & Sgt. Angie Boyce, Civil Affairs, 4th Brigade Combat Team, 3rd Infantry Division.

We will provide two types of grants to qualified applicants:

(1) In-Kind Grant of Fingerlings - Based on area of fish farms in production by a grant applicant that person will receive 800 fingerlings per donum. These will be the fingerlings that come from the Inma contract with the Euphrates Fish Farm – the tentative number of fingerlings needed for the Iskandariya area is 3.5 million fingerlings based on 4,400 donum and 800 fingerlings per donum (half will be granted free and half will be sold at \$0.40 per fingerling) – the grantee will be required to repay the 50% of fingerlings that were provided as in-kind credit – this payment of the credit will be made at the end of the production season – larger farms will get more fingerlings but will also owe more for credit from the Fish Farm Association; and

(2) In-Kind and Cash Grant of Production Inputs and Operating Costs – A standard package of in-kind material will be developed based on analysis of needs articulated by the grant applicants (this will include water pumps, nets, fish feed, etc.) and cash will be provided for pond cleanup and water management hand labor² work on fish ponds (up to 50% of grant will be cash which will be administered by Capt. Hart and paid out upon confirmation of work accomplished). We are continuing to work on this tonight and we’ll have a better description for tomorrow. We’ll also start putting together the standard grant packages which we have to have ready by the end of the day on Wednesday, March 26th. We are also going to immediately contact Col. McKone about purchasing pumps and other equipment.

Three standardized grant packages will be provided for micro-grants depending on fish farm size, ownership characteristics and needs:

Farm Area Up to 50 Donums	Farm Area 51 to 100 Donums	Over 100 Donums
<u>\$3,000</u>	<u>\$4,000</u>	<u>\$5,000</u>
Pump - \$1,250	Pump - \$1,650	Pump - \$2,000
Nets - \$250	Nets - \$350	Nets - \$500
Labor - \$1,500	Labor - \$2,000	Labor - \$2,500

² Labor costs, according to Capt. Hart, are \$4 per day per worker. We are going to estimate pond cleanup times based on area. The micro-grants will cover a portion of these costs but the majority of labor costs will be covered by the fish farm owner.

Micro-Grants Iskandariya Fish Farm Association

24-Mar-08

		Farm Size			Farm Size
		<u>Donums</u>			<u>Donums</u>
1	Sami Lafath Fahid al-Masoudi	85	40	Salim Issa Dahir al-Janabi	15
2	Said Abid al-Karim Rashid Ali al-Janabi	33	41	Fadhil Yasein Hamid al-Masoudi	100
3	Kareem Halal Komir al-Koortani	15	42	Hussein Jassim Nowfel Jassim Hammid Kuhdier Hamadi - Hatchery	
4	Shakir Abid al-Kareem Rashid Ali al-Janabi	34	43	Ahmed Aiedon Hussin Ali	80
5	Fauzi Abid al-Kareem Rashi Ali al-Janabi	33	44	Aieyd Noiem Homeidy	20
6	Khalid Ali Yas Abass al-Janabi	105	45	Khudar Faieran Baiht	80
7	Khalid Jassim Mohammed Nasir al-Janabi	72	46	Fadil Rashid Ali	200
8	Abdullah Salman Isa al-Janbi	72	47	Faileh Abid Hamad	105
9	Mustafa Ali Yas Abass al-Janabi	95	48	Kareem Zuxair Abbais	55
10	Mahmud Khudair Abbas Khudair	70	49	Ahmed Abood Yiesen - 5 people	15
11	Abid Sobih Hamadi Abass	70	50	Mousin Shuker Abbas	
12	Mahmud Khadium Mohammed Nasir	68	51	Farooq Abid Faierin	25
13	Saleem Khadium Mohammed Nasar	18	52	Salah Galoom Hussein - 5 people	80
14	Saleh Hassin Naif Hasun	29	53	Muhammed Juwad Khadm	250
15	Rahman Khulif Mohammed	2	54	Sattar Rahman Jandl Najein Abdullah Nusaief - 2 people	80
16	Faris Rahil Mohammed	3	55	Alchmed Hitler Muhsin - 3 people	11
17	Mahmud Odah Bashir Hamadi al-Masari	10	56	Omrohn Hitler Mushin - 2 people	74
18	Abid al-Amir Juad Hussein	107	57	Abud Fouad Aajami	10
19	Adnan Khalif Mansor Hassin	70	58	Alanni Mubsin Hamady	127
20	Hassin Khudair Abass	112	59	Hadi Ubaid Hussein	10
21	Fadhil Ali Abtan Jassim	16	60	Abdel Ameer Muhammed Raid Hussein Soilh Muhammed - Hatchery	10
22	Yonis Nawfil Jassim Nasir	17	61	Rahman Jendal Nuif	150
23	Mahdi Salih Khaif	86	62	Hamid Kahdem Hammed Sharafi	10
24	Jaffar Hussein Dendin al-Masoudi	30	63	Hameed Hussein Jeredy	90
25	Satar Kareem Hussein al-Masoudi	30	64	Hayder Fodel Jassim	30
26	Amir Abid al-Nabi Madib Rashid	25	65	Talib Al Ariz Rashid Ali	20
27	Said Abid al-Kareem Rashid Ali	100	66	Ali Kahdim Jassim	25
28	Haider Abid al-Kareem Rashid Ali	100	67	Ali Kahdim Jassim	40
	Adhbah Khudair Abass al-Janabi		68	Mahmood Edan Kudair	40
	Arkan Abid al-Kareem Rashid Ali al-Janabi		69	Khalid Mohammed Mushin	10
29	Abid al-Kareem Abid al-Kareem Rashid Ali	30	70	Mustafa Ali Yas Abass al-Janabi	
30	Ahmed Rashid Ali Kahlif al-Janabi	100	71	Mushin Ali Saleh	30
31	Asad Abid al-Aziz Rashid Ali al-Janabi	200	72	Hussein Abel Al-Bahiza Mohammed	60
32	Faisal Madib Rashid Ali al-Janabi - 1st Farm	80	73	Fadel Rashid Ali	200
33	Khadim Abid al-Aziz Rashid Ali al-Janabi	25	74	Yosef Issmael Al-Waan	52
34	Taha Madib Rashid Ali al-Janabi	20	75	Fadhil Mahedi Khudar - 850 donum	0
35	Faisal Madib Rashid Ali al-Janabi - 2nd Farm	25	76	Al Mahr Ag Company (Dr. Raed) - 880 donum	0
36	Haider Abid al-Kareem Rashid Ali -Hatchery	25	77		
37	Kadhim Abid al-Aziz Rashid Ali al-Janabi	10	78		
38	Hamid Odah Bashir Hamabi al-Masari	10			
39	Majbil Abid al-Nabi Madib al-Janabi	30			



Major Eric Kerr, Michael Maxey, Fouad Hussein & Captain Jim Hart Interviewing Fish Farm Representatives for Micro-Grant Program in Iskandariya - Khidr



Capt. Jim Hart



Fouad Hussein & Captain Hart with local Sheik.



DEPARTMENT OF THE ARMY
4th Brigade Combat Team, 3rd Infantry Division
FOB KALSU, APO AE 09312



31 March, 2008

MEMORANDUM OF AGREEMENT FOR: Fish Farm Production – Iskandariya/Khidr

SUBJECT: Fish Farm Production Support for Iskandariya/Khidr Area

1. 4 BCT 3ID (M) EPRT seeks to support the revitalization of fish farm production and marketing in the Iskandariya/Khidr area which has been severely damaged by Al Qaeda in Iraq (AQI). The Iskandariya/Khidr area was the scene of a major and successful confrontation by the local populace of AQI. This area was stabilized with Iraqi and Coalition support in December 2008. Local infrastructure including extensive freshwater fishery ponds, water management systems, and production inputs were destroyed or rendered useless during AQI occupation. The purpose of this agreement is to provide support for the initiation of fish farming in the Iskandariya/Khidr area during the 2008 production season.
2. *** Name*** has agreed to use the funds given to him by the North Babil EPRT to renovate his fish farm and initiate production and marketing of carp during the 2008 production season.
3. The following outlines the terms of this agreement:

General description of the project: In order to revitalize the local freshwater fishery program, EPRT North Babil will provide two types of grants to qualified applicants:

(1) In-Kind Grant of Fingerlings - It is the intent of EPRT North Babil to provide a quantity of fingerlings to fish farms in the Iskandariya/Khidr area based upon surface area of ponds that will be put into production during the 2008 season. Based on area of fish farms managed by a grant applicant that person will receive up to 800 fingerlings per donum, depending upon availability (half will be granted free and half will be sold at \$0.40 per fingerling). The grantee will be required to repay the cost of 50 percent of the fingerlings that were provided as in-kind credit.³

(2) QRF Micro-Grant – This is an In-Kind and Cash Grant of production inputs and operating costs. It includes a standard package of in-kind material described below (water pumps, nets and fish feed) and cash (for labor to clean ponds and improve water management). Hand labor⁴ on fish ponds will be covered by up to 50% of each grant and will be in Iraqi Dinari which will be administered by Coalition Forces and paid out upon

³ This payment of the credit will be made at the end of the production season – larger farms will get more fingerlings but will also owe more for credit from the Fish Farm Association.

⁴ Labor costs are \$4 per day per worker. The micro-grants will cover a portion of these costs but the majority of labor costs will be covered by the fish farm owner.

completion of work. Three standardized grant packages will be provided for micro-grants depending on fish farm size, ownership characteristics and needs:

Category One Farm Area Up to 50 Donums	Category Two Farm Area 51 to 100 Donums	Category Three Over 100 Donums
<u>\$3,000</u>	<u>\$4,000</u>	<u>\$5,000</u>
Pump - \$1,250	Pump - \$1,650	Pump - \$2,000
Nets - \$250	Nets - \$350	Nets - \$500
Labor - \$1,500	Labor - \$2,000	Labor - \$2,500

4. *** Name*** , who according to his/her grant application falls into Category ___ has agreed to use the funds given to him by the North Babil EPRT to renovate his fish farm and initiate production and marketing of carp during the 2008 production season. The total amount of this grant is _____.
- a. To purchase required equipment and labor to clean up and improve said property and to move towards reopening the business that once existed there.
 - b. Amount of time allotted for project: approx. 9 months
 - c. All funds will be used directly for supplies and labor related to fish farming.
 - d. Payment will be in Iraqi Dinars. The grantee will be paid ***** on 31 March 2008, and, if there is **signifigant progress**, the remaining amount of ***** will be paid after approximately one month after the initial payment.
5. Funds are immediately available for this contract. This agreement is effective the date the grantee signs this contract and is issued the first payment.
6. By signing below, both parties acknowledge their understanding of the information outlined in paragraphs 1-4 and agree to the terms laid out above.
7. POINT OF CONTACT: The POC is Maj Kerr, William and can be reached via email or telephone at the following: William.Kerr@4bct3id.army.mil or 776-5942.

William Kerr, MAJ Civil Affairs, QRF PPO

“The Great Arab Conquests:
How the Spread of Islam Changed the World We Live In”
Hugh Kennedy, 2007, Da Capo Press, Philadelphia PA

Arab conquests during the period 630 AD to 750 AD resulted in their control a large part of the known world. In 712 AD at the battle of Poitiers, the Arabs reached the gates of Paris before being driven back. This remarkable series of victories were accomplished with relatively small armies (none was larger than 30,000 men) who rode bareback and were lightly armored. They depended upon spear, sword and shield, the element of surprise, and the weakened conditions of the nations they faced. The Arab conquests were quick and world ranging like those of Alexander the Great and Genghis Khan. The difference was in how the Arab conquests were “made permanent.” Only two countries ever came back to their previous identify after Arab conquest: Spain and Portugal. This book attempts to understand this subject by addressing two questions: (1) how did the conquests take place; and (2) how were the conquered areas settled by a relatively small number of Arabs and become transformed into “Arab” states.

The author discusses the origin of a unified Arab state under the Prophet Mohammed to describe the development of a conquest strategy based primarily on the Koran but also on the Bedouin and Arab urban culture with its tribal relationships, social systems that valued military might and cohesiveness of the tribal group. The key aspect of Islam that transformed the tribes of Arabia into a potent military and governance forces was the creation of a “brotherhood” of Muslims under Islam. Any person who professed a belief in Allah become a brother regardless of ethnicity, race or nationality. This brotherhood was known as “umma” or the Muslim community.⁵ Tribal conflict and in-fighting was overcome with this new brotherhood.

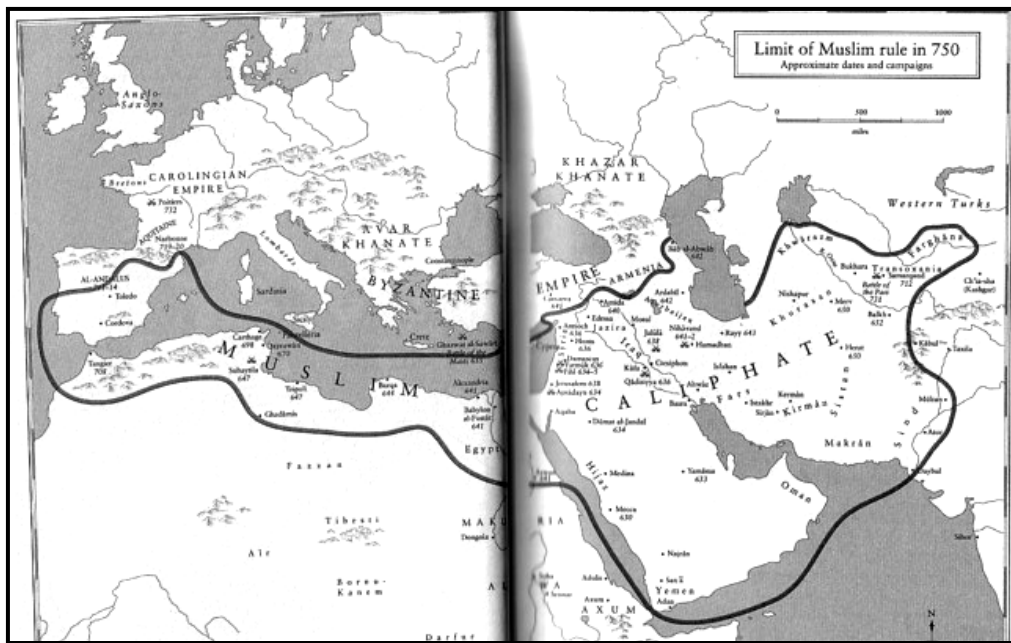
Islam also provided the basic strategic framework for all the conquests. Upon the death of Mohammed, the different tribes of Arabia began to assert their independence. A series of wars, the “ridda” wars⁶, brought all the tribes under Muslim control led by the Quraysh tribe of Mecca allied with Bedouin. According to Kennedy, these wars led directly to the expansion of Arabia since the umma formed by Islam would not allow “brother” to attack “brother.” The unified Arabian tribes under Islam had to take their traditional raiding way of life outside Arabia to neighboring countries. The Koran also sanctioned this in verse 9:5: “When the sacred months are past, kill the idolators wherever you find them, seize them, besiege them, lie in wait for them in every place of ambush; but if they repent, pray regularly and give the alms tax, then let them go their way, for God is forgiving and merciful.” This was the scriptural mandate for conquests.

⁵ The umma (al-umma al-‘arabiyya) takes on added importance when one looks at the Muslim world where 17 Arab countries have a population of 300 million but the total number of Muslim countries is 55 with a population of more than 1.5 billion.

⁶ Ridda refers to apostasy and originated in the changing beliefs after Mohammend’s death. At least two other prophets arose in Arabia: (1) Maslama of the Banu Hanifa of Yamama in Eastern Arabia; and (2) Sajjah, a prophetess of tribes in north-east Arabia.

As Muslim armies were dispatched to conquering neighboring states, more and more Bedouin arrived in Mecca to join the armies to share in spiritual and worldly rewards of conquest. The Arab armies were relatively small. Syria was conquered by an army of less than 30,000 men, while Iraq was won with only 6,000 to 12,000 men. At the crucial battles of Yarmuk in Syria against Roman forces and Qadisiya in Iraq against the Persians (Sasanians). The apparent advantages of the Muslim armies was mobility (they traveled light and lived off the land), good leadership, and strong motivation (for spoils of war but also spiritual – as witnessed in a Muslim speech to Persian authorities prior to battle, “... now we have come to you by order of our Lord, fighting for his sake ... we act upon his orders and seek fulfillment of his promise.”). The author makes a strong case that internal strife and ongoing conflicts between the Byzantine Empire and Persia weakened both empires and allowed Muslim armies an opportunity to attack them.⁷

In explaining how Muslim rulers governed the conquered lands, the author describes the administrative arrangements made that allowed Muslims to maintain their cultural identity and through Islam convert the local population to a common religious belief as well as language. Apparently key cities were chosen for settlement by Muslims and from these cities an administrative system was established to collect tribute owed by non-Muslims. Incentives were created to convert to Islam but there is no major evidence of forced conversion. The systems put in place were effective in that only Spain and Portugal are the only two countries to revert back to Christianity after Muslim rule.



Extend of Muslim Conquests – 750 AD

⁷ Byzantine Christian doctrine was different than those of many Christians in Syria (Diophysites vs Monophysites) and there was persecution of the local Christians. Muslim arrival at this critical time found a weakened empire. Bubonic plague was also a serious problem for the city dwelling Syrian population – a disease passed by fleas on rats was more of a problem in the cities than with the Bedouin warriors and their mobile camps (not room or place for rats).

Follow-up Note from USAID Ag Advisor Ron Curtis
North Babil Ag Sector Meeting
March 23, 2008

Appreciate the opportunity to sit down with representatives of the Farmers Organizations. We are fortunate to be able to build on this important achievement of the ePRT. And it was very good to meet Dr. Fouad. And give Col. Struck my thanks and regards.

Here are some questions and thoughts following our sessions. Please share these with the ePRT Team.

- Inma has collaborated with the SBA program in other areas. Vouchers for participation in the courses can be purchased in advance and then distributed to target populations. It appears that the membership of the Associations could be targeted for this program. I cannot commit for Inma but it may be a point worth discussing with them.
- Is my impression correct that the land for the Marketing Center was transferred from the provincial DG for Agriculture? If this is true, would it be possible to anticipate additional acreage when and if Inma supports expansion of the center to accommodate other activities? Dr. Fouad clearly has some ideas along these lines and Inma does as well.
- We discussed the possibility of a site visit by members of the Association to the Inma supported vegetable production/marketing program with the Taji ePRT. If this is of interest to the ePRT at Kalzu, a visit would have to be coordinated with the ePRT at Taji. Robert Dose of Inma and Col. Harvey Fitzgerald at ePRT/Taji are the people to recommend dates. We (Reta and I) will be happy to facilitate this action; just let me know if the interest continues.
- One of the stated “needs” from one representative of the Farmers Organization was replacement seed for winter planting. Theirs, he reported, has fifteen years of use and quality and yield are low. Inma supported a program in Anbar and Dlyala for winter planting and certified seed was used. Plans were made to collect, clean, treat, and bag some of this harvest for use as planting material for following season. This second generation seed could be sold by the farmers in either Dlyala or Anbar to the Association in North Babil. Inma could play a brokering role if the ePRT put in an order. Talk this over and let me know. Inma may publicize this in other PRTs as well. Again, let us know if this is of interest.
- As I mentioned during our visit, there is interest on the part of the PRT in Hillah on the Inma program that began with the Euphrates Fish Farm. Please copy them as the program develops. The operational linkage for the planned field operations is between Inma and the ePRT Team. In order to meet the ambitious and fluid targets that came out of the joint planning session with General Cardon, close and direct coordination with the ePRT and Inma is required. As you can imagine,

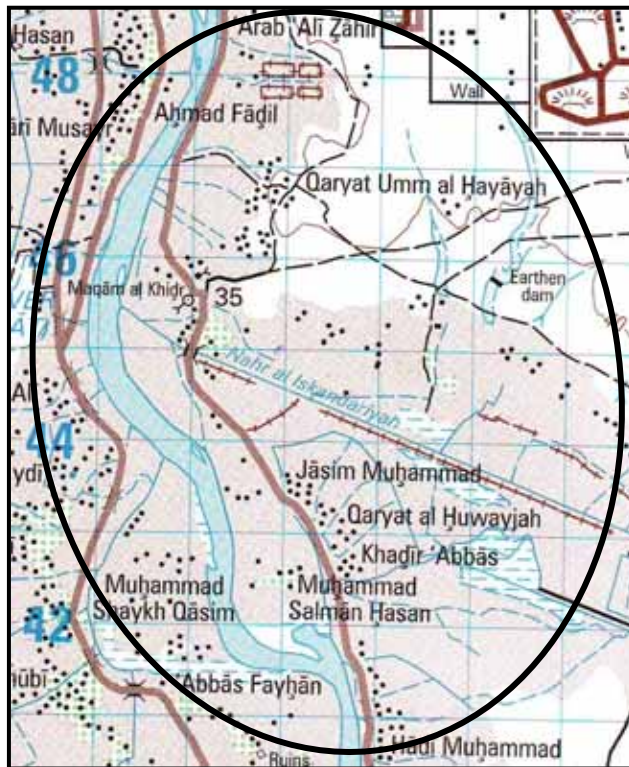
there are other interested parties; I will attempt to keep them informed as the program moves forward.

- And finally, let me know what you need from USAID for the required joint campaign plan now underway. We will provide Major Peebles with the information she needs.

Trip Report
Meeting with Local Leaders & Field Trip to Khidr
To Assess Internally Displaced Persons (IDP)
Michael Maxey - USAID Rep. – EPRT North Babil
March 2 – 3, 2008

The purpose of this trip was to assess IDP issues and develop a preliminary plan for USAID financed activities in Khidr and nearby villages. Meetings were hosted by LTC Timothy Newsome on March 2nd with USAID staff and partners⁸ as part of the assessment process. Three meetings were held on March 2nd: (1) USAID staff and partners introduced themselves explained their role in IDP situations, and what they could potentially bring to the fight, (2) the US military briefed on the situation in Khidr and the region, and (3) Iraqi local leaders from Khidr area explained their priorities for assistance.

We started the meeting with introductions of the different people and a brief explanation of their specific programs: Jane Thomson, IRD Manager for the Community Stabilization Program (CSP) explained that she was starting up activities in North Babil and their her mission was to provide assistance in community infrastructure (roads, schools, health clinics, etc.), small business development (micro-grants, votech training, etc.), and youth programs (sports leagues, sports facilities, etc. Jack Myer, Office of Foreign Disaster Assistance (OFDA) IDP Program. Manager highlighted the role of OFDA as the first responder to emergency situations where their goal is too keep people from dying immediately. OFDA



has a number of partners managing IDP activities in Iraq (one of which is IRD) and they are involved in providing temporary shelter, potable water, etc. The OFDA IDP program also interfaces with the Ministry of Migration payments to help people meet basic needs while they get back on their feet. Jon Wiebe and Rebecca Coolidge, DAI IRAP (this is

⁸ Jon Wiebe, (jon_wiebe@dai.com) Iraqi Rapid Assistance Program (IRAP) DAI Program Manager; Rebecca Coolidge, (rebecca_coolidge@dai.com) DAI Grants Manager; Jane Thomson, (irdthomson@yahoo.com) IRD Manager Community Stabilization Program (CSP) and Mat Simmons, Security IRD; Jack Myer, (jmyerty@usaid.gov) OFDA IDP Expert; Michael Maxey, (mmaxey@iraq.usaid.gov) USAID Rep. EPRT North Babil.

the QRF mechanism) explained that IRAP is an EPRT led process that can do a variety of projects ranging from infrastructure rehabilitation (with sustainability assured in some way) to micro-finance for businesses. Jon explained the new limit for a grant under IRAP at the local level was raised to \$500,000 of which not more than \$200,000 could be used for construction. He also explained the process for developing and submitting proposals via the IRAP database.

The meeting with the Iraqis included three local leaders: (1) Sheik Jafe Hussens – Khidr; (2) Sheik Sadar – Ditung; Sheik Sadaoon – (not from the Khidr area), Mr. Omar and Mr. Udah (I believe are from a village called Umm al Hayahay which translates to Mother of Snakes). We met for two hours and had a wide ranging discussion. The Iraqis were focused on big ticket items – road paving, electricity and reconstruction of houses destroyed by AQI. We finally got down to some specific issues regarding their priorities: schools (especially refurbishing and expanding the high school in Khidr), potable water and home reconstruction. They also raised issues concerning inequities in distribution of food as well as payments for rebuilding of homes. They said Sunni were discriminated against – that Shia received benefits but the Sunni were excluded. They also said that they felt the Government of Iraq was unfair to them.

At one point, one of the Sheiks said, “The most important thing you can do for us is to get the Iraqi government to equitably allocate resources to our communities.”



Meeting with Iraqis at FOB ISKAN

In the discussion with the Iraqis it was noted that we could help them review the Provincial Reconstruction Program activities that were supposed to have been completed this year and also help them work with the Provincial Council on the 2009 budget. We discussed a possible trip to Hilla to assess budget allocation and execution for North Babil in general and the Khidr area specifically. It was also agreed that some quickly funded activity like canal cleaning was needed immediately to generate income for local residents.

March 3rd Field Trip to Khidr, Ditung and Umm al Hayayah – We went to the field with battle space commander, Captain Jim Hart who provided a briefing during the trip of how the battle was won for this area. He explained that the final fighting had taken place in mid-December and that as AQI left they destroyed homes, mosque, Shia shrine and medical clinic.

As we approached Khidr we saw many destroyed homes, a completely demolished shrine to Khidr, one of the 12 Imams of Shia Islam. This was an important shrine and was deliberately targeted. We stopped in Khidr and toured the area, at one point we stopped at the local school. The photographs below area composite of photos made near the school, the Shia Shrine lies in ruins in the background with people all around trying to rebuild and LTC Newsome with school children we found in their class room at the damaged school.



Michael Maxey with local school children in Khidr.



Rebecca Coolidge – DAI



Jon Wiebe - DAI



Jack Myer – USAID OFDA



USAID Partners

The “Way Forward” for Khidr and Surrounding Area: At the end of the trip, LTC. Newsome met with us and asked for feedback on what we thought was possible in terms of assistance for Khidr. Each partner explained what they saw as primary issues and then told what the next steps were for providing assistance.

Jane Thomson – CSP – Immediate need for the area is employment. Over 3,700 SOIs that will need to be absorbed into local labor pool after the end of June. Focus should be on canal clean up to employ people. Jane requested and received from the US military a listing and map of all priority canal cleanup sites in the Iskandariya area. Jane also indicated there could be assistance in refurbishing the school in Khidr and in rebuilding the medical clinic. Some small business activity agriculture or fish farming may be possible as well.

Jon Wiebe – DAI IRAP - Reconstruction of destroyed homes is a key issue and this is an area that IRAP could possibly help on but Jon indicated he needs to confirm with staff in Baghdad on how to put together a proposal that would meet criteria for approval. If this is worked out, there could be up to \$200,000 for Khidr in reconstruction assistance (in-kind materials and supplies following a model unit to provide temporary housing until the community is rebuilt). Lower amounts of funding could possibly be provided to surrounding communities. Assistance in rebuilding the high school (adding bath rooms for women teachers and female students as well as refurbishing classrooms could be done – Jon and Jane will coordinate what CSP and DAI will do – one will work in Khidr with other focused on school rehabilitation elsewhere). The same for the destroyed medical clinic. Either CSP or DAI will work to rebuild it. In either case, a commitment will be obtained from the DG of Health and Education in Hilla committing teachers and medical staff. Jon indicate that something could also be possibly done for potable water. Finally, he mentioned the need to go forward with the pending \$500,000 business development microfinance program and tie this area into the training and micro-credit activities under the proposed Small Business Development Center. We also discussed seeking ways to link CSP and IRAP to combine the CSP micro-grant system with the IRAP micro-credit in order to leverage more synergy and support more viable businesses.

Rebecca Coolidge – DAI Civil Society – Highlighted the need to move forward in setting up registered NGOs as a way to provide assistance at the local level. She mentioned the intermediate term need to establish an “NGO Incubator” possibly in conjunction with the Small Business Development Center in Iskandariya. Regarding NGO registration Rebecca mentioned that the law has been changed and it is apparently becoming more difficult to register an NGO. We agreed to follow up on this issue after she meets with Embassy staff who have been involved in analyzing the new law.

Jack Myer – OFDA IDP – Conceded that CSP and DAI can play a stronger role than OFDA in the development Khidr since OFDA’s role is limited to people in very dire circumstances. Jack did mention that he could work with us terms of addressing the inequitable distribution of grants for reconstruction by the Ministry of Migration. We will follow up with more details so Jack can track this issue in Baghdad for us.

Recommendations/ Next Steps:

- (1) Take immediate action to promote better budget planning and execution of GOI resources to Iskandariya area (including Khidr). It was recommended that Capt. Jim Hart and I go to Hilla in order to do the following: (i) Get the PRDC list for the Iskandariya area (with this list we can compare what was planned against actual accomplishments) and we make sure the list is publicized for this year and when the 2009 list comes out, (ii) get written commitment of support in the form of a Memorandum of Understanding (MOU) with the DG for Health and for Education regarding the construction and/or refurbishment of schools and health clinics, and (iii) Meet with Small Business Development Center director (Dr. Asmaa) to discuss strategic vision of proposed SBDC in Iskandariya – how do we think strategically in order to have the greatest impact on small business development and how can we coordinate partner support toward a common goal.
- (2) Registration of NGOs - This may be a serious problem if Inma can only do grants and activities with registered farmer associations. Rebecca will work with us to find out how to proceed under the new law and also help us think about ways to work around any constraints the new law may bring (one idea was to work with existing registered NGOs in Baghdad and have them manage grants with unregistered farmer groups, fish farm association, etc.
- (3) Identify Local Committees – As part of Civil Society initiatives we agreed to help find out where the Community Action Committees are located and how they are operating. I agreed to request this information from CHF.

Destruction in Khidr Area



Weekly Report
Michael Maxey, USAID Rep.
EPRT North Babil
March 30 – April 5, 2008

- (1) Micro-grants were provided on March 31st to members of North Babil Fish Farm Association to prepare their farms for receipt of fingerlings from Inma contract with Euphrates Fish Farm. This is an ongoing activity that reached a milestone this week with the provision of \$60,000 in grants to approximately 70 farmers. These grant payments were the first tranche of funding to support the North Babil area fish farmers (emphasis is on Iskandariya – Khidr area). Under the same activity, design of fish tanks was finalized and submitted to LTC McKone. Decision was made to go with the design submitted by Duane Stone of Inma. This fish tank will be constructed by the VoTech Center in Iskandariya. Continued follow up will be done on this with Team Iskan and Division staff.
- (2) Final draft of \$25,000 QRF grant prepared for North Babil Fish Farm Association to obtain technical assistance for fingerling distribution and fish production/marketing. A grant signing ceremony is scheduled for April 12th to provide this funding to the Association.
- (3) Meetings were held at Regional Embassy Office in Al Hillah with PRT Babil staff to coordinate efforts on fish farm program. Major issues regarding fish farm program and Business Incubator Program for Iskandariya. Memoranda of Conversation are attached.

Upcoming Events:

- Case Study – Iskandariya – Khidr – Counter Insurgency Initiative – Prepare a short concept piece for a study to be completed later this year (August/September) for the Center for Army Lessons Learned.
- USAID Economic Growth Partners Meeting – A meeting of USAID partners involved in economic growth activities in North Babil will be held on April 12 and a field trip made on April 13 to meet local community leaders and explore the establishment of a Business Incubator Program in Iskandariya. The objective is to prepare and submit a Business Incubator proposal for IRAP funding in the near future.
- Prepare Khidr Area Housing Construction Supply Grant Program – The EPRT North Babil is putting together a proposal for granting basic building supply material to residents whose homes were destroyed by Al Qaeda of Iraq during the fighting that occurred in the area late last year. Proposal will be submitted to IRAP in the near future.



DEPARTMENT OF DEFENSE
North Babil Embedded Provincial Reconstruction Team
FOB KALSU, APO AE 09312

12 April, 2008

MEMORANDUM OF AGREEMENT FOR: Carp Fingerling Distribution –
Iskandariya/Khidr

SUBJECT: Support for Carp Fingerling Distribution in Iskandariya/Khidr

1. 4 BCT 3ID (M) EPRT seeks to support the revitalization of fish farm production and marketing in the Iskandariya/Khidr area which has been severely damaged by Al Qaeda in Iraq (AQI). The Iskandariya/Khidr area was the scene of a major and successful confrontation by the local populace of AQI. This area was stabilized with Iraqi and Coalition support in December 2008. Local infrastructure including extensive freshwater fishery ponds, water management systems, and production inputs were destroyed or rendered useless during AQI occupation. The purpose of this agreement is to provide support for the distribution of fingerlings to fish farm operators in Iskandariya/Khidr area during the 2008 production season.
2. The Al Ezdihar Agriculture and Fisheries Association has agreed to use the funds given to it by the North Babil EPRT to procure the services of an aquaculture expert to supervise the distribution of fingerlings in the Iskandariya – Khidr area during the 2008 production season. Funding under this grant will cover: (a) Technical Assistance – An aquaculture expert managing the fingerling distribution program established by Inma, a USAID funded agricultural development program; (b) Transportation - Cost of transport between Al Hillah and Iskandariya/Khidr and surrounding area – travel will also be supported for staff of Al Ezdihar Agriculture and Fisheries Association engaged in the oversight and coordination of the fingerling distribution program; and (c) Distribution Center – The Al Ezdihar Association will rent a 4 to 5 donum pond or local hatchery facility to serve as a holding pond for receipt of fingerlings from Al Hillah (Inma will transport fingerlings from Al Hillah to Iskandariya) and the Association in conjunction with its members will coordinate delivery of fingerlings to local farmers based on a pre-approved voucher.
3. The following outlines the terms of this agreement in support of Carp Fingerling Distribution Program managed by the Al Ezdihar Agriculture and Fisheries Association.

Purpose: This Scope of Work will provide the basis for a contract¹ administered by the Al Ezdihar Agriculture and Fisheries Association to accomplish the following objectives: (1) Assess the number of farmers requiring delivery of fingerlings in order

¹ Based upon the proposal provided by the Fish Farm Association, EPRT North Babil shall execute a grant to the association for the execution of this contract.

to produce carp during the 2008 season; (2) Design an adequate delivery program to receive and distribute fingerlings on a schedule that allows for the most farmers feasible to participate in the program; (3) Manage the implementation of the fingerling distribution in the Iskandariya Khidr area; and (4) Plan how the Association should proceed in supporting production and marketing of carp in 2008 and beyond. The total cost of this program is estimated to be \$25,000 and will cover the salary of an aquaculture expert for four months working six day work weeks, provide transportation for the aquaculture expert and Al Ezdihar staff involved in oversight and management of fingerling distribution, and allow for the rental of pond or hatchery space required as a central distribution point for fingerlings in the Iskandariya – Khidr area.

Task One - Assess Farmers and Determine Need for Fingerlings – 4 weeks – (April 7 – May 5) – The Aquaculture Expert will visit and assess all farms that have received QRF micro-grants from EPRT North Babil, and any additional farms deemed appropriate to enter into carp production during the 2008 season. Priority for fingerling distribution will be with those fish farms that are recipient of micro-grants. Each farm will be identified with a GPS (Geographic Positioning System) reading of latitude and longitude, an estimate of total production area, and confirmation of the operator's legal right to engage in fish production on the ponds identified as part of his or her operation. A summary report will be drafted by the Aquaculture Expert that quantified total demand for fingerlings and physically maps out the demand requirements.

Task Two - Design a Fingerling Distribution System – 1 week (May 6 - 13) – Based on assessments executed under Task One, the aquaculture expert shall develop a fingerling distribution strategy that identifies recipient farms, specifies a delivery schedule, sets a price to be charged for the fingerlings delivered to eligible farmers, provides for accountability of fingerling to those that meet legal requirements for operation with first priority going to micro-grant recipients, and describes how the program will be administered. This work would include developing a voucher system that farmers would present for delivery of fingerlings. A decision would be made with individual farmers on whether to provide direct delivery of fingerlings from Al Hillah (Euphrates Fish Farm) to the farmer's ponds or to have delivery scheduled from a central distribution point in the Iskandariya area.

Task Three - Management of Fingerling Distribution Program – 9 weeks (May 14 – July 16) – The Aquaculture Expert would manage in coordination with Al Ezdihar Agriculture and Fisheries Association staff the delivery of fingerlings to eligible farmers. This work would include coordinating fingerling production and delivery from the Euphrates Fish Farm and Inma. Technical oversight would be provided to ensure live delivery of the highest number of fingerlings possible. Contingency plans would be developed to provide flexibility in delivery schedule if conditions warrant it (a holding facility was mentioned as one way of providing flexibility and funding is provided in this grant but final design will depend upon assessments conducted in Task One and planning executed in Task Two – this should determine the quantity and schedule for fingerling delivery).

Task Four - Final Report and Development of Strategic Long Term Plan – 2 weeks (July 17 - 31) – Based on farm assessments, observations during fingerling distribution, and overall experience with area farmers, the Aquaculture Expert shall develop a long term plan that guides sustainable, profitable production and marketing operations during the 2008 production season and beyond. This final report shall identify actions required by Al Ezdihar Agriculture and Fisheries Association to support its members undertake successful and profitable carp production and marketing in the 2008 production season.

4. Al Ezdihar Agriculture and Fisheries Association agreed to use the funds given to him by the North Babil EPRT to procure the services of an aquaculture expert to supervise the distribution of fingerlings in the Iskandariya – Khidr area during the 2008 production season. The total amount of this grant is \$25,000.
5. Funding under this grant will cover:
 - a. **Technical Assistance – \$10,000** (\$2,500 per month for four months) - An aquaculture expert managing the fingerling distribution program established by Inma, a USAID funded agricultural development program;
 - b. **Transportation - \$11,000** (Transportation for Aquaculture Expert and Al Ezdihar Association staff - \$2,500 over four months; Rental of Two Trucks with drivers for Fingerling Delivery in Iskandariya Area from central distribution center - \$7,500) - Cost of transport between Al Hillah and Iskandariya/Khidr and surrounding area – travel will also be supported for staff of Al Ezdihar Agriculture and Fisheries Association engaged in the oversight and coordination of the fingerling distribution program; and
 - c. **Distribution Center – \$4,000** (Rental of pond or hatchery facility) The Al Ezdihar Association will rent a 4 to 5 donum pond or local hatchery facility to serve as a holding pond for receipt of fingerlings from Al Hillah (Inma will transport fingerlings from Al Hillah to Iskandariya) and the Association in conjunction with its members will coordinate delivery of fingerlings to local farmers based on a pre-approved voucher.
6. Amount of time allotted for project: approx. 4 months. All funds will be used directly for supplies and labor related to designing and administering a carp fingerling distribution program in the Iskandariya – Khidr area. Payment will be in Iraqi Dinars. The grantee will be paid \$7,500 on 12 April 2008, a second payment of \$12,500 will be made based on achievement of activities described in Task One and Two, and a final payment will be made based upon completion of all activities described in this agreement and the delivery of the final report required under Task Four.
7. Funds are immediately available for this contract. This agreement is effective the date the grantee signs this contract and is issued the first payment.

8. By signing below, both parties acknowledge their understanding of the information outlined in paragraphs 1-4 and agree to the terms laid out above.
9. POINT OF CONTACT: The POC is Maj Kerr, William and can be reached via email or telephone at the following: William.Kerr@4bct3id.army.mil or 776-5942.

William Kerr, MAJ Civil Affairs, QRF PPO

Live Haul Fish Tanks

Design from Dr. Raied Hussain Salih Rabe'e
Former Manager, Al-Ithmar Agricultural Company
March 30, 2008

Stainless Steel outer and inner shell on wooden frame with 10 inch styrofoam insulation between inner and outer shell.

Height of tank is 70 cm with a hinged top that can be opened to dip fish out with a net.

Tank has two gates on lower each 5 cm in diameter with 10 cm down spout.

10 cm of styrofoam insulation.

Baffle – Cross Section

120 cm

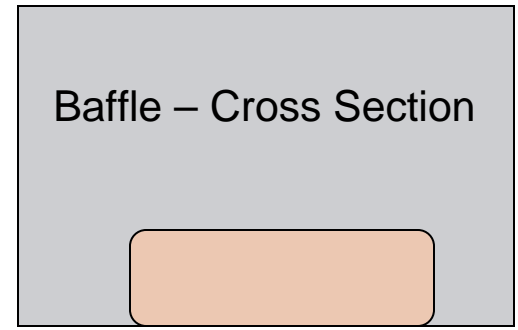
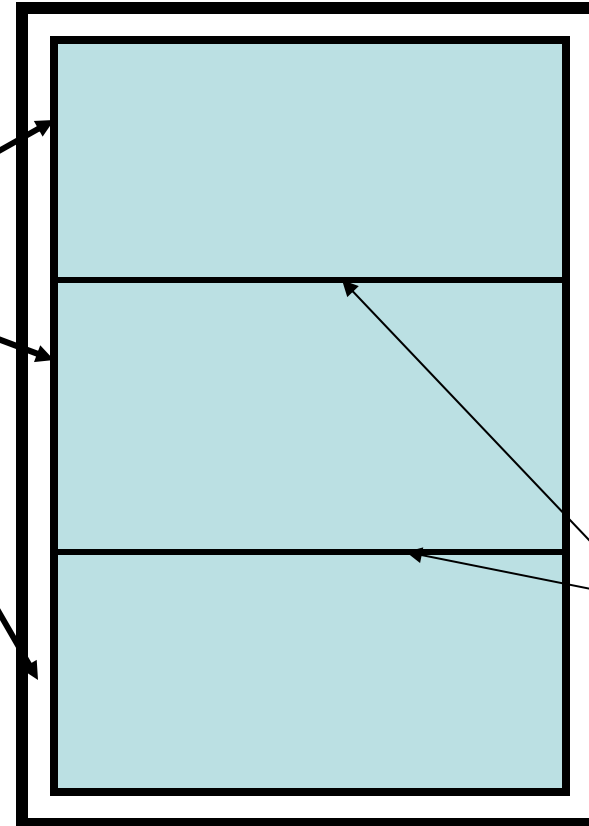
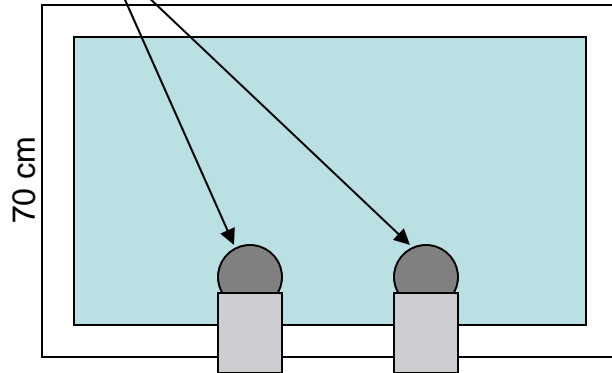
230 cm

Baffles

120 cm

70 cm

Spouts



Live Haul Fish Tanks

Duane Stone, Inma Design

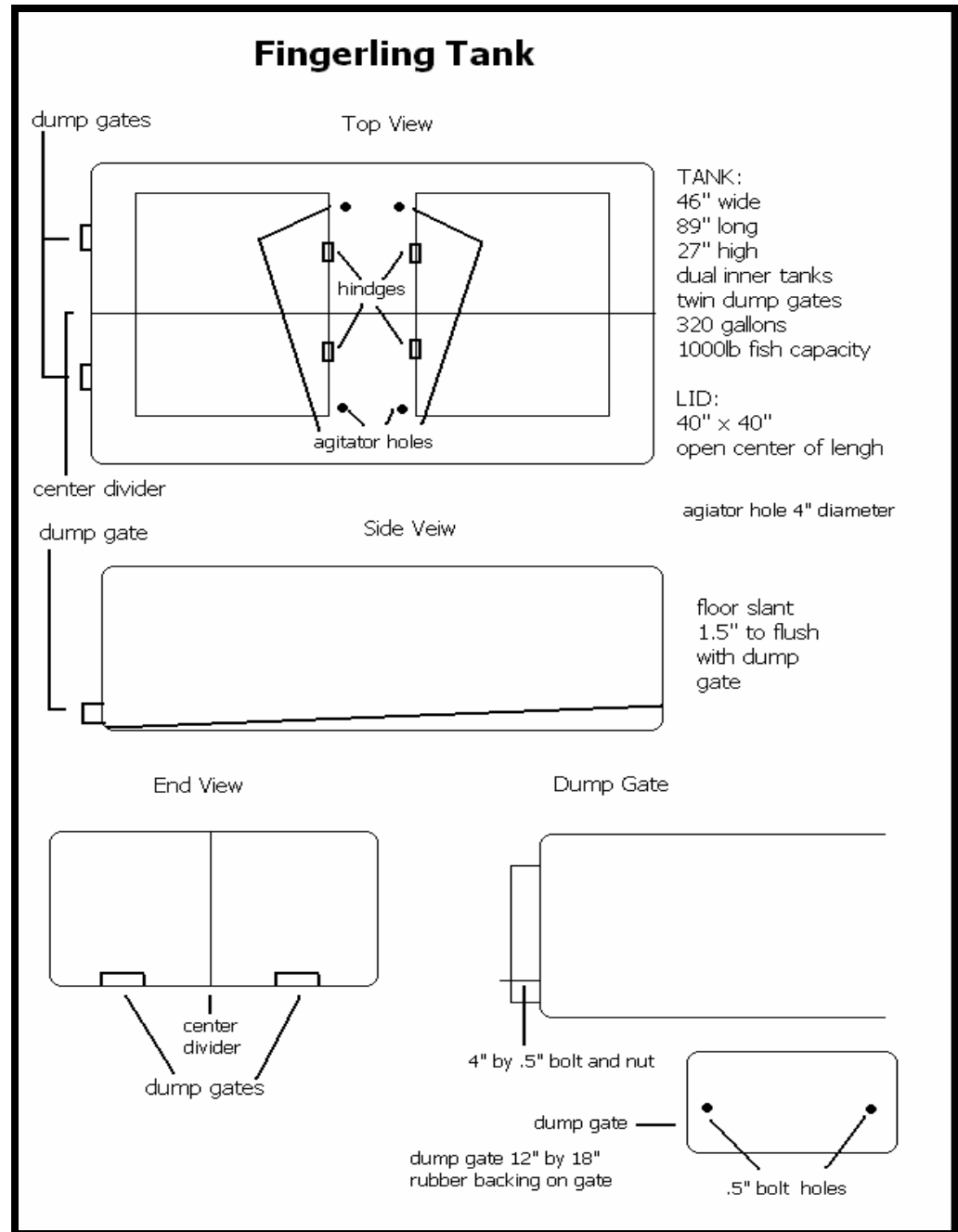
Overall dimensions of both Duane and Dr. Raied's designs are almost the same.

Duane's design provides for two separate tanks with no baffles. Dr. Raied has one large tank with two baffles.

Both designs require styrofoam insulation, have dump gates at the end, and are built on a wooden frame.

The top covers on Duane's design allows for hand removal of fish (good for use in marketing live fish later in the season) and includes a floor slant that would be needed to drain the tank.

Both designs appear to be for a tank that would fit in the back of a 2 ton truck.



Babil/North Babil Fish Farm Program Current Status & Required Actions April 5, 2008

Background & Current Status: PRT Babil submitted a “work order” to the USAID financed agricultural development project, Inma, in late 2007 to develop a marketing plan for a fish farm program in Babil Province. EPRT North Babil, at the direction of 4th Brigade Combat Team, 3rd Infantry Division (Vanguard) designed a Fish Farm Program as part of a counterinsurgency initiative in Iskandariya – Khidr. The Fish Farm Program activities will be funded by US military, USAID, Department of State, and private funding to assist fish farmers increase their incomes during the 2008 production season.

A strategy was designed to address problems in the fish to market value chain: (1) pond and water management; (2) production technology; and (3) marketing support. Extensive discussions with Inma¹, the US military and PRT/EPRT resulted in agreement to:

- **Inma** will provide 6 million fingerlings, distribution of fingerlings (transport) from Al Hillah to Iskandariya, technical support for fingerling distribution (help in managing a central collection/distribution center in Iskandariya) and, over the longer term, assistance in developing local fish feed supplies. Inma also agreed to do a significant number of “demonstration farms” in Babil Province and will use a portion of the fingerlings produced this season on the demonstration farms. According to its annual work plan, Inma may work to strengthen Non-Governmental Organizations (NGOs), like the fish farm and agricultural associations in Babil Province, to improve their capacity to deliver expanded production and marketing services to their farmers.

¹ *Inma* is a three-year, \$343 million program, with two one-year option periods. Complementing USAID's other economic growth programs, *Inma* will work with the Government of Iraq to support the development of agribusinesses and agricultural markets. This activity will improve the livelihoods of farmers while energizing Iraq's agriculture industry, the single largest source of employment and second largest contributor to the overall gross domestic product in the country. *Inma*, meaning "growth" in Arabic, will help build meaningful linkages between farmers, agribusinesses, financial services, and domestic and international markets. Technical advisors will support national and local government agencies as they adapt to the rapidly evolving legal, regulatory, and public service needs of a free market economy. By promoting public-private partnerships and dialogue, *Inma* will stimulate local and national policy-making opportunities. Helping Iraqis transform local economies, *Inma* will work in close coordination with Provincial Reconstruction Teams (PRTs) on the development of agribusinesses and value-added processing. Specifically, *Inma* will: (1) Improve agricultural quality and productivity. *Inma* will train farmers on modern technical practices to achieve better yields for their crops and more productive livestock. (2) Restore soil and water management systems. Program efforts will support farmers as they restore poorly functioning drainage facilities and improve irrigation practices. (3) Increase the competitiveness of Iraqi agribusinesses. *Inma* will assist Iraqis as they improve food grades and standards for sanitary protocols, inspection procedures, and compliance criteria. (4) Increase domestic and foreign partnerships. *Inma* advisors will support the Iraqi private sector as it establishes needed linkages with foreign enterprises and international markets.

- **US Military** will provide live haul tanks for the transport of fingerlings and live fish to market, fish feed to cover some fingerling and fish production, and security for transport of fingerlings. The US military is also providing on-the-ground coordination of QRF funded micro-grants to fish farmers in North Babil by ensuring work is accomplished as required before subsequent tranches of the grants are disbursed. The military is also working with local water management authorities to improve water management practices in the Khidr area.
- **USAID** will provide, in addition to the Inma Project, support via the Community Stabilization Program (CSP) has committed to provide labor to clean secondary and feeder canals to improve water management (total funding to be determined) This will be done in coordination with activities underway by the Ministry of Water Resources which is dredging canals in the Khidr area. CSP will also provide micro-grants to a limited number of fish farmers.
- **EPRT/PRT** – **EPRT North Babil** is initiating two programs funded with QRF funding to create an Iskandariya – Khidr Fish Farm Program linked into efforts of Inma, the US military, CSP and private farmers. The first program, Micro-grants to North Babil Fish Farmers, began in late March with the initial distribution of approximately \$60,000 of a planned total effort of \$250,000 in micro-grants to approximately 70 fish farmers belonging to Al Ezdihar Agriculture and Fisheries Association (this group is commonly known as the North Babil Fish Farm Association). The second program, Fingerling Distribution Technical Assistance and Management, will be a grant of \$25,000 to the Al Ezdihar Agriculture and Fisheries Association to hire a local fish expert to design and manage fingerling distribution to North Babil farmers. **PRT Babil** will develop and seek funding for a proposal to strengthen the Babil Fish Association and its North Babil counterpart, Al Ezdihar Agriculture and Fisheries Association, with the intent of bringing both organizations together into one association in an equitable and mutually beneficial relationship. At the end of this capacity building effort, Al Ezdihar would become a “chapter” of the province wide Babil Fish Association.

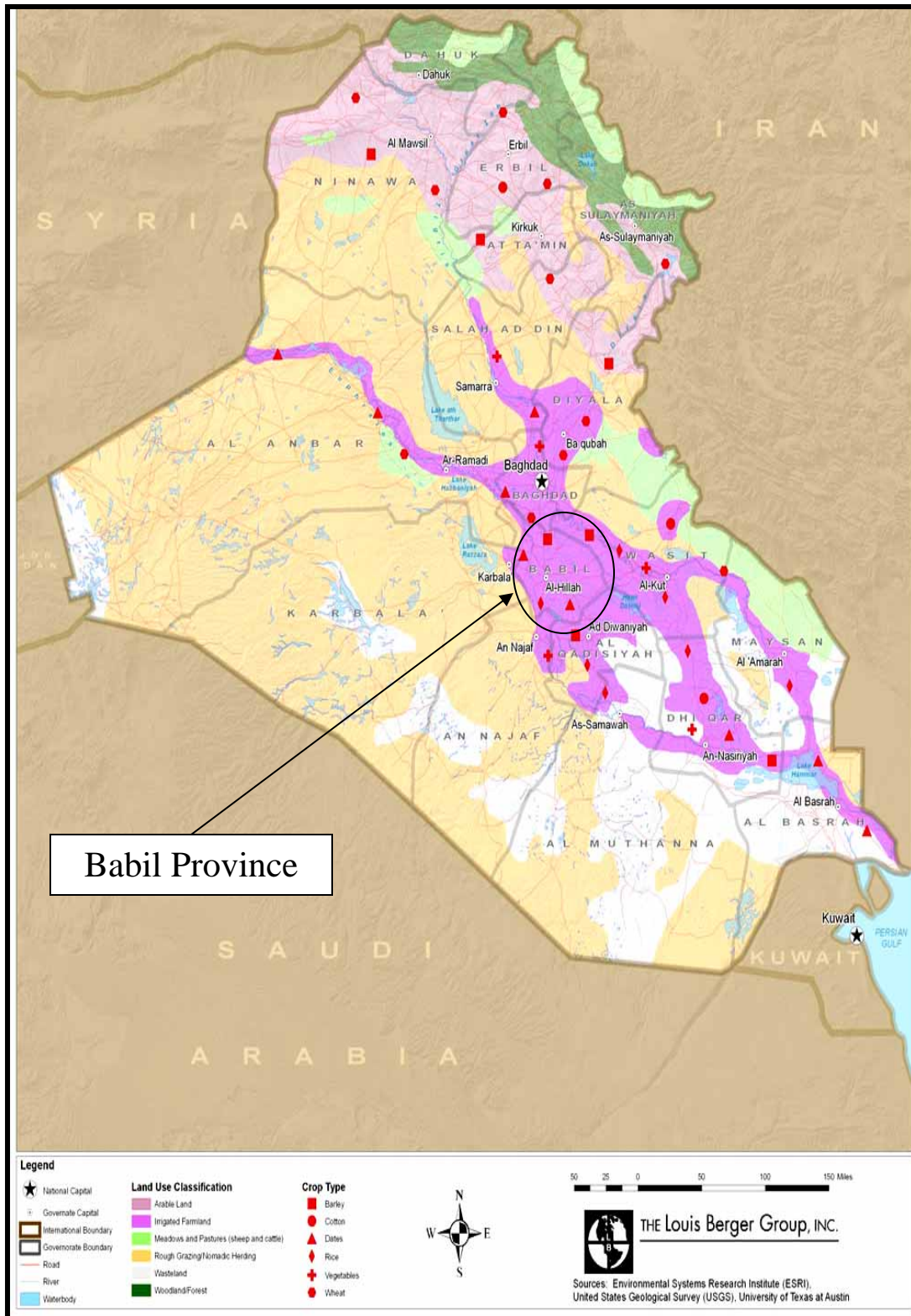
Issues:

- (1) **Schedule for Fingerling Production** – Timing of fingerling delivery will determine carp production schedule and have a significant impact on the total amount of live fish production at the end of the current season. There needs to be an assessment of fingerling production schedule and a report on when and how many fingerlings will be delivered now being produced with the support of Inma. There also needs to be a detailed plan and a mutually understood plan (best articulated in an Memorandum of Agreement) between Inma and the fingerlings recipients. EPRT North Babil and PRT Babil stand ready to assist in finalizing a written agreement among the fish farm association and Inma.

(2) Sustainability Strategy – Efforts by EPRT North Babil are aimed at providing support for immediate actions this fish production season. PRT Babil is planning to provide capacity building support to the Babil Fish Association and the nascent association in North Babil with the intent of building one association providing support to fish farmers across Babil Province. There needs to be a discussion and the development of capacity building plans by Inma with the fish farm groups in Babil Province that build on the efforts underway or planned for near term implementation. Coordination in these early stages can leverage a greater impact and avoid duplication of efforts. The model Inma develops for NGO capacity building could serve to strengthen the agricultural associations in Babil Province as well.

Action Required:

A detailed plan is needed from Inma that ties all activities now underway with its support in Babil Province into one coherent strategy linking short term EPRT and PRT actions into its longer term approach for sustainable development of the sector there. For example, EPRT North Babil's activities in support of fish farm activities and a centrally located farmers' market require longer term support to ensure their success. This long term support would logically come from the type of 5 year, \$340 million program that Inma represents. This is all the more critical when one looks at the importance of Babil Province to agriculture in Iraq (see Inma Agricultural Map on the next page).



Babil Province

Agricultural Map – Inma Project

Memorandum of Conversation
Meeting with PRT Babil Representatives to Discuss Fish Farm Program
& Business Incubator Concept

Michael Maxey – USAID Rep. – EPRT North Babil
April 4, 2008

EPRT North Babil staff traveled to Regional Embassy Office (REO) to meet with PRT North Babil representatives to discuss the status of the Fish Farm Program and design of a Business Incubator Program in Iskandariya.¹



Fish Farm Program – Meeting focused on two aspects (a) determining status of current fish farm program, and (b) planning for a transition to a sustainable, long-term program. We discussed issues related to the ongoing fish farm program and how to bridge the PRT and EPRT activities to a long term program.

- **Current Status** - Determine where we are in the implementation of the current fish farm program for Babil and North Babil including the status of fingerling production, plans for fingerling distribution, support for production and marketing, and capacity building with local organizations, and activities required to create effective and sustainable sector support mechanisms to ensure key aspects of the overall value chain for freshwater fish production are in place.
- **Long-term Plan** - PRT Babil stressed the importance of bringing the fish farm sector into one organization so as not to splinter efforts and create greater divisions between Babil and North Babil. There was also concern that the activities of Inma, EPRT North Babil and PRT Babil may result in duplicative efforts with the same farmers. It was mentioned that there needs to be a list of the farmers receiving assistance in the EPRT North Babil Program, the 100 or so fish farmers that will work with Inma as demonstration models, and the farmers receiving fingerlings under the Babil PRT. We also discussed how to build capacity in the North Babil Fish Farm Association (Al Ezdihar Agriculture and Fisheries Association) by strengthening the North Babil group through a capacity building program developed by PRT Babil with the Babil Fish Association and how to plan for the future (short and long term) in the Babil aquaculture sector (for example, what is EPRT North Babil exit strategy?).

We agreed to request the North Babil fish expert visit the Euphrates Hatchery to: (1) determine the status of fingerling production; (2) contact USAID CTO and explain concerns of PRT Babil and EPRT North Babil staff, and request assistance from Inma; and (3) PRT Babil will draft a proposal for an NGO Strengthening Project to be submitted to IRAP for QRF funding by April 12th.

¹ We were joined in this discussion by Dr. Raeid, aquaculture expert, and Kaiser Abdul, General Secretary of the Babylon Center for Economic Development

Business Incubator Program - Iskandariya – We discussed a Business Incubator Model (March 10, 2008 “concept paper” is attached) that would build on the business training and micro-finance activities that have already been financed or are underway. We also discussed how can we proceed in developing a concept for a Business Incubator Model for Iskandariya Area. Previous business training was conducted by the Small Business Development Center - Hilla funded by a small QRF grant and focused on (1) how to start a business, and (2) how to expand an existing business. The training cost under the previous grant was \$125 per person for one week course in either the business start up or the business expansion training. We agreed that this training should be continued but we also discussed how to provide a unifying mechanism to provide general training, specific business support, investment promotion, and linkages to micro-finance, microgrants and VoTech training in Iskandariya.

Follow up actions from the meetings were the following:

- (1) Request assessment of Inma fingerling production – we decided to request the local fish expert who will manage the North Babil Fish Farm Association distribution of fingerlings to visit Euphrates Fish Farm and assess where they are in the fingerling production process. Call Ron Curtis, CTO for Inma, tell him that we met with PRT staff, discussed status of production of fingerlings by Euphrates Fish Farm, and request Inma to provide close oversight of the fingerling process and a detailed report on the production and distribution process as well as their long term plan for the fish farm sector.
- (2) Proposal to Strengthen the Fish Association in Babil Province completed by April 12th for discussion with IRAP/DAI. This proposal will provide capacity building training to the North Babil Fish Farm Association and guide it into becoming a “chapter” of the Babil Fish Society. It was made clear that this process is one that requires a program that is attractive enough to the North Babil group to want to participate. This is not a situation for mandating a policy. The potential benefits were evident to the participants in the meeting and it was believed that a good NGO Strengthening proposal could provide the vehicle for bringing the two groups together. It is worth noting that according to the PRT Babil staff, almost 80 percent of the members of the North Babil group were already members of the Babil Fish Society. EPRT North Babil indicated that the NGO Strengthening proposal should address issues like determining who are the key players in the sector and the groups to which they belong, how to bring diverse interests together, what are the value added services that can be provided by a province wide fish farm association, etc.
- (3) Proposal for Business Incubator in Iskandariya completed by April 12th for discussion with USAID partners that are going to meet to discuss economic development issues at FOB Kalsu. This discussion will also be taken to local leaders for their input in Iskandariya with a meeting between EPRT North Babil/USAID partners with Sheik Sabah Al-Kafaji.

North Babil “Business Incubator” Proposal
EPRT North Babil
Michael Maxey, USAID Rep.
March 10, 2008

Background: Since August 2007, business development training has been offered by the Small Business Development Center (SBDC) in Hillah in cooperation with the Iskandariya Nahia Council. Trainers from the Hillah SBDC travel to Iskandariya and teach 15-20 students every other week in various aspects of business skills, financial planning, computer skills and software training. By the end of March 2008, the program will have trained approximately 240 students. Local government representatives in North Babil have expressed interest in expanding business training and start-up support.² EPRT North Babil now seeks to expand this training concept into a comprehensive business services center that provides not only training but access to micro-finance, micro-grants, vo-tech training and, in coordination with USAID partners, links to long-term development rural development and business promotion projects. This “business incubator” approach will (1) help the Nahia obtain vital information from the community on regulatory, infrastructure and other challenges faced by actual and potential business persons, (2) provide a central location for business training and support services for Iskandariya, Haswa, Mussayyib and Seddah, and (3) allow different USG funded programs to make investments in a coordinated way so that overall impact is increased.

Purpose: The purpose of this program is to provide North Babil with improved an improved environment for business, by providing microfinance, training and business advisory services thorough a Small Business Development Center located in Iskandariya.

Approach: Support actions to evolve the current small business training program into a self sustaining Small Business Development Center that will serve not only Iskandariya but the surrounding cities of Haswa, Musayyib and Seddah. This would entail developing a business strategy for the area, hiring a business services coordinator, identify specialists to assist in areas identified as priority needs for small business (i.e., computer skills, accounting, business registration, business planning, etc.), coordinate micro-financing and micro-grants, and linkages to larger scale development programs.

Next Steps: Confer with partners to develop a comprehensive proposal for a sustainable “business incubator” model, seek broad community input, and develop win/win approaches to create this Small Business Development Center that includes business training, networking, access to micro-finance and micro-grants, and mentoring support with linkages to longer term USG funded economic development programs.

² The EPRT and the Nahia council members agreed in discussions with previous EPRT North Babil USAID Rep. Lewis Tatem that the training program should evolve into a business development center that would offer training, financial and technical assistance to small business. A training facility has been completed in the Nahia council building and the Nahia council has agreed to provide an office for a branch of a Micro-Finance Institution. QRF funding (under the IRAP Program) was approved on March 10, 2008 to create the Micro-Finance Institution in Iskandariya to provide \$370,000 in small loans (\$500 to \$2,000).

Weekly Report
Michael Maxey, USAID Rep.
EPRT North Babil
April 6 – 12, 2008

- (1) Field Trip to REO Hilla - Meetings were held at Regional Embassy Office in Al Hillah with PRT Babil staff to coordinate efforts on fish farm program. EPRT North Babil staff attended Private Investment Training Program with Babil Province Governor's Staff. Trip Report is attached.
- (2) Iskandariya Small Business Development Center (SBDC) Proposal – A draft \$232,000 proposal was prepared for submission to IRAP for funding a SBDC. Copy is attached.
- (3) Khidr Area Housing Construction Supply Grant Program – A draft proposal was prepared for submission to IRAP to fund \$500,000 in basic building supply material to residents whose homes were destroyed by Al Qaeda of Iraq during the fighting that occurred in the area late last year.
- (4) USAID Economic Growth Conference – A meeting of USAID partners involved in economic growth activities in North Babil was held on April 12 and a field trip made on April 13 to meet local community leaders and explore the establishment of a Small Business Development Center in Iskandariya. The group included representatives of IRAP (Iraq Rapid Action Program) with \$60 million plus in available grant resources, Tijara (Provincial Economic Growth Program) which provides technical support for small business development and micro-credit programs, CSP (Community Stabilization Program) with over \$9 million in funds programmed in North Babil during 2008, Iskandariya Nahia Local Council leader Sheik Sabah Khafaji, and the Economics Advisor for MNF LTC Bruce Baker. Agenda of the meeting and Memorandum of Conversation of outcomes are attached. These meetings allowed us to finalize a \$232,000 proposal for establishing a Small Business Development Center in Iskandariya, advance discussions on a \$500,000 Construction Material Grant Program to support community efforts to rebuild 132 homes devastated by Al Qaeda of Iraq, and begin a process to coordinate and strengthen USG and GOI funded economic development efforts in Iskandariya and focus on USG “exit strategy” in the area.

Upcoming Events:

- Case Study – Iskandariya – Khidr – Counter Insurgency Initiative – Prepare a short concept piece for a study to be completed later this year (August/September) for the Center for Army Lessons Learned.
- Exit Memorandum – Prepare a list of pending actions for follow up by EPRT Team members for activities I have been involved in. I will be on consultations from April 19 – May 13.

Trip Report
Meetings at REO Hilla with PRT Babil
Michael Maxey, USAID Rep.
EPRT North Babil
April 4 – 7, 2008

I traveled to REO (Regional Embassy Office) at Hilla on April 4th with 5 colleagues¹ to discuss the Fish Farm Program and a Small Business Development Center for Iskandariya.



Various meetings were held:

1. Fish Farm Program – Memorandum of Conversation on outcome of meeting on April 4th with PRT Babil staff was posted in my last weekly report. Meeting focused on two aspects (a) determining status of current fish farm program, and (b) planning for a transition to a sustainable, long-term program. We discussed fingerling production and distribution plan for the ongoing fish farm program and how to transition our short term efforts to long term sustainable, private sector led program.
2. Small Business Development Center - We discussed a Small Business Development Center (SBDC) that would build on the business training and micro-finance activities which have already been financed or are underway. We also discussed how to proceed in developing a concept for a SBDC for Iskandariya Area.
3. Fish Farm Situation & Actions Required - Follow on meetings on fish farm issues were held on April 5th and it was determined that additional, more detailed information was needed.
4. Babil Governor's Staff Investment Promotion Training - On April 6th Dr. Fouad and I were able to attend a PRT Babil training session on how to promote private investment in Babil Province. This training was conducted with the Babil Governor's staff. Dr. Fouad was able to assist with interpretation and also taught a component on the course focused on SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for business investment.

¹ Dr. Fouad Hussein, BBA Economics & Agriculture; Col. John Nye, Deputy EPRT North Babil Team Leader; Major Eric Kerr, Procurement Officer; Sgt. Michael Nunnelee, Medic – these people are all members of EPRT North Babil. Also, accompanying the group was LTC. Bruce Baker, Economics Officer, G9 3rd Infantry Division.

Memorandum of Conversation
USAID Economic Growth Conference
April 12 & 13, 2008
EPRT North Babil

Representatives of three major USAID economic development programs came together at FOB Kalsu to discuss ways to promote economic development in North Babil. The focus of the meeting from EPRT North Babil's perspective was the Iraqi Rapid Action Program (IRAP) and how to better access its grant resources to bridge our short term activities to long term USAID projects, the activities of other donors, and Government of Iraq funded initiatives. The long term goal is to develop an "exit strategy" that would allow our efforts to stand down while Iraqi efforts take over the development process.

We started the conference with a focus on small business development in the Iskandariya area by explaining that EPRT North Babil had partnered with a local NGO (affiliated with Relief International) and the Nahia Local Council to initiate a \$500,000 micro-finance program. The idea was to find ways to leverage impact of the micro-finance program by linking it to a Small Business Development Center also to be located at the Nahia Local Council building in Iskandariya. We also sought to forge links with a major efforts supported by MNF and USAID financed CSP at the Iskandariya VoTech Center (which currently has 800 students in training).

The first day of meetings included presentations by the different participants. See the attached agenda for the organizations and their representatives who attended the conference. We were briefed on the start up of a business support program, Tijara, which is building on the success of USAID's Izdihar Program that concluded in March 2008. A presentation was also made by the Community Stabilization Program (CSP) on the extensive activities that they have underway in North Babil. The CSP Business Advisor explained business development activities that they are promoting in the area as well as their links to the VoTech Center. Finally, we heard from IRAP and the initiatives they are financing (in North Babil – we have IRAP funding for the micro-finance program).

We had an open discussion but focused on how to move forward with a proposal the EPRT North Babil team drafted to submit to IRAP for funding that would establish a Small Business Development Center in Iskandariya. A copy of the final proposal that was developed based on our discussions is attached. This proposal for \$232,000 (of which \$200,000 would be financed by IRAP) was submitted to the IRAP database for consideration by OPA QRF Evaluation Committee (ETEC).

On the second day of the conference we made a field trip the Iskandariya Nahia Local Council and the VoTech Center. This provided a forum to hear local concerns and better understand the Iraqi vision of how to promote economic development. We were also able to hear about the constraints facing the local government and the Ministry of Labor supported VoTech.

Next Steps: (1) SBDC proposal was submitted and we will follow up with the Nahia Local Council on its implementation (if it's approved by ETEC) and make sure we coordinate business training with micro-finance; (2) a strategy will be developed to coordinate the various programs (US, Other Donor and GOI) to ensure the greatest impact of all our efforts

in promoting economic development; and (3) a program will be developed to implement this strategy in North Babil and funding/support will be sought from USAID Partners, MNF, Other Donors, and GOI. A second economic development conference will be held during the last week of May to follow up on these proposals. A key aspect of this initiative is to develop a viable “exit strategy” for our programs – this would include medium to long term strategies but everything should be geared to developing mechanisms that allow us to stand down as the Iraqis and the private sector stand up.



Presentations at FOB Kalsu



VoTech Center Students

**USAID Economic Growth Activities
EPRT North Babil
April 12 – 13, 2008
FOB Kalsu**

April 12th

11:00 – 11:30 - Arrival of USAID Partners – Meet and Greet; Escort to KBR for Billeting

12:00 – 13:00 - Lunch - DFAC

13:30 – 16:30 - USAID Economic Growth Meeting – Small Conference Room

17:30 -18:30 – Dinner – DFAC

April 13th

Field Trip (via Military Convoy) - Details for April 13th will be briefed on April 12th at the USAID Partners Meeting. We will be back FOB Kalsu for flight back to IZ on evening of April 13th.



USAID Partners “In the Fight” at FOB Kalsu.

USAID Economic Growth Activities Meeting EPRT North Babil

April 12, 2008

Opening Remarks – Howard Van Vranken, EPRT North Babil Team Leader

Overview – “What we hope to accomplish.” – Michael Maxey, USAID Rep, EPRT North Babil

Presentations by Participants – 10 minute discussion by each group attending the meeting.

DAI – (David Williams & Jackie Duclos) - Explanation of IRAP Program and Update on IRAP Micro-Finance Project for Iskandariya

CSP – (Jane Thomson) - Update on Activities in North Babil

Tijara/PEG – (Anar Khalilov, John Salata & Robert John Viernum) - Overview of Program and Startup Activities

RTI – LGP II – (Lamar Cravens & Pradeep Patnaik) Overview of LGP Economic Development Activities

Economics Advisor in the G9 – (Col. Bruce Baker) Economics Division – Summary of Economic Issues for North Babil from 3rd Infantry Division

OPA – (Walter Yates) Comments on QRF Program – ETEC Committee.

Meeting with Local Leaders – Sheik Khafaji and Director of VoTech Center will be meet with the group at 14:00 to discuss local concerns for economic development.

IRAP & Other Programs - One of the major ideas behind these meetings aside from a particular focus on an Iskandariya Small Business Development Center is to look for ways to use IRAP to bridge short term (less than one year) activities to the rest of our USAID project portfolio, especially in economic growth. I hope we can find ways to make sure we are coordinating our approved IRAP Microfinance Program with PEG and other activities planned under that project.

April 13, 2008

Field Trip – Movement by military convoy to (1) Iskandariya Nahia Local Council meeting to discuss economic development issues with community leaders, and (2) VoTech Center to discuss USAID linkages to training and business development.

Remarks by Howard Van Vranken
EPRT North Babil Team Leader
Open the USAID Economic Growth Conference

I want to welcome you here today to talk about economic development in North Babil. Thank you for making the effort to come to FOB Kalsu. Well, I can see we have a great group of people here. I just want to say that we need your help. I say that because our efforts here are short term. In fact, the EPRT North Babil sees itself as a temporary bridge to more sustainable, longer term efforts to promote economic development. That's why it is so important to have you and the organizations you represent here today. We seek to bridge our efforts to the longer term efforts you represent.

One of the most flexible, versatile funding sources available to us is QRF (Quick Response Funding). We have done some innovative things with this funding but we have always tried to keep in mind how we can fund activities that link to larger efforts in North Babil. We are fortunate today to have David Williams and Jackie Duclos from DAI with us today. DAI is managing IRAP (Iraqi Rapid Action Program) which uses QRF funding to implement larger projects (up to \$500,000). In March, the committee that approves IRAP Projects gave us the green light to proceed with a \$500,000 micro finance program in Iskandariya. We want to talk with David and Jackie about that program but we also want to get their advice and yours on how to bring together a comprehensive program that would not only provide credit but also train people in how to start or expand a business, promote private investment in the area, and create the networks and links required for small and medium size businesses to find the right markets, get the right financing and move into bigger and better things. In addition to that, we want to look at other activities IRAP is funding in agriculture, banking, information technology and other areas to see if some of those programs would be feasible here and if they could link to larger, long term efforts with other USAID Partners.

We have other great projects represented here as well – Jane Thomson with CSP (Community Stabilization Program) brings a very versatile and agile program and set of economic development activities to the fight. We look forward to coordinating with Jane on activities at the VoTech, in coordinating micro-grants and infrastructure support to leverage, where the opportunity arises, greater impact.

RTI is here as well – Lamar and Pradeep – thank you for coming. I understand Pradeep has worked extensively with Col. McKone on activities at the VoTech Center in Iskandariya. We look forward to their insight on how we can create an effective business promotion program for North Babil.

I am looking forward to learning more about Tijara/PEG (Provincial Economic Growth) Project. Anar, John and Robert – we are hoping to develop a Small Business Development Center in Iskandariya and we need your help in putting together something that will be sustainable and hopefully be linked to Tijara and your business promotion activities.

Col. Baker, it's good to have you here. We want to make sure we are coordinating all our efforts and the MNF brings a great deal of resources to bear on economic development activities. We are learning that with our fish farm program. I look forward to your continued support of our activities here. Let me take the opportunity here to thank our military colleagues with us in the 4th Brigade Combat Team – Major Kim Peeples, Col.

Roger Shuck, Col. McKone and others – these are great group of people to work with and each one of them is totally committed to promoting economic development in North Babil. Finally, Walter, it’s great to have our OPA Desk Officer here. The success of many of our short term efforts depends on our ability to successfully navigate the administrative waters back at the Palace. You have provided outstanding support and I want to thank you. I understand you are going to give us information on ETEC and the QRF Proposal review process.

I’ll close by saying that we want you to enjoy your visit, the meetings today and the field trip tomorrow. There are some exciting things happening in North Babil. USAID has been a leader in many areas of economic development and we are looking to you here for leadership. I understand from Mike that this is an unstructured meeting that will allow for a free flow of information and brainstorming. I also understand he has prepared a draft proposal for IRAP funding of a Small Business Development Center in Iskandariya. I hope we can put together a solid proposal package with your input and support over the next day and a half. We are open to suggestions and we want to coordinate our efforts with yours. At the end of the day, we want whatever we are doing here to be “owned” by the Iraqis and be linked to a long-term sustainable economic development program.



QRF PROGRAM
SUMMARY PROPOSAL

Requesting PRT/ePRT/REO:
EPRT North Babil

Grant Recipient:

- Name of Organization: Small Business Development Center (SBDC) - Hilla
- Location of Organization: Hilla, Babil Province
- Organization Website and E-Mail: <http://www.bced-iq.org>
- Name of Project Director and/or Organization Representative: Dr. Asmaa Mahdi Al-Hashimi, Chief of Babylon Center for Economic Development and Leader of the Small Business Development Center – Hilla

Project Code Number: _____

Organization Code: _____

Previous USG Funding:

QRF Grant for Business Training – EPRT North Babil

Project Title:

Small Business Development Center (SBDC) - Iskandariya

Amount Requested:

The total amount of IRAP funds being requested as a one time grant is \$200,000 USD. See Table 1 for the grant cost-sharing budget details.

Executive Summary Paragraph

This grant will fund the establishment of the Small Business Development Center (SBDC) Program in Iskandariya to improve the business prospects for North Babil by supporting access to microfinance, providing training and business advisory services, and promoting private investment in the local economy. The grant will be made to the existing regional SBDC - Hilla² to staff, train and build capacity for the Iskandariya SBDC to be sustainable within one year. This goal to support the growth of the existing small business training program in Iskandariya into a self sustaining SBDC will serve not only Iskandariya but the surrounding cities of Haswa, Musayyib and Seddah. The SBDC – Iskandariya will provide training and assistance to support small businesses interested in accessing micro-finance, micro-grants, vo-tech training and, in coordination with USAID partners, links to long-term economic development and business promotion projects.

² The SBDC Hilla operates as a registered NGO, the Babylon Center for Economy Development (BCED), whose goal is to raise businessmen and businesswomen skills in Babil Province and other Provinces in the South Central region of Iraq, and to improve management skills in trade, industry, agriculture, tourism, service and other sectors for small and middle-size businesses. SBDC Hilla operates business, computer and other training and seminar programs, provides consultations and research services, and helps women and the young people achieve their full potential.

Since August 2007, business development training has been offered by the Small Business Development Center (SBDC) in Hilla in cooperation with the Iskandariya Nahia Council. The SBDC Hilla was created with the support of USAID funded IZDIHAR and it has been training Iraqis in Babil Province since November 2006. For the last eight months, trainers from the SBDC Hilla traveled to Iskandariya and taught 15-20 students every other week in various aspects of business skills, financial planning, computer skills and software training. By the end of March 2008, the program had trained approximately 240 students. Local government representatives in North Babil expressed interest in expanding business training, promoting new business start-ups and expanding existing businesses, and promoting investment in the local economy.³ EPRT North Babil supports this local initiative to create a comprehensive business services center.

This proposal will provide a \$200,000 grant to SBDC – Hilla to staff, train and mentor a core cadre of business professional to become a SBDC in Iskandariya. SBDC – Hilla would be responsible for (1) training local staff to manage the center, (2) establishing operating procedures and linkages required for the center to be self sustaining by the end of the grant period (12 months), and (3) guiding center staff in completing all the requirements to register the Iskandariya SBDC as a national Non-Governmental (NGO).

The IZDIHAR program has developed a standard support package that is used as a general guideline for the establishment of SBDCs which includes: (1) A standard office furniture and equipment package (See Table 2); and (2) Funding support for a 12 month operating budget. The operational support budget for the Iskandariya SBDC is based on the established USAID IZDIHAR SBDC standard budget guideline. In addition to this standard budget, this proposal requests an additional support module that focused on NGO registration and start-up. This is seen as a business activity in that many agricultural NGO's operate as a cooperative business for their partners. EPRT North Babil has seen a felt need for NGO strengthening services. This legal support for registering a national NGO is seen as complementary to small and medium business support services.

This proposal provides for the first 12 months of operational support for the Iskandariya SBDC through a grant to the SBDC Hilla. The SBDC Hilla will provide the assistance required to make SBDC Iskandariya a viable and sustainable entity.

Project self-sustainability potential options and market opportunities will be identified in the Iskandariya SBDC operating business plan and include:

- 1) The development of new course curriculum to be offered for a fee;
- 2) Advanced business development and planning services to be offered for a fee;
- 3) Support for NGO registration for a fee;

³ Preliminary discussions between EPRT staff and the Nahia council members resulted in agreement that the training program should evolve into a business development center that would offer training, financial and technical assistance to small business. A training facility has been completed in the Nahia council building and the Nahia council has agreed to provide an office for a branch of a Micro-Finance Institution. QRF funding (under the IRAP Program) was approved on March 10, 2008 to create the Micro-Finance Institution in Iskandariya to provide \$370,000 in small loans (\$500 to \$2,000).

- 4) Optional rental of SBDC office space to the business community for workshops, meetings and conferences, etc.

Hilla SBDC will provide support for the standard “Core” business courses that will be offered by the Iskandariya SBDC and these will include:

- 1) How to improve or expand an existing business and;
- 2) How to start a new business.
- 3) Both “Core” business development courses will follow the course agenda outlined in Figure 1.

In order to maintain the quality of the business services that will be initially offered, total class size will be kept at a maximum of 15 participants. Over the initial 12 month period, the Iskandariya SBDC will be required to conduct 2 “core” courses per month with a maximum of 15 participants per course for a total of 30 participants per month. This requirement follows the guidelines established by IZDIHAR for the other SBDCs around the country.

New course curricula and or advanced business services being considered by the Iskandariya SBDC include:

- 1) USG Procurement / Contracting Procedures;
- 2) UN Procurement / Contracting Procedures;
- 3) Business English;
- 4) Proposal Writing;
- 5) Website development;
- 6) Advanced Business Planning; and
- 7) Advanced Loan Application Preparation, among others.
- 8) Secretarial Course

It is anticipated that the Iskandariya SBDC will recruit at least one additional trainer during the first quarter of operations to accommodate the planned expansion of business courses and advanced services being offered. The cost of the new trainer staff will be the responsibility of the Iskandariya SBDC.

EPRT North Babil is requesting a total of \$200,000 USD in IRAP funding for a total estimated project cost sharing budget of \$232,400 USD. The Iskandariya Nahia and the Iskandariya SBDC would be responsible for the remaining 13% of the cost-share budget balance of \$32,400 USD. EPRT North Babil is requesting \$200,000 USD from a total estimated budget of \$232,400, which is 87% of the proposed budget.

Background of Grantee

The Hilla Small Business Development Center (SBDC) operates as a registered Non-Governmental Organization (NGO), the Babylon Center for Economy Development (BCED), which is located in Hilla. The goal of SBDC Hilla is to raise businessmen and businesswomen skills in Babil Province and other Provinces in the South Central region of Iraq, and to improve career management styles in different specialties, like; trade, industry, agriculture, tourism, service and others, particularly small and middle-size

business. SBDC Hilla operates business, computer and other training and seminar programs, provides consultations and research services, and helps women and the young people achieve their full potential.

Project Purpose and Description

The purpose of this project is to provide the first 12 months of operational budget support to the Iskandariya SBDC following the standard USAID IZDIHAR program guidelines for such support. With this QRF Grant support, the Iskandariya SBDC will be able to provide critically needed business services to the southern region business community in North Babil.

The USAID IZDIHAR program has supported the establishment of 6 SBDCs around the country. The standard IZDIHAR SBDC package of office furniture and IT / computer equipment will be, as part of this proposal, be delivered and installed at the Iskandariya SBDC site. As per USAID IZDIHAR SBDC guidelines, the Iskandariya SBDC will offer two courses per month with a maximum of 15 participants per course for a total monthly output of 30. Keeping the number of participants to a maximum of 15 per course will ensure overall high quality of the course and allow the Trainers to provide more one-on-one support to individual participants. In addition to the 2 Trainers that make up the staff, all of the Iskandariya SBDC management staff will receive TOT training so that they could be the Trainers for specific course components such as the IT Manager for Day 4 and the Accountant for Day 3, etc.

A voucher system will be used to select participants for the 2 “Core” business courses (1A and 1B) that the Iskandariya SBDC is required to conduct. A total of 360 numbered vouchers will be printed out and provided to provincial councils, local community organizations, and other entities via EPRT North Babil and Civil Affairs Teams associated with the 4th Brigade Combat Team of the 3rd Infantry Division of the United States Army. Each of the above groups can then distribute them to select participants throughout the North Babil area.

The Iskandariya SBDC will develop a schedule for the “Core” business courses for the full year to include the tentative date of each of the 24 planned “Core” business course delivery dates. Candidates that have received a voucher to attend the “core” business course will be able to contact the Iskandariya SBDC and sign up for the scheduled course delivery date of their choice. It is anticipated that the Iskandariya SBDC “advanced” business courses and services will be offered for a small fee. The amount of the fee will be determined after a market assessment is completed by the SBDC. The SBDC will make full use of all appropriate and available marketing and sales techniques to advertise the availability of their business services and promote their use by the North Babil region business community.

Based on the Iskandariya SBDC Year 1 business plan, it is anticipated that the following outputs illustrated in Table 2 will be met during the first year of operations:

Table 2: Schedule of SBDC Business Course Trainee Outputs for first 12 months of operation

Month Number	Business Training Course Number Offered	Number of Courses Offered Per Month		Number of Participants Trained Per Month	
		Core	Advanced	Core	Advanced
1	1A and/or 1B	2	0	30	0
2	1A and/or 1B	2	0	30	0
3	1A, 1B and 2	2	1	30	15
4	1A, 1B and 2	2	1	30	15
5	1A, 1B and 2	2	1	30	15
6	1A, 1B and 2	2	1	30	15
7	1A, 1B and 2	2	1	30	15
8	1A, 1B and 2	2	1	30	15
9	1A, 1B and 2	2	1	30	15
10	1A, 1B, 2 and 3	2	2	30	30
11	1A, 1B, 2 and 3	2	2	30	30
12	1A, 1B, 2 and 3	2	2	30	30
Sub-Total		24	13	360	195
Total		37		555	

Notes:

1. Course number 1A is “How to improve or expand an existing business”;
2. Course number 1B is “How to start-up a New Business”;
3. Course number 2 will be an “advanced” course TBD that will be offered for a fee;
4. Course number 3 will be a second “advanced” course TBD that will be offered for a fee;
5. The number of 1A and 1B “core” courses per month will be based on market demand coming from the business community in North Babil;
6. If demand for course 1A and/or 1B is high, additional courses may be added to accommodate the increased demand;
7. An estimated 360 North Babil business participants will receive the “Core” business training from the Iskandariya SBDC during the first year of operation;
8. An estimated 195 North Babil business participants will receive “Advanced” business training from the Iskandariya SBDC during the first year of operation. A course fee will be required from all participants for the “advanced” courses.

Project Justification:

At the present time, there is no permanent business related organization or agency in the North Babil region, either government, NGO or private sector that provide the type of business services that will be offered by the Iskandariya SBDC. Based on EPRT North Babil staff observation and engagement with the business community it has become apparent that there is an overwhelming need for basic business development services in the area.

The business services that will be provided by the Iskandariya SBDC will enhance the quantity and quality of business proposals by improving the overall business planning for existing businesses that wish to improve or expand their market base. New business start-ups and existing businesses will also benefit from improved “bankable” business plans and better business loan applications that will increase access to available credit programs. Together, new business start-ups and expanded existing businesses will provide for increased long-term employment opportunities, and lead to enhanced marketability for potential joint venture partnerships in the country and region. New markets for products and services, especially in the agro-business sector will be encouraged along with increased manufacturing of products in the south for internal consumption and export, all of which will be more likely to attract internal and external business investment. Enhanced political and social stability in North Babil region is much more likely in an environment of planned and organized business expansion that includes attracting regional and international investment.

EPRT North Babil has been working closely with the business community in the province for the past year and EPRT Joint Common Plan’s Economic Development Strategy includes support in select areas with business development training being an essential component to the overall strategy. Linkages with other USAID business programs such as INMA Agro-business, PEG, will be strongly encouraged as will increased development and use of the internet. It is anticipated that the Iskandariya SBDC will develop its own separate website.

Project Implementation Dates:

The Iskandariya SBDC is scheduled to open my late May 2008. A Grand Opening ceremony was held on May 30 and the first round of business development training has been scheduled for shortly after the grand opening. The operational budget support grant would cover the 12 month period starting from 30 May 2008.

Budget Breakdown:

See Table 1: EPRT North Babil IRAP Grant to the Iskandariya SBDC Cost-Sharing Budget below. This budget is based on the standard SBDC budget guideline from the USAID IZDIHAR program and includes cost-sharing for specific budget line items.

Budget Notes

The cost share budget in Table 1 below is intended to cover all foreseeable operational costs for the Iskandariya SBDC during their first year of operation. EPRT North Babil is requesting \$200,000 USD from a total estimated budget of \$232,400, which is 87% of the proposed budget. The Iskandariya Nahia and the Iskandariya SBDC would be responsible for the remaining 13% of the cost-share budget balance of \$32,400 USD.

The Staff and Other Direct Costs (ODCs) line items in the cost share budget reflect the salary and cost guidelines of the USAID IZDIHAR SBDC standard budget line items.. The base salaries contained in the cost-share budget have been reviewed and confirmed as appropriate based on prior similar work conducted by IZDIHAR and its partners.

At the end of the first quarter of operations, the SBDC will recruit one additional trainer staff to conduct “Advanced” business courses and services. The salary for the 3rd trainer will be the responsibility of the Iskandariya SBDC and covered by the “advanced” course fees;

A driver with vehicle will be rented on a monthly basis. The actual cost of the driver and vehicle rental, up to \$500 per month, will be included in the monthly billing invoice. In order to provide 24 hour security requirements for the Iskandariya SBDC, a total of 4 guards will be employed. This cost will be covered by the Iskandariya Nahia. The cost-share budget is an illustrative budget by design. It is anticipated that the Iskandariya SBDC will submit a detailed billing invoice on a monthly basis with actual costs incurred for the month. Office rental costs will be covered by the Iskandariya Nahia. Utility costs above \$300 for the first year will be the responsibility of the Iskandariya SBDC. Depending on monthly utility costs, the utility ceiling cap is expected to impact during the first year sometime after month 6. Hospitality costs above \$1,800 for the first year will be the responsibility of the Iskandariya SBDC. Depending on monthly hospitality costs, the hospitality ceiling cap is expected to impact during the first year sometime after month 6. The Iskandariyah SBDC is expected to aggressively advertise their services using the available media (TV, radio, newspaper, posters, brochures, etc.). The Hilla SBDC will be required to open a dedicated bank account with a bank in Iskandariya, if at all possible. The IRAP grant funds will be wire transferred to their account via EFT upon receipt of the monthly billing invoice. Subject to the availability of EFT banking services in Iskandariya. The fifteen (15) desktop computer systems will allow the SBDC to implement business development classes to the recommended level of 15 trainees per class. Desktop computer system specifications include: 1.6 GHz Intel P4, 512 MB memory, 40 GB HDD, CD/DVD, WiFi, 100 Mbps Ethernet, 220 v power supply w/2-prong plug, WinXP Pro SP2 OEM on CD, MS Office Pro 2003 on CD, Mfg warranty.

Figure 1: USAID IZDIHAR Small Business Development Center Course Description



The flyer features a blue and green color scheme. At the top left is the SBDC logo. The main title 'Small Business Development Centers' is in large blue font. A central graphic shows three overlapping photos of people in a meeting, with yellow arrows pointing towards the right. On the right side, there is a welcome message and a description of the course. The bottom right corner has a grid of yellow dots. The left side contains contact information for five locations: Baghdad, Erbil, Hilla, Kirkuk, and Tal'afar.

Small Business Development Centers

CONTACTS

BAGHDAD
IASD
Iraqi Association of Securities Dealers
E-mail: Info@iaed-iq.org

ERBIL
WEO
Women Empowerment Organization
E-mail: Info@womenempowerment-iraq.com

HILLA
BCED
Babylon Center of Economy Development
E-mail: Info@bcad-iq.org

KIRKUK
Al-Murshed Center
E-mail: almurshed@sbdc-iraq.com

TAL'AFAR
TSBC
Tal'afar Economic Development Center
E-mail: tedc@sbdc-iraq.com

SBDC
Small Business Development Centers

SBDC
Small Business Development Centers

Welcome to the

Small Business Development Course!

Do you want to start your own business or develop and expand an existing one? We offer an intensive 5-day training course that will help you take the first steps in becoming a successful entrepreneur. We assist you with other services that will help your business grow.

SBDC
Small Business Development Centers

Small Business Development Centers

Phone: 00964 07901251261
E-mail: info@sbdc-iraq.com

Table 2: USAID IZDIHAR Program Standard SBDC Furniture & Equipment Package

Curriculum		Trainers
<p>The course is called "How to Start - Up or Improve a Business", it runs at the premises of the five centers and it includes the following topics:</p> <ul style="list-style-type: none"> ◆ Business Planning ◆ Assessing Prospects ◆ Marketing and Sales Techniques ◆ Customer Care ◆ Promotion and Advertising ◆ Finance, Accounting, Budgets ◆ Business Case Studies ◆ Business Best Practices ◆ Computer Fundamentals ◆ Business Plan Pro 	<p>The content by days is the following:</p> <p>Day 1 How to Prepare a Bankable Business Plan, including: Starting a New Business, Business Planning, Long-term and Short-term Goals, Registration of Business</p> <p>Day 2 How to Market Your Business, including: Sales, Customer Care, Promotion, Advertising</p> <p>Day 3 How to Manage Your Business Cash Flow, including: Finance, Accounting and Budget Issues</p> <p>Day 4 How to Use Computers in Your Business, including: Introduction to Computers, the Internet, and Business Plan Software</p> <p>Day 5 How to Use Your Business Plan in a Loan Application Package; How to Approach a Microfinance Institution or a Bank; and How to Complete a Loan Application</p>	<p>The course is delivered by experienced Iraqi master trainers. The trainers have a thorough knowledge of the problems encountered by entrepreneurs and enjoy a good reputation in the community.</p> <p>Materials and equipment</p> <p>During the course, the participants will have access to modern equipment and will receive complementary materials.</p> <p>Benefits</p> <p>At the end of the course, you will receive a certificate. You will also benefit from additional services that the centers provide – assistance in the preparation of a business plan, referral to a bank or microfinance institution, assistance in the preparation of a loan application, cash flow analysis, etc.</p> <p>Enrollment</p> <p>Participants are awarded a voucher (valued at \$125) based on pre-qualification. Complete your application today!</p>
 <p>Cost and prerequisites</p> <p>The course value is \$125. The prerequisite is your desire to own and operate a business. Scholarship available through voucher program.</p>	<p>Aside from the training sessions, the participants are required to do homework related to starting and operating a small business. The individual assignments are critiqued and discussed. Extracurricular assignments and research are part of the course. Practical tests which encourage innovation, growth and change are given with immediately available results. In addition, trainer comments, consultations, and recommendations are provided to strengthen business plans, loans applications, and overall business direction.</p>	
<p style="text-align: center;">Small Business Development Centers</p>		

IZDIHAR Standard New SBDC Furniture & Equipment Package				
Item	Quantity	Unit Price - \$	Total	Description
Generator (40KVA)	1	14,000	14,000	Installed on concrete slab and metal roof cover.
HVAC - Split-wall units (heat & cold)	4	1,000	4,000	Air
Safe	1	500	500	
Water Cooler	1	150	150	Safa water cooler/ 220v AC
Refrigerator	1	500	500	Vestal refrigerator 14 Feet,220V AC
Carpeting	100 Sq. Meter	10	1,000	
Executive Chair & Desk	1	470	470	Desk w/ Credenza \$350; Exec Chair \$120
Sofa	1	800	800	1 sofa-set w/ coffee table and end tables for reception
Desk Chair	11	45	495	Swivel small size chair
Desk	10	100	1,000	Desk 120 x 70 cm
Desk w/ credenza	4	350	1,400	
Shelf	4	175	700	Book shelves
Lockers (file cabinets)	8	140	1,120	
Conference Table	1	450	450	
Conference Chairs	6	50	300	
Kitchen supplies	1	500	500	Small cooker, Tea set, Coffee set, Counter w/sink
Fire extinguisher	3	50	150	
White Board	2	30	60	
Photocopier	1	1,000	1,000	
Internet system & installation	1	4,500	4,500	
Laptops w/ MS Win XP Pro SP2 & MSO	10	1,800	18,000	Laptops (Dell D610 or equiv.) ;
Pro 2003 CDs / or desktop computers				
Scanner	1	100	100	Benque Scanner 220V AC
Web Cam	1	100	100	
Networking		1,500	1,500	Network Cabling & Installation
Loan performer	1	2,000	2,000	
Wifi Router	1	300	300	
Paper shredder	1	250	250	
Fair Wall Device	1	500	500	
Multi Function Printer	1	1,000	1,000	Multi-Function Inkjet Color Print, Scan, Copy
Laser Printer	1	2,000	2,000	Laser Printer Black & White (network)
650kVA UPS (To be used with printers)	2	100	200	APC or TrippLie
Digital Cameras	3	200	600	
Office Disposables & Other		1,000	1,000	
Total			\$60,645	

Budget for Iskandariya Small Business Development Center Program

EPRT North Babil Iskandariya Small Business Development Center								
USAID IRAP Annual (12 Month) Operational Budget								
June 2008 to May 2009								
Ref	Item Description	Unit	Quantity	Unit Cost	IRAP Cost	Iskandariya Nahia	SBDC Cost	Total Cost
1.0	Staff Costs							
1.1	Executive Director	Person Month	12	\$ 1,200.00	\$ 14,400.00		\$ -	\$ 14,400.00
1.2	NGO Strengthening Advisor	Person Month	12	\$ 1,000.00	\$ 12,000.00			\$ 12,000.00
1.2	Administrative Manager	Person Month	12	\$ 850.00	\$ 10,200.00		\$ -	\$ 10,200.00
1.3	Trainers (3)	Person Month	34	\$ 600.00	\$ 14,400.00		\$ 6,000.00	\$ 20,400.00
1.4	IT Manager	Person Month	12	\$ 700.00	\$ 8,400.00		\$ -	\$ 8,400.00
1.5	Accountant	Person Month	12	\$ 750.00	\$ 9,000.00		\$ -	\$ 9,000.00
1.6	Program Coordinator	Person Month	12	\$ 700.00	\$ 8,400.00		\$ -	\$ 8,400.00
1.7	Driver w/Vehicle	Person Month	12	\$ 500.00	\$ 6,000.00		\$ -	\$ 6,000.00
1.8	Cleaner	Person Month	12	\$ 300.00	\$ 3,600.00		\$ -	\$ 3,600.00
1.9	Guards (4)	Person Month	48	\$ 350.00	\$ -	\$ 16,800.00	\$ -	\$ 16,800.00
	Staff Costs Sub-Total				\$ 86,400.00	\$ 16,800.00	\$ 6,000.00	\$ 109,200.00
2.0	Other Direct Costs							
2.1	Office Rent	Month	12	\$ 500.00	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00
2.2	SBDC Standard Furniture & Equ	Package	1	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00
2.3	Office / Equipment Maintenance	Month	12	\$ 150.00	\$ 1,800.00		\$ -	\$ 1,800.00
2.4	Internet Fees	Month	12	\$ 1,000.00	\$ 12,000.00		\$ -	\$ 12,000.00
2.5	Travel (Airfare, hotels, MI&E)	Month	12	\$ 700.00	\$ 8,400.00		\$ -	\$ 8,400.00
2.6	Auto Fuel & Generator Fuel	Month	12	\$ 750.00	\$ 9,000.00		\$ -	\$ 9,000.00
2.7	Utilities	Month	12	\$ 50.00	\$ 300.00		\$ -	\$ 600.00
2.8	Office Supplies	Month	12	\$ 200.00	\$ 2,400.00		\$ -	\$ 2,400.00
2.9	Legal Services	Month	12	\$ 500.00	\$ 6,000.00		\$ -	\$ 6,000.00
2.1	Banking Fees	Month	12	\$ 100.00	\$ 1,200.00		\$ -	\$ 1,200.00
2.11	Hospitality	Month	12	\$ 300.00	\$ 1,800.00		\$ 1,800.00	\$ 3,600.00
2.12	Advertizing / Marketing Fees	Month	12	\$ 300.00	\$ 1,800.00		\$ 1,800.00	\$ 3,600.00
2.13	Generator	Piece	1	\$ 14,000.00	\$ 14,000.00		\$ -	\$ 30,000.00
2.14	Generator Installation Kit	Package	1	\$ 1,000.00	\$ 1,000.00		\$ -	\$ 3,000.00
2.15	Desktop Computer System	Package	15	\$ 1,800.00	\$ 27,000.00		\$ -	\$ 27,000.00
	ODC Sub-Total				\$ 113,600.00	\$ 6,000.00	\$ 3,600.00	\$ 123,200.00
	Grand Total				\$ 200,000.00	\$ 22,800.00	\$ 9,600.00	\$ 232,400.00

Weekly Report
Michael Maxey, USAID Rep.
EPRT North Babil
April 6 – 12, 2008

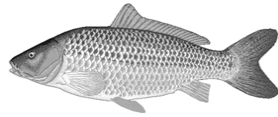
- (1) Field Trip to REO Hilla - Meetings were held at Regional Embassy Office in Al Hillah with PRT Babil staff to coordinate efforts on fish farm program. EPRT North Babil staff attended Private Investment Training Program with Babil Province Governor's Staff. Trip Report is attached.
- (2) Iskandariya Small Business Development Center (SBDC) Proposal – A draft \$232,000 proposal was prepared for submission to IRAP for funding a SBDC. Copy is attached.
- (3) Khidr Area Housing Construction Supply Grant Program – A draft proposal was prepared for submission to IRAP to fund \$500,000 in basic building supply material to residents whose homes were destroyed by Al Qaeda of Iraq during the fighting that occurred in the area late last year.
- (4) USAID Economic Growth Conference – A meeting of USAID partners involved in economic growth activities in North Babil was held on April 12 and a field trip made on April 13 to meet local community leaders and explore the establishment of a Small Business Development Center in Iskandariya. The group included representatives of IRAP (Iraq Rapid Action Program) with \$60 million plus in available grant resources, Tijara (Provincial Economic Growth Program) which provides technical support for small business development and micro-credit programs, CSP (Community Stabilization Program) with over \$9 million in funds programmed in North Babil during 2008, Iskandariya Nahia Local Council leader Sheik Sabah Khafaji, and the Economics Advisor for MNF LTC Bruce Baker. Agenda of the meeting and Memorandum of Conversation of outcomes are attached. These meetings allowed us to finalize a \$232,000 proposal for establishing a Small Business Development Center in Iskandariya, advance discussions on a \$500,000 Construction Material Grant Program to support community efforts to rebuild 132 homes devastated by Al Qaeda of Iraq, and begin a process to coordinate and strengthen USG and GOI funded economic development efforts in Iskandariya and focus on USG “exit strategy” in the area.

Upcoming Events:

- Case Study – Iskandariya – Khidr – Counter Insurgency Initiative – Prepare a short concept piece for a study to be completed later this year (August/September) for the Center for Army Lessons Learned.
- Exit Memorandum – Prepare a list of pending actions for follow up by EPRT Team members for activities I have been involved in. I will be on consultations from April 19 – May 13.

Trip Report
Meetings at REO Hilla with PRT Babil
Michael Maxey, USAID Rep.
EPRT North Babil
April 4 – 7, 2008

I traveled to REO (Regional Embassy Office) at Hilla on April 4th with 5 colleagues¹ to discuss the Fish Farm Program and a Small Business Development Center for Iskandariya.



Various meetings were held:

1. Fish Farm Program – Memorandum of Conversation on outcome of meeting on April 4th with PRT Babil staff was posted in my last weekly report. Meeting focused on two aspects (a) determining status of current fish farm program, and (b) planning for a transition to a sustainable, long-term program. We discussed fingerling production and distribution plan for the ongoing fish farm program and how to transition our short term efforts to long term sustainable, private sector led program.
2. Small Business Development Center - We discussed a Small Business Development Center (SBDC) that would build on the business training and micro-finance activities which have already been financed or are underway. We also discussed how to proceed in developing a concept for a SBDC for Iskandariya Area.
3. Fish Farm Situation & Actions Required - Follow on meetings on fish farm issues were held on April 5th and it was determined that additional, more detailed information was needed.
4. Babil Governor's Staff Investment Promotion Training - On April 6th Dr. Fouad and I were able to attend a PRT Babil training session on how to promote private investment in Babil Province. This training was conducted with the Babil Governor's staff. Dr. Fouad was able to assist with interpretation and also taught a component on the course focused on SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for business investment.

¹ Dr. Fouad Hussein, BBA Economics & Agriculture; Col. John Nye, Deputy EPRT North Babil Team Leader; Major Eric Kerr, Procurement Officer; Sgt. Michael Nunnelee, Medic – these people are all members of EPRT North Babil. Also, accompanying the group was LTC. Bruce Baker, Economics Officer, G9 3rd Infantry Division.

Memorandum of Conversation
USAID Economic Growth Conference
April 12 & 13, 2008
EPRT North Babil

Representatives of three major USAID economic development programs came together at FOB Kalsu to discuss ways to promote economic development in North Babil. The focus of the meeting from EPRT North Babil's perspective was the Iraqi Rapid Action Program (IRAP) and how to better access its grant resources to bridge our short term activities to long term USAID projects, the activities of other donors, and Government of Iraq funded initiatives. The long term goal is to develop an "exit strategy" that would allow our efforts to stand down while Iraqi efforts take over the development process.

We started the conference with a focus on small business development in the Iskandariya area by explaining that EPRT North Babil had partnered with a local NGO (affiliated with Relief International) and the Nahia Local Council to initiate a \$500,000 micro-finance program. The idea was to find ways to leverage impact of the micro-finance program by linking it to a Small Business Development Center also to be located at the Nahia Local Council building in Iskandariya. We also sought to forge links with a major efforts supported by MNF and USAID financed CSP at the Iskandariya VoTech Center (which currently has 800 students in training).

The first day of meetings included presentations by the different participants. See the attached agenda for the organizations and their representatives who attended the conference. We were briefed on the start up of a business support program, Tijara, which is building on the success of USAID's Izdihar Program that concluded in March 2008. A presentation was also made by the Community Stabilization Program (CSP) on the extensive activities that they have underway in North Babil. The CSP Business Advisor explained business development activities that they are promoting in the area as well as their links to the VoTech Center. Finally, we heard from IRAP and the initiatives they are financing (in North Babil – we have IRAP funding for the micro-finance program).

We had an open discussion but focused on how to move forward with a proposal the EPRT North Babil team drafted to submit to IRAP for funding that would establish a Small Business Development Center in Iskandariya. A copy of the final proposal that was developed based on our discussions is attached. This proposal for \$232,000 (of which \$200,000 would be financed by IRAP) was submitted to the IRAP database for consideration by OPA QRF Evaluation Committee (ETEC).

On the second day of the conference we made a field trip the Iskandariya Nahia Local Council and the VoTech Center. This provided a forum to hear local concerns and better understand the Iraqi vision of how to promote economic development. We were also able to hear about the constraints facing the local government and the Ministry of Labor supported VoTech.

Next Steps: (1) SBDC proposal was submitted and we will follow up with the Nahia Local Council on its implementation (if it's approved by ETEC) and make sure we coordinate business training with micro-finance; (2) a strategy will be developed to coordinate the various programs (US, Other Donor and GOI) to ensure the greatest impact of all our efforts

in promoting economic development; and (3) a program will be developed to implement this strategy in North Babil and funding/support will be sought from USAID Partners, MNF, Other Donors, and GOI. A second economic development conference will be held during the last week of May to follow up on these proposals. A key aspect of this initiative is to develop a viable “exit strategy” for our programs – this would include medium to long term strategies but everything should be geared to developing mechanisms that allow us to stand down as the Iraqis and the private sector stand up.



Presentations at FOB Kalsu



VoTech Center Students

**USAID Economic Growth Activities
EPRT North Babil
April 12 – 13, 2008
FOB Kalsu**

April 12th

11:00 – 11:30 - Arrival of USAID Partners – Meet and Greet; Escort to KBR for Billeting

12:00 – 13:00 - Lunch - DFAC

13:30 – 16:30 - USAID Economic Growth Meeting – Small Conference Room

17:30 -18:30 – Dinner – DFAC

April 13th

Field Trip (via Military Convoy) - Details for April 13th will be briefed on April 12th at the USAID Partners Meeting. We will be back FOB Kalsu for flight back to IZ on evening of April 13th.



USAID Partners “In the Fight” at FOB Kalsu.

USAID Economic Growth Activities Meeting EPRT North Babil

April 12, 2008

Opening Remarks – Howard Van Vranken, EPRT North Babil Team Leader

Overview – “What we hope to accomplish.” – Michael Maxey, USAID Rep, EPRT North Babil

Presentations by Participants – 10 minute discussion by each group attending the meeting.

DAI – (David Williams & Jackie Duclos) - Explanation of IRAP Program and Update on IRAP Micro-Finance Project for Iskandariya

CSP – (Jane Thomson) - Update on Activities in North Babil

Tijara/PEG – (Anar Khalilov, John Salata & Robert John Viernum) - Overview of Program and Startup Activities

RTI – LGP II – (Lamar Cravens & Pradeep Patnaik) Overview of LGP Economic Development Activities

Economics Advisor in the G9 – (Col. Bruce Baker) Economics Division – Summary of Economic Issues for North Babil from 3rd Infantry Division

OPA – (Walter Yates) Comments on QRF Program – ETEC Committee.

Meeting with Local Leaders – Sheik Khafaji and Director of VoTech Center will be meet with the group at 14:00 to discuss local concerns for economic development.

IRAP & Other Programs - One of the major ideas behind these meetings aside from a particular focus on an Iskandariya Small Business Development Center is to look for ways to use IRAP to bridge short term (less than one year) activities to the rest of our USAID project portfolio, especially in economic growth. I hope we can find ways to make sure we are coordinating our approved IRAP Microfinance Program with PEG and other activities planned under that project.

April 13, 2008

Field Trip – Movement by military convoy to (1) Iskandariya Nahia Local Council meeting to discuss economic development issues with community leaders, and (2) VoTech Center to discuss USAID linkages to training and business development.

Remarks by Howard Van Vranken
EPRT North Babil Team Leader
Open the USAID Economic Growth Conference

I want to welcome you here today to talk about economic development in North Babil. Thank you for making the effort to come to FOB Kalsu. Well, I can see we have a great group of people here. I just want to say that we need your help. I say that because our efforts here are short term. In fact, the EPRT North Babil sees itself as a temporary bridge to more sustainable, longer term efforts to promote economic development. That's why it is so important to have you and the organizations you represent here today. We seek to bridge our efforts to the longer term efforts you represent.

One of the most flexible, versatile funding sources available to us is QRF (Quick Response Funding). We have done some innovative things with this funding but we have always tried to keep in mind how we can fund activities that link to larger efforts in North Babil. We are fortunate today to have David Williams and Jackie Duclos from DAI with us today. DAI is managing IRAP (Iraqi Rapid Action Program) which uses QRF funding to implement larger projects (up to \$500,000). In March, the committee that approves IRAP Projects gave us the green light to proceed with a \$500,000 micro finance program in Iskandariya. We want to talk with David and Jackie about that program but we also want to get their advice and yours on how to bring together a comprehensive program that would not only provide credit but also train people in how to start or expand a business, promote private investment in the area, and create the networks and links required for small and medium size businesses to find the right markets, get the right financing and move into bigger and better things. In addition to that, we want to look at other activities IRAP is funding in agriculture, banking, information technology and other areas to see if some of those programs would be feasible here and if they could link to larger, long term efforts with other USAID Partners.

We have other great projects represented here as well – Jane Thomson with CSP (Community Stabilization Program) brings a very versatile and agile program and set of economic development activities to the fight. We look forward to coordinating with Jane on activities at the VoTech, in coordinating micro-grants and infrastructure support to leverage, where the opportunity arises, greater impact.

RTI is here as well – Lamar and Pradeep – thank you for coming. I understand Pradeep has worked extensively with Col. McKone on activities at the VoTech Center in Iskandariya. We look forward to their insight on how we can create an effective business promotion program for North Babil.

I am looking forward to learning more about Tijara/PEG (Provincial Economic Growth) Project. Anar, John and Robert – we are hoping to develop a Small Business Development Center in Iskandariya and we need your help in putting together something that will be sustainable and hopefully be linked to Tijara and your business promotion activities.

Col. Baker, it's good to have you here. We want to make sure we are coordinating all our efforts and the MNF brings a great deal of resources to bear on economic development activities. We are learning that with our fish farm program. I look forward to your continued support of our activities here. Let me take the opportunity here to thank our military colleagues with us in the 4th Brigade Combat Team – Major Kim Peeples, Col.

Roger Shuck, Col. McKone and others – these are great group of people to work with and each one of them is totally committed to promoting economic development in North Babil. Finally, Walter, it’s great to have our OPA Desk Officer here. The success of many of our short term efforts depends on our ability to successfully navigate the administrative waters back at the Palace. You have provided outstanding support and I want to thank you. I understand you are going to give us information on ETEC and the QRF Proposal review process.

I’ll close by saying that we want you to enjoy your visit, the meetings today and the field trip tomorrow. There are some exciting things happening in North Babil. USAID has been a leader in many areas of economic development and we are looking to you here for leadership. I understand from Mike that this is an unstructured meeting that will allow for a free flow of information and brainstorming. I also understand he has prepared a draft proposal for IRAP funding of a Small Business Development Center in Iskandariya. I hope we can put together a solid proposal package with your input and support over the next day and a half. We are open to suggestions and we want to coordinate our efforts with yours. At the end of the day, we want whatever we are doing here to be “owned” by the Iraqis and be linked to a long-term sustainable economic development program.



QRF PROGRAM
SUMMARY PROPOSAL

Requesting PRT/ePRT/REO:
EPRT North Babil

Grant Recipient:

- Name of Organization: Small Business Development Center (SBDC) - Hilla
- Location of Organization: Hilla, Babil Province
- Organization Website and E-Mail: <http://www.bced-iq.org>
- Name of Project Director and/or Organization Representative: Dr. Asmaa Mahdi Al-Hashimi, Chief of Babylon Center for Economic Development and Leader of the Small Business Development Center – Hilla

Project Code Number: _____

Organization Code: _____

Previous USG Funding:

QRF Grant for Business Training – EPRT North Babil

Project Title:

Small Business Development Center (SBDC) - Iskandariya

Amount Requested:

The total amount of IRAP funds being requested as a one time grant is \$200,000 USD. See Table 1 for the grant cost-sharing budget details.

Executive Summary Paragraph

This grant will fund the establishment of the Small Business Development Center (SBDC) Program in Iskandariya to improve the business prospects for North Babil by supporting access to microfinance, providing training and business advisory services, and promoting private investment in the local economy. The grant will be made to the existing regional SBDC - Hilla² to staff, train and build capacity for the Iskandariya SBDC to be sustainable within one year. This goal to support the growth of the existing small business training program in Iskandariya into a self sustaining SBDC will serve not only Iskandariya but the surrounding cities of Haswa, Musayyib and Seddah. The SBDC – Iskandariya will provide training and assistance to support small businesses interested in accessing micro-finance, micro-grants, vo-tech training and, in coordination with USAID partners, links to long-term economic development and business promotion projects.

² The SBDC Hilla operates as a registered NGO, the Babylon Center for Economy Development (BCED), whose goal is to raise businessmen and businesswomen skills in Babil Province and other Provinces in the South Central region of Iraq, and to improve management skills in trade, industry, agriculture, tourism, service and other sectors for small and middle-size businesses. SBDC Hilla operates business, computer and other training and seminar programs, provides consultations and research services, and helps women and the young people achieve their full potential.

Since August 2007, business development training has been offered by the Small Business Development Center (SBDC) in Hilla in cooperation with the Iskandariya Nahia Council. The SBDC Hilla was created with the support of USAID funded IZDIHAR and it has been training Iraqis in Babil Province since November 2006. For the last eight months, trainers from the SBDC Hilla traveled to Iskandariya and taught 15-20 students every other week in various aspects of business skills, financial planning, computer skills and software training. By the end of March 2008, the program had trained approximately 240 students. Local government representatives in North Babil expressed interest in expanding business training, promoting new business start-ups and expanding existing businesses, and promoting investment in the local economy.³ EPRT North Babil supports this local initiative to create a comprehensive business services center.

This proposal will provide a \$200,000 grant to SBDC – Hilla to staff, train and mentor a core cadre of business professional to become a SBDC in Iskandariya. SBDC – Hilla would be responsible for (1) training local staff to manage the center, (2) establishing operating procedures and linkages required for the center to be self sustaining by the end of the grant period (12 months), and (3) guiding center staff in completing all the requirements to register the Iskandariya SBDC as a national Non-Governmental (NGO).

The IZDIHAR program has developed a standard support package that is used as a general guideline for the establishment of SBDCs which includes: (1) A standard office furniture and equipment package (See Table 2); and (2) Funding support for a 12 month operating budget. The operational support budget for the Iskandariya SBDC is based on the established USAID IZDIHAR SBDC standard budget guideline. In addition to this standard budget, this proposal requests an additional support module that focused on NGO registration and start-up. This is seen as a business activity in that many agricultural NGO's operate as a cooperative business for their partners. EPRT North Babil has seen a felt need for NGO strengthening services. This legal support for registering a national NGO is seen as complementary to small and medium business support services.

This proposal provides for the first 12 months of operational support for the Iskandariya SBDC through a grant to the SBDC Hilla. The SBDC Hilla will provide the assistance required to make SBDC Iskandariya a viable and sustainable entity.

Project self-sustainability potential options and market opportunities will be identified in the Iskandariya SBDC operating business plan and include:

- 1) The development of new course curriculum to be offered for a fee;
- 2) Advanced business development and planning services to be offered for a fee;
- 3) Support for NGO registration for a fee;

³ Preliminary discussions between EPRT staff and the Nahia council members resulted in agreement that the training program should evolve into a business development center that would offer training, financial and technical assistance to small business. A training facility has been completed in the Nahia council building and the Nahia council has agreed to provide an office for a branch of a Micro-Finance Institution. QRF funding (under the IRAP Program) was approved on March 10, 2008 to create the Micro-Finance Institution in Iskandariya to provide \$370,000 in small loans (\$500 to \$2,000).

- 4) Optional rental of SBDC office space to the business community for workshops, meetings and conferences, etc.

Hilla SBDC will provide support for the standard “Core” business courses that will be offered by the Iskandariya SBDC and these will include:

- 1) How to improve or expand an existing business and;
- 2) How to start a new business.
- 3) Both “Core” business development courses will follow the course agenda outlined in Figure 1.

In order to maintain the quality of the business services that will be initially offered, total class size will be kept at a maximum of 15 participants. Over the initial 12 month period, the Iskandariya SBDC will be required to conduct 2 “core” courses per month with a maximum of 15 participants per course for a total of 30 participants per month. This requirement follows the guidelines established by IZDIHAR for the other SBDCs around the country.

New course curricula and or advanced business services being considered by the Iskandariya SBDC include:

- 1) USG Procurement / Contracting Procedures;
- 2) UN Procurement / Contracting Procedures;
- 3) Business English;
- 4) Proposal Writing;
- 5) Website development;
- 6) Advanced Business Planning; and
- 7) Advanced Loan Application Preparation, among others.
- 8) Secretarial Course

It is anticipated that the Iskandariya SBDC will recruit at least one additional trainer during the first quarter of operations to accommodate the planned expansion of business courses and advanced services being offered. The cost of the new trainer staff will be the responsibility of the Iskandariya SBDC.

EPRT North Babil is requesting a total of \$200,000 USD in IRAP funding for a total estimated project cost sharing budget of \$232,400 USD. The Iskandariya Nahia and the Iskandariya SBDC would be responsible for the remaining 13% of the cost-share budget balance of \$32,400 USD. EPRT North Babil is requesting \$200,000 USD from a total estimated budget of \$232,400, which is 87% of the proposed budget.

Background of Grantee

The Hilla Small Business Development Center (SBDC) operates as a registered Non-Governmental Organization (NGO), the Babylon Center for Economy Development (BCED), which is located in Hilla. The goal of SBDC Hilla is to raise businessmen and businesswomen skills in Babil Province and other Provinces in the South Central region of Iraq, and to improve career management styles in different specialties, like; trade, industry, agriculture, tourism, service and others, particularly small and middle-size

business. SBDC Hilla operates business, computer and other training and seminar programs, provides consultations and research services, and helps women and the young people achieve their full potential.

Project Purpose and Description

The purpose of this project is to provide the first 12 months of operational budget support to the Iskandariya SBDC following the standard USAID IZDIHAR program guidelines for such support. With this QRF Grant support, the Iskandariya SBDC will be able to provide critically needed business services to the southern region business community in North Babil.

The USAID IZDIHAR program has supported the establishment of 6 SBDCs around the country. The standard IZDIHAR SBDC package of office furniture and IT / computer equipment will be, as part of this proposal, be delivered and installed at the Iskandariya SBDC site. As per USAID IZDIHAR SBDC guidelines, the Iskandariya SBDC will offer two courses per month with a maximum of 15 participants per course for a total monthly output of 30. Keeping the number of participants to a maximum of 15 per course will ensure overall high quality of the course and allow the Trainers to provide more one-on-one support to individual participants. In addition to the 2 Trainers that make up the staff, all of the Iskandariya SBDC management staff will receive TOT training so that they could be the Trainers for specific course components such as the IT Manager for Day 4 and the Accountant for Day 3, etc.

A voucher system will be used to select participants for the 2 “Core” business courses (1A and 1B) that the Iskandariya SBDC is required to conduct. A total of 360 numbered vouchers will be printed out and provided to provincial councils, local community organizations, and other entities via EPRT North Babil and Civil Affairs Teams associated with the 4th Brigade Combat Team of the 3rd Infantry Division of the United States Army. Each of the above groups can then distribute them to select participants throughout the North Babil area.

The Iskandariya SBDC will develop a schedule for the “Core” business courses for the full year to include the tentative date of each of the 24 planned “Core” business course delivery dates. Candidates that have received a voucher to attend the “core” business course will be able to contact the Iskandariya SBDC and sign up for the scheduled course delivery date of their choice. It is anticipated that the Iskandariya SBDC “advanced” business courses and services will be offered for a small fee. The amount of the fee will be determined after a market assessment is completed by the SBDC. The SBDC will make full use of all appropriate and available marketing and sales techniques to advertise the availability of their business services and promote their use by the North Babil region business community.

Based on the Iskandariya SBDC Year 1 business plan, it is anticipated that the following outputs illustrated in Table 2 will be met during the first year of operations:

Table 2: Schedule of SBDC Business Course Trainee Outputs for first 12 months of operation

Month Number	Business Training Course Number Offered	Number of Courses Offered Per Month		Number of Participants Trained Per Month	
		Core	Advanced	Core	Advanced
1	1A and/or 1B	2	0	30	0
2	1A and/or 1B	2	0	30	0
3	1A, 1B and 2	2	1	30	15
4	1A, 1B and 2	2	1	30	15
5	1A, 1B and 2	2	1	30	15
6	1A, 1B and 2	2	1	30	15
7	1A, 1B and 2	2	1	30	15
8	1A, 1B and 2	2	1	30	15
9	1A, 1B and 2	2	1	30	15
10	1A, 1B, 2 and 3	2	2	30	30
11	1A, 1B, 2 and 3	2	2	30	30
12	1A, 1B, 2 and 3	2	2	30	30
Sub-Total		24	13	360	195
Total		37		555	

Notes:

1. Course number 1A is “How to improve or expand an existing business”;
2. Course number 1B is “How to start-up a New Business”;
3. Course number 2 will be an “advanced” course TBD that will be offered for a fee;
4. Course number 3 will be a second “advanced” course TBD that will be offered for a fee;
5. The number of 1A and 1B “core” courses per month will be based on market demand coming from the business community in North Babil;
6. If demand for course 1A and/or 1B is high, additional courses may be added to accommodate the increased demand;
7. An estimated 360 North Babil business participants will receive the “Core” business training from the Iskandariya SBDC during the first year of operation;
8. An estimated 195 North Babil business participants will receive “Advanced” business training from the Iskandariya SBDC during the first year of operation. A course fee will be required from all participants for the “advanced” courses.

Project Justification:

At the present time, there is no permanent business related organization or agency in the North Babil region, either government, NGO or private sector that provide the type of business services that will be offered by the Iskandariya SBDC. Based on EPRT North Babil staff observation and engagement with the business community it has become apparent that there is an overwhelming need for basic business development services in the area.

The business services that will be provided by the Iskandariya SBDC will enhance the quantity and quality of business proposals by improving the overall business planning for existing businesses that wish to improve or expand their market base. New business start-ups and existing businesses will also benefit from improved “bankable” business plans and better business loan applications that will increase access to available credit programs. Together, new business start-ups and expanded existing businesses will provide for increased long-term employment opportunities, and lead to enhanced marketability for potential joint venture partnerships in the country and region. New markets for products and services, especially in the agro-business sector will be encouraged along with increased manufacturing of products in the south for internal consumption and export, all of which will be more likely to attract internal and external business investment. Enhanced political and social stability in North Babil region is much more likely in an environment of planned and organized business expansion that includes attracting regional and international investment.

EPRT North Babil has been working closely with the business community in the province for the past year and EPRT Joint Common Plan’s Economic Development Strategy includes support in select areas with business development training being an essential component to the overall strategy. Linkages with other USAID business programs such as INMA Agro-business, PEG, will be strongly encouraged as will increased development and use of the internet. It is anticipated that the Iskandariya SBDC will develop its own separate website.

Project Implementation Dates:

The Iskandariya SBDC is scheduled to open my late May 2008. A Grand Opening ceremony was held on May 30 and the first round of business development training has been scheduled for shortly after the grand opening. The operational budget support grant would cover the 12 month period starting from 30 May 2008.

Budget Breakdown:

See Table 1: EPRT North Babil IRAP Grant to the Iskandariya SBDC Cost-Sharing Budget below. This budget is based on the standard SBDC budget guideline from the USAID IZDIHAR program and includes cost-sharing for specific budget line items.

Budget Notes

The cost share budget in Table 1 below is intended to cover all foreseeable operational costs for the Iskandariya SBDC during their first year of operation. EPRT North Babil is requesting \$200,000 USD from a total estimated budget of \$232,400, which is 87% of the proposed budget. The Iskandariya Nahia and the Iskandariya SBDC would be responsible for the remaining 13% of the cost-share budget balance of \$32,400 USD.

The Staff and Other Direct Costs (ODCs) line items in the cost share budget reflect the salary and cost guidelines of the USAID IZDIHAR SBDC standard budget line items.. The base salaries contained in the cost-share budget have been reviewed and confirmed as appropriate based on prior similar work conducted by IZDIHAR and its partners.

At the end of the first quarter of operations, the SBDC will recruit one additional trainer staff to conduct “Advanced” business courses and services. The salary for the 3rd trainer will be the responsibility of the Iskandariya SBDC and covered by the “advanced” course fees;

A driver with vehicle will be rented on a monthly basis. The actual cost of the driver and vehicle rental, up to \$500 per month, will be included in the monthly billing invoice. In order to provide 24 hour security requirements for the Iskandariya SBDC, a total of 4 guards will be employed. This cost will be covered by the Iskandariya Nahia. The cost-share budget is an illustrative budget by design. It is anticipated that the Iskandariya SBDC will submit a detailed billing invoice on a monthly basis with actual costs incurred for the month. Office rental costs will be covered by the Iskandariya Nahia. Utility costs above \$300 for the first year will be the responsibility of the Iskandariya SBDC. Depending on monthly utility costs, the utility ceiling cap is expected to impact during the first year sometime after month 6. Hospitality costs above \$1,800 for the first year will be the responsibility of the Iskandariya SBDC. Depending on monthly hospitality costs, the hospitality ceiling cap is expected to impact during the first year sometime after month 6. The Iskandariyah SBDC is expected to aggressively advertise their services using the available media (TV, radio, newspaper, posters, brochures, etc.). The Hilla SBDC will be required to open a dedicated bank account with a bank in Iskandariya, if at all possible. The IRAP grant funds will be wire transferred to their account via EFT upon receipt of the monthly billing invoice. Subject to the availability of EFT banking services in Iskandariya. The fifteen (15) desktop computer systems will allow the SBDC to implement business development classes to the recommended level of 15 trainees per class. Desktop computer system specifications include: 1.6 GHz Intel P4, 512 MB memory, 40 GB HDD, CD/DVD, WiFi, 100 Mbps Ethernet, 220 v power supply w/2-prong plug, WinXP Pro SP2 OEM on CD, MS Office Pro 2003 on CD, Mfg warranty.

Figure 1: USAID IZDIHAR Small Business Development Center Course Description



The flyer features a blue and green color scheme. At the top left is the SBDC logo. The main title 'Small Business Development Centers' is in large blue font. A central graphic shows three overlapping photos of people in a meeting, with yellow arrows pointing towards the right. On the right side, there is a welcome message and a description of the course. The bottom right corner has a grid of yellow dots.

Small Business Development Centers

CONTACTS

BAGHDAD
IASD
Iraqi Association of Securities Dealers
E-mail: Info@iaed-iq.org

ERBIL
WEO
Women Empowerment Organization
E-mail: Info@womenempowerment-iraq.com

HILLA
BCED
Babylon Center of Economy Development
E-mail: Info@bcad-iq.org

KIRKUK
Al-Murshed Center
E-mail: almurshed@sbdc-iraq.com

TAL'AFAR
TSBC
Tal' Afar Economic Development Center
E-mail: tedc@sbdc-iraq.com

SBDC
Small Business Development Centers

SBDC
Small Business Development Centers

Welcome to the

Small Business Development Course!

Do you want to start your own business or develop and expand an existing one? We offer an intensive 5-day training course that will help you take the first steps in becoming a successful entrepreneur. We assist you with other services that will help your business grow.

SBDC
Small Business Development Centers

Small Business Development Centers

Phone: 00964 07901251261
E-mail: info@sbdc-iraq.com

Table 2: USAID IZDIHAR Program Standard SBDC Furniture & Equipment Package

Curriculum	 SBDC <small>Small Business Development Center</small>	Trainers
<p>The course is called "How to Start - Up or Improve a Business", it runs at the premises of the five centers and it includes the following topics:</p> <ul style="list-style-type: none"> ◆ Business Planning ◆ Assessing Prospects ◆ Marketing and Sales Techniques ◆ Customer Care ◆ Promotion and Advertising ◆ Finance, Accounting, Budgets ◆ Business Case Studies ◆ Business Best Practices ◆ Computer Fundamentals ◆ Business Plan Pro 	<p>The content by days is the following:</p> <p>Day 1 How to Prepare a Bankable Business Plan, including: Starting a New Business, Business Planning, Long-term and Short-term Goals, Registration of Business</p> <p>Day 2 How to Market Your Business, including: Sales, Customer Care, Promotion, Advertising</p> <p>Day 3 How to Manage Your Business Cash Flow, including: Finance, Accounting and Budget Issues</p> <p>Day 4 How to Use Computers in Your Business, including: Introduction to Computers, the Internet, and Business Plan Software</p> <p>Day 5 How to Use Your Business Plan in a Loan Application Package; How to Approach a Microfinance Institution or a Bank; and How to Complete a Loan Application</p>	<p>The course is delivered by experienced Iraqi master trainers. The trainers have a thorough knowledge of the problems encountered by entrepreneurs and enjoy a good reputation in the community.</p> <p>Materials and equipment</p> <p>During the course, the participants will have access to modern equipment and will receive complementary materials.</p> <p>Benefits</p> <p>At the end of the course, you will receive a certificate. You will also benefit from additional services that the centers provide – assistance in the preparation of a business plan, referral to a bank or microfinance institution, assistance in the preparation of a loan application, cash flow analysis, etc.</p> <p>Enrollment</p> <p>Participants are awarded a voucher (valued at \$125) based on pre-qualification. Complete your application today!</p>
<p>Cost and prerequisites</p> <p>The course value is \$125. The prerequisite is your desire to own and operate a business. Scholarship available through voucher program.</p>	<p>Aside from the training sessions, the participants are required to do homework related to starting and operating a small business. The individual assignments are critiqued and discussed. Extracurricular assignments and research are part of the course. Practical tests which encourage innovation, growth and change are given with immediately available results. In addition, trainer comments, consultations, and recommendations are provided to strengthen business plans, loans applications, and overall business direction.</p>	
<h2 style="margin: 0;">Small Business Development Centers</h2>		

IZDIHAR Standard New SBDC Furniture & Equipment Package				
Item	Quantity	Unit Price - \$	Total	Description
Generator (40KVA)	1	14,000	14,000	Installed on concrete slab and metal roof cover.
HVAC - Split-wall units (heat & cold)	4	1,000	4,000	Air
Safe	1	500	500	
Water Cooler	1	150	150	Safa water cooler/ 220v AC
Refrigerator	1	500	500	Vestal refrigerator 14 Feet,220V AC
Carpeting	100 Sq. Meter	10	1,000	
Executive Chair & Desk	1	470	470	Desk w/ Credenza \$350; Exec Chair \$120
Sofa	1	800	800	1 sofa-set w/ coffee table and end tables for reception
Desk Chair	11	45	495	Swivel small size chair
Desk	10	100	1,000	Desk 120 x 70 cm
Desk w/ credenza	4	350	1,400	
Shelf	4	175	700	Book shelves
Lockers (file cabinets)	8	140	1,120	
Conference Table	1	450	450	
Conference Chairs	6	50	300	
Kitchen supplies	1	500	500	Small cooker, Tea set, Coffee set, Counter w/sink
Fire extinguisher	3	50	150	
White Board	2	30	60	
Photocopier	1	1,000	1,000	
Internet system & installation	1	4,500	4,500	
Laptops w/ MS Win XP Pro SP2 & MSO	10	1,800	18,000	Laptops (Dell D610 or equiv.) ;
Pro 2003 CDs / or desktop computers				
Scanner	1	100	100	Benque Scanner 220V AC
Web Cam	1	100	100	
Networking		1,500	1,500	Network Cabling & Installation
Loan performer	1	2,000	2,000	
Wifi Router	1	300	300	
Paper shredder	1	250	250	
Fair Wall Device	1	500	500	
Multi Function Printer	1	1,000	1,000	Multi-Function Inkjet Color Print, Scan, Copy
Laser Printer	1	2,000	2,000	Laser Printer Black & White (network)
650kVA UPS (To be used with printers)	2	100	200	APC or TrippLie
Digital Cameras	3	200	600	
Office Disposables & Other		1,000	1,000	
Total			\$60,645	

Budget for Iskandariya Small Business Development Center Program

EPRT North Babil Iskandariya Small Business Development Center								
USAID IRAP Annual (12 Month) Operational Budget								
June 2008 to May 2009								
Ref	Item Description	Unit	Quantity	Unit Cost	IRAP Cost	Iskandariya Nahia	SBDC Cost	Total Cost
1.0	Staff Costs							
1.1	Executive Director	Person Month	12	\$ 1,200.00	\$ 14,400.00		\$ -	\$ 14,400.00
1.2	NGO Strengthening Advisor	Person Month	12	\$ 1,000.00	\$ 12,000.00			\$ 12,000.00
1.2	Administrative Manager	Person Month	12	\$ 850.00	\$ 10,200.00		\$ -	\$ 10,200.00
1.3	Trainers (3)	Person Month	34	\$ 600.00	\$ 14,400.00		\$ 6,000.00	\$ 20,400.00
1.4	IT Manager	Person Month	12	\$ 700.00	\$ 8,400.00		\$ -	\$ 8,400.00
1.5	Accountant	Person Month	12	\$ 750.00	\$ 9,000.00		\$ -	\$ 9,000.00
1.6	Program Coordinator	Person Month	12	\$ 700.00	\$ 8,400.00		\$ -	\$ 8,400.00
1.7	Driver w/Vehicle	Person Month	12	\$ 500.00	\$ 6,000.00		\$ -	\$ 6,000.00
1.8	Cleaner	Person Month	12	\$ 300.00	\$ 3,600.00		\$ -	\$ 3,600.00
1.9	Guards (4)	Person Month	48	\$ 350.00	\$ -	\$ 16,800.00	\$ -	\$ 16,800.00
	Staff Costs Sub-Total				\$ 86,400.00	\$ 16,800.00	\$ 6,000.00	\$ 109,200.00
2.0	Other Direct Costs							
2.1	Office Rent	Month	12	\$ 500.00	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00
2.2	SBDC Standard Furniture & Equ	Package	1	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00
2.3	Office / Equipment Maintenance	Month	12	\$ 150.00	\$ 1,800.00		\$ -	\$ 1,800.00
2.4	Internet Fees	Month	12	\$ 1,000.00	\$ 12,000.00		\$ -	\$ 12,000.00
2.5	Travel (Airfare, hotels, MI&E)	Month	12	\$ 700.00	\$ 8,400.00		\$ -	\$ 8,400.00
2.6	Auto Fuel & Generator Fuel	Month	12	\$ 750.00	\$ 9,000.00		\$ -	\$ 9,000.00
2.7	Utilities	Month	12	\$ 50.00	\$ 300.00		\$ -	\$ 600.00
2.8	Office Supplies	Month	12	\$ 200.00	\$ 2,400.00		\$ -	\$ 2,400.00
2.9	Legal Services	Month	12	\$ 500.00	\$ 6,000.00		\$ -	\$ 6,000.00
2.1	Banking Fees	Month	12	\$ 100.00	\$ 1,200.00		\$ -	\$ 1,200.00
2.11	Hospitality	Month	12	\$ 300.00	\$ 1,800.00		\$ 1,800.00	\$ 3,600.00
2.12	Advertizing / Marketing Fees	Month	12	\$ 300.00	\$ 1,800.00		\$ 1,800.00	\$ 3,600.00
2.13	Generator	Piece	1	\$ 14,000.00	\$ 14,000.00		\$ -	\$ 30,000.00
2.14	Generator Installation Kit	Package	1	\$ 1,000.00	\$ 1,000.00		\$ -	\$ 3,000.00
2.15	Desktop Computer System	Package	15	\$ 1,800.00	\$ 27,000.00		\$ -	\$ 27,000.00
	ODC Sub-Total				\$ 113,600.00	\$ 6,000.00	\$ 3,600.00	\$ 123,200.00
	Grand Total				\$ 200,000.00	\$ 22,800.00	\$ 9,600.00	\$ 232,400.00

Memorandum of Conversation

Presentation on Activities of ePRT North Babil, Iraq

Jim Bever, Senior Deputy Assistant Administrator, Asia Near East Bureau,
George Laudato, Special Assistant, Middle East Bureau, &
Tom Staal, Director – Office for Iraq Reconstruction
May 2, 2008

I made a presentation to the leadership of the Asia Near East Bureau and the Middle East Bureau that focused on activities at ePRT North Babil in Iraq and explained our activities, gave an overview of program impact, and discussed issues.

Activities – ePRT North Babil is using a variety of mechanisms to support immediate and medium term activities in our area of operation. I highlighted three examples (Fish Farm Program, Khidr Reconstruction, Business Services/Micro-credit) that demonstrated how the team is using quick, flexible funding under Quick Response Funds to link to longer term USAID programs that are in turn linked to Government of Iraq initiatives. We are going from programs that create immediate employment to a longer term “exit strategy” that has the Government of Iraq funding the principal interventions in a sector.

Impact – These programs are meeting immediate needs for employment generation and community reconstruction while linking to longer term economic development activities. We are creating employment, supporting community efforts to rebuild local infrastructure, and giving people hope. These efforts are supporting the entrance of the Iraqi government. As our programs move forward, we see anecdotal evidence that the areas are safer for our soldiers. At the ePRT level, we believe our efforts are saving the lives of our soldiers.

Issues – The primary issue is funding. The uncertainty of continued funding of major USAID programs where there are three of five major USAID programs that are either under-funded or will run out of funding in the near term. CSP (Community Stabilization Program) will be out of funding in October/November 2008. CAP II is also running out funding later this year or early next year. Tijara (Provincial Economic Growth) was never fully funded. Continuing these programs is important to keeping the areas safe for our soldiers.

Jim Bever indicated the need to highlight the link between USAID programs and improved local environment for our soldiers. Jim asked me to make time to brief USAID leadership, senior State Dept personnel, and Congressional staffers. USAID Iraq Office staff set up the following briefings:

- (1) USAID - Briefed Alonzo Fulgham, USAID Chief Operating Officer, on ePRT activities, impact and issues. I was then asked to meet with Jim Kunder, Deputy Administrator. I briefed Jim on the same issues and highlighted the need for continued funding of activities at the community level in Iraq. Reiterated my belief that the safety of our soldiers was increased when we were able to effectively work at the grass roots level with Iraqi locals.

- (2) State Department - On May 8th, I met with Ambassador Richard Saloom, former director of the Iraq Reconstruction and Management Office and current Senior Advisor on Iraq at State. Also attending the meeting was Tom Gramaglia, Senior Advisor for Iraq Assistance Coordination and Economic Affairs and Max Primorac, Senior Advisor for NEA/I. I cover the same points made in briefs provided at USAID. At one point Ambassador Saloom indicated that some of the programs funded by the USAID QRF program (IRAP – Iraqi Rapid Action Program) are back filling under-funded USAID programs. A specific example was the use of QRF/IRAP for micro-credit programs. We briefly discussed the possibility of re-programming construction funding to either IRAP or business services in the Tijara program.

- (3) Congress – Briefed staff for Senator John McCain and Senator Jim Webb in two separate meetings. We were able to briefly meet with Senator Webb. A detailed briefing was provided to his staff – Jennifer Park Stout, Senior Advisor, and Jaithai Upakarnitikaset, Legislative Fellow. We earlier briefed Adam Barker, Senior Advisor, at Senator McCain’s office. Same message was provided in all briefings – we are seeing results at the ground level, our soldiers appear to be safer because of these efforts, and support is needed to continue community development activities.

(4)

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FROM THE AMERICAN PEOPLE

ePRT North Babil

Michael Maxey
USAID Rep.
May 2008

1

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FROM THE AMERICAN PEOPLE

USPT's	Location
Amor 1	Camp Peshawar/Alqadisi
Amor 2	Camp Al-Rasheed/Alqadisi
Amor 3	Al-Rasheed/Alqadisi
Amor 4	Al-Rasheed/Alqadisi
Amor 5	Al-Rasheed/Alqadisi
Amor 6	Al-Rasheed/Alqadisi
Amor 7	Al-Rasheed/Alqadisi
Amor 8	Al-Rasheed/Alqadisi
Amor 9	Al-Rasheed/Alqadisi
Amor 10	Al-Rasheed/Alqadisi
Amor 11	Al-Rasheed/Alqadisi
Amor 12	Al-Rasheed/Alqadisi
Amor 13	Al-Rasheed/Alqadisi
Amor 14	Al-Rasheed/Alqadisi
Amor 15	Al-Rasheed/Alqadisi
Amor 16	Al-Rasheed/Alqadisi
Amor 17	Al-Rasheed/Alqadisi
Amor 18	Al-Rasheed/Alqadisi
Amor 19	Al-Rasheed/Alqadisi
Amor 20	Al-Rasheed/Alqadisi
Amor 21	Al-Rasheed/Alqadisi
Amor 22	Al-Rasheed/Alqadisi
Amor 23	Al-Rasheed/Alqadisi
Amor 24	Al-Rasheed/Alqadisi
Amor 25	Al-Rasheed/Alqadisi
Amor 26	Al-Rasheed/Alqadisi
Amor 27	Al-Rasheed/Alqadisi
Amor 28	Al-Rasheed/Alqadisi
Amor 29	Al-Rasheed/Alqadisi
Amor 30	Al-Rasheed/Alqadisi

2

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FROM THE AMERICAN PEOPLE

**4th Brigade Combat Team
3rd Infantry Division
"Rock of the Marne"**

3

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Transition

Combat Operations
Stability Operations
Sustainable Development

4

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Bridging to the Future

- Support Community Initiatives
- Link "Stability" Activities to "Sustainable" Programs
- Seek an "Exit Strategy"

5

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USAID Activities in North Babil

USAID Current Programs	Proposed USAID "Way Forward"
Economic Development Community Action Program (CAP) 1 - Microfinance program providing small business loans to 1,000 people (2007 - May 2008) benefiting 3,000 people. USPT - Support provided for local business training from Small Business Development Center in Alqadisi. 1000 USAID funds used to finance business training in collaboration with the USPT, established by USPT-IRAC. Government Community Action Program (CAP) 2 - School, health clinic, and educational improvements. \$1,000,000 invested Oct. 2007 - May 2008 benefiting 54,195 people. Local Governance Program (LGP) 1 - Training provided to over 200 local council members in budget planning and execution. Participation provided at planning process, and development of economic development strategy.	Economic Development Community Action Program (CAP) 1 - Expanded small business financing. All small business financing. \$1 million investment. Community Stabilization Program - Support provided to Hama al-Rasheed vocational training program. 1,000 additional students trained. SMP (Small Business Development Center) - Support for business training, microfinance and marketing programs. Specific focus on Business Development in Alqadisi. USPT-IRAC to support USPT small business center with USPT Vocational Technical Training Program. Technical Assistance Program - Technical assistance for business development and support for microfinance systems. Small Business Development Program - Approval and grant of implementation of microfinance program activities in Alqadisi. (1) Central business district (CBD) - Small business training and provision of microfinance to small and medium businesses. (2) Business Park Program - Expansion of existing USPT-IRAC program to provide microfinance and technical assistance to 1,000 additional small business owners (2008). GOVERNANCE Community Action Program (CAP) 2 - Expanded school, health clinic, and educational improvements. Local Governance Program (LGP) 1 - Expanded training with strong focus on budget planning and execution. Participation in providing planning process, and design of local economic development strategy. Seek greater technical assistance for governance and economic development program in Alqadisi.

6

Complementary Programs

- QRF – Quick Response Funds
- CERP – Commander Emergency Response Program
- Other Donors – Japanese (JICA)
- GOI – Government of Iraq (Provincial Reconstruction Funding & Budget for Ministries at Provincial Level)

7



Grass roots democracy in action. Communities address their problems.



Khidr – Al Qaeda of Iraq destroyed homes and local infrastructure.

8

Flexible, Quick Disbursing Programs



9



10

Programs That Address Immediate Needs

- Employment Generation Activities
- Reconstruction Activities
- Income Generation Activities

11

Programs That Promote Sustainable Development

- Agricultural Development
- Business Promotion
- Commercial Credit Program

12

Programs Linked to an "Exit Strategy"

- Agricultural Development coordinated with GOI Programs
- Business Promotion Linked to Private Investment & GOI Business Training and Support
- Commercial Credit Program

13

Example:
Khidr Reconstruction



14

Example:
Fish Farm Program



15

Example: Business Services and Credit



16

Keys to Success

- Stay Flexible
- Stay Engaged
- Stay Focused

17



18

The End

Trip Report
“Dry Run” for VIP Event – Fish Farm Fingerling Distribution
Euphrates Fish Farm & North Babil Distribution Site
Michael Maxey, USAID Rep. EPRT North Babil
May 24, 2008

We made a trip to determine final preparations for VIP event on May 26th to initiate distribution of carp fingerlings under the USAID financed Inma Project. Attached is the schedule for the VIP trip – we walked through each step of the planned trip with visits to the Euphrates Fish Farm and the North Babil Fingerling Distribution Site (four donum holding pond located near Iskandariya).

The group conducting the “dry run” consisted of the following individuals:

LTC Roger Shuck, Deputy Brigade Commander 4 BCT 3ID
LTC Bruce Baker, Economics Advisor, 3ID
Howard Van Vranken, ePRT North Babil
George Stickels, USDA Rep. North Babil
Fouad Hussein, BBA North Babil
Steven Wilson, Economic Advisor North Babil
Michael Maxey, USAID Rep. North Babil
Duane Stone, Inma Fish Expert
LTC Durst, USAID Military Liaison Officer

The preparations at the Euphrates Fish Farm were underway and everything appeared to be under control. No major issues were identified during our trip. Timing was discussed and it was agreed that LTC Baker would be the time keeper to move the VIP guests through the series of events outlined in the attached schedule.

A review of preparations at the North Babil Fingerling Distribution Site indicated that there were still actions underway and that it would be better to delay a press visit to this site until later in June after fingerling distribution was underway. This was a consensus opinion of the group. I agreed to forward this opinion to the PRT Director Kent Larson and request he share it with USAID staff in Baghdad. This change in the schedule involves canceling the press visit to North Babil until a later time. USAID Acting Mission Director Denise Herbol was not scheduled to go to North Babil nor was General Cardon.



Manager of Euphrates Fish Farm demonstrating an exhibit for the VIP event.



Fingerling Facility



North Babil Holding Pond

PHASE	ARR / DEP	TIME	EVENT
PHASE I	DEP	0700	Duane Stone and PSD Depart Iskan / Kalsu for EFF
MVT to Emplace	ARR	0800	Duane Stone and Inma Begin Setup at EFF and Holding Pond: BG Fahdl Establish IP Security
	DEP	0730	4-3 BCT (MITT 31) Depart REO for EFF
	ARR	0800	4-3 BCT (MITT 31) Establish Military Security on EFF ICW Inma PSD 4-3 BCT (MITT 31) Set up Podium and Sun Shade Cover, Seating area,
	DEP	0945	3-7 IN Depart FOB Iskan for Holding Pond
	ARR	1000	3-7 IN Establish Security on Holding Pond IVO FOB Iskan
PHASE II	DEP	0800	Media Aircraft Depart LZ Liberty LTC Baker, CPT Nemece, GySGT Morrell
Deploy Media			
	ARR	0810	Media Aircraft Arrive LZ Washington
	DEP	0825	Media Aircraft Depart for Kalsu LTC Baker, CPT Nemece Jamy Bond, USAID Info Officer Media Personnel x 10
	ARR	0905	Media Aircraft Arrive Kalsu to Pick Up 4/3 and ePRT Pax
	DEP	0915	Media Aircraft Depart Kalsu Enroute to EFF Passengers Include: LTC Shuck, Howard VanVranken, Mike Maxey, other pax x3 LTC Baker, CPT Nemece, GySGT Morrell Jamy Bond, USAID Info Officer Media Personnel x 10
	ARR	0945	Media Aircraft Arrive EFF Media Personnel established on location; Senior CF is LTC Shuck

PHASE III VIP OPNS	DEP	1000	USAID Personnel Depart USAID Compound w/Full PPE Deputy COM Denise Herbol Kevin Sharp Reta Assegid Roro Herschel Weeks LTC Steve Durst
	ARR	1010	USAID Party Arrive at LZ Washington
	DEP	1010	Marne 64 Depart VBC
	ARR	1025	Marne 64 Arrive Washington LZ
	DEP	1030	M64 Depart LZ Washington w/ USAID DCOM and Party
	ARR	1050	M64 arrive Kalsu to pick up COL James'
	DEP	1110	M64 depart Kalsu for EFF
	ARR	1130	M64 arrive EFF w/ USAID DCOM and Party Foot Movement from LZ to Entrance of EFF ~ 100 meters Greetings by Duane Stone , Inma Aquaculture Specialist and LTC SHUCK (4/3 DCO) Introduced to: Mr. Khdaire Abaas Thewani - Owner Mr. Hamd Kalf Mahdi - General Manager
		1115	Foot Movement from Entrance to Hatchery ~ 75 meters
		1125	EFF owner will explain (in English) operation of incubators, fry holding tanks and brief explanation of static display of sample live fingerlings
		1135	Foot Movement to Harvest & Holding Demonstration Area at Ponds ~ 200 meters
		1150	Principles Participate in the actual transfer of the fingerlings from the pond to harvest holding area to the live haul tanks using a small pail.
		1210	Foot Movement to Market, Weighing, Loading Site (Near Front Gate) ~ 250 meters
		1220	Meet three local Association fish farmers (All Farmers are Pre-briefed what their actions are). Demonstration of Weighing, Loading-Unloading and Voucher exchange NOTE: This is the First Public Fingerling Transfer open to the Media.
		1235	Foot Movement to the Remarks Area ~ 25 meters
		1245	VIP Remarks to Press Pool (Request remarks be no longer than 5 mins each, Arabic translation will be provided by MND-C translator) Protocol for Speakers: EFF Owner Denise Herbol, USAID/Iraq Acting Mission Director Brigadier General Cardon, Deputy Commanding General, 3 rd Infantry Division
		1300	Foot Movement back to LZ
	DEP	1300	M64 Departs with MITT (31) via Ground Enroute to REO Hillah
	DEP	1310	BG FAHDL Depart with his Security Element
	DEP	1315	M64 Aircraft Depart EFF with USAID DCOM and Party Including Select Media PAX LTC Durst Senior CF Escort
	ARR	1350	M64 Aircraft Arrive Washington LZ and Release USAID DCOM and Party Including Select Media PAX

PHASE IV		1300	Media Pack and Move Equipment to LZ
Media Jump			
	ARR	1325	Media Aircraft Arrive EFF; Load Select Media Enroute to Iskan Holding Pond for Media Event
	DEP	1340	Media Aircraft Depart EFF for FOB Iskan. Passengers Include: LTC Shuck, Herschal Weeks, LTC Baker, Duane Stone, GySGT Morrell, Jamy Bond, USAID Info Officer, Howard VanVranken, Mike Maxey, Media x8
	ARR	1400	Media Aircraft Arrive FOB Iskan
		1415	Media load into Ground CONOP for transport to Holding Pond Operations
		1440	Media Record Fingerling Transfers to Holding Ponds Local Farmer interviews and Local Media
	DEP	1515	Ground Movement from Holding Pond back to FOB Iskan
PHASE V	DEP	1600	Media Aircraft Depart FOB Iskan En-Route to Kalsu
Re-deploy Media			
	ARR	1640	Media Aircraft Arrive FOB Kalsu to Release LTC Shuck and other Pax
	DEP	1700	Media Aircraft Depart FOB Kalsu En-Route to Washington LZ
	ARR	1740	Arrive Washington LZ and Release Inma and Media Personnel
	DEP	1815	Depart Washington for Liberty LZ at VBC
MC	ARR	1830	Arrive Liberty LZ and Release LTC Baker and CPT Nemo (MNF-W Observer)

Weekly Report
Michael Maxey, USAID Rep
ePRT North Babil
June 1, 2008

Two IRAP (Iraq Rapid Action Program) proposals submitted by EPRT North Babil were approved by ETEC last week:

- (1) Khidr Reconstruction Program – Proposal to provide 150 residents with a basic construction material supply package valued at \$3,300 was approved pending clarification from Dept of State Washington that the amount can exceed \$200,000 construction limit. Since this is not a construction program but a supply program to help people who are already trying to re-build their homes, it is hoped that the proposal will be confirmed for the full amount at \$495,000.
- (2) School Supplies for Children Program – This is also called “Operation Backpack”. A total of \$200,000 was approved to buy back packs and include school supplies for 20,000 children in North Babil. Supplies will be purchased locally and distribution will be managed by local Nahia Councils with monitoring by elements of the 3rd Infantry Division.

One IRAP proposal was submitted by EPRT North Babil to ETEC on June 1, 2008, to establish a radio station within the Nahia Local Council at Seddah. Attached is a copy of the proposal.

Two field trips during the week:

- (1) Golden Hills Counter-Insurgency Initiative – Took USAID team comprised of IRAP (Iraqi Rapid Action Program) staff (Jon Wiebe and Karen Campbell – Development Alternative Inc.) and Andrea Tracy with the USAID Office for Foreign Disaster Assistance (OFDA) out to Golden Hills area. The team concluded that residents in three villages near Golden Hills are in dire straits and recommended that ePRT North Babil design a counter-insurgency initiative consisting of support for rebuilding destroyed homes (up to 300 homes of residents were destroyed) and for providing immediate relief in terms of potable water and immediate health needs. OFDA partner ACTED has agreed to provide support. Reconstruction proposal is being prepared and will be shared with ePRT North Babil Team for comment by Friday, May 30th. EPRT North Babil is coordinating follow up actions with Task Force 1-76 Battalion of 3rd ID.
- (2) Suwayrah Governance Meeting – I attended meeting with Mayor of Suwayrah, local police commander and chief of city council. The meeting was convened by Task Force 1-76 and I accompanied Deputy Brigade Commander, LTC Roger Shuck. Purpose of the meeting was to discuss governance and how to move forward with local development. Discussions in the meeting made clear that local

officials want more support. I provided information on school supply program that could provide backpacks and school supplies to students in the region. No exact number was mentioned and final distribution of school supplies is to be worked out by Brigade leadership but this was, I stated, something that could be done quickly to show commitment by US to support local officials in making the Wasit area more secure. I also mentioned possible support for reconstruction of homes destroyed by Al Qaeda of Iraq. The Mayor indicated that he could call the people who were affected by AQI to meet with us to develop a plan for reconstruction and other types of support to address immediate humanitarian needs.

Work continues on two new IRAP proposals: (1) Ag Credit Guarantee Program – To provide commercial credit for ag association members through a private Iraqi bank with a credit guarantee established with the Credit Guarantee Corporation of Iraqi; and (2) Training Scholarship Fund - To provide funding via local Nahia Councils for scholarships to provide training of residents with training in technical skills at local votech, trade school or technical college.

Seddah Radio Station Proposal

ePRT North Babil – June 1, 2008

Executive Summary

A critical aspect of strengthening local governance in North Babil is giving voice to the local governments to effectively communicate with their constituents in order to promote security, provide important information on programs to promote economic growth and to serve as a forum for citizen involvement in governance. EPRT North Babil believes that local radio stations controlled by Local Nahia Councils in key cities would meet this strategic need for increased involvement in governance issues by the populace. While at least three sites have been identified in North Babil, this proposal is to start with one site, Seddah, to use as a pilot effort for establishing a means for local government leaders to communicate and to receive feedback from residents. This proposal requests \$75,000 to establish the radio station within the Nahia Council building in Seddah -- the program will fund purchase of equipment and cover salaries of radio station staff for the first six months of it's operation. The grant agreement will require the development and approval of a sustainability plan within the first three months of operation. Monitoring of the radio station's operations will done by Coalition Forces through monthly reviews in coordination with DAI.

Program Description

The purpose of this program is to support efforts of local government representatives and leaders to effectively communicate with the populace, promote security and economic growth in the region and receive feedback on the needs and desires of the people in the area. The objective will be accomplished by financing the establishment of an Iraqi public radio station in the city of Seddah. While the radio station is viewed as a public service, the agreement will require a sustainability strategy that includes a private ad revenue plan for obtaining the necessary financing to continue operations and/or a plan for Government of Iraq funding. The sustainability plan will be submitted and approved to DAI within three months of the initiation of services. The station will be overseen by the Seddah Nahia Council and will coordinate with Coalition Forces to ensure that the conditions and terms described in this agreement are met. The radio station will be located within the Seddah Nahia Government Building. The Seddah Nahia Council shall agree as a condition of this grant to cease station operations if the terms of this agreement are breached.

1. The radio station will be an Iraqi owned and operated enterprise however DAI will structure the grant in such a way that Coalition Forces will have a monitoring and oversight role.
2. The total cost for this project is: \$74,065.15. All payments will be made in U.S. dollars. The costs for this project are detailed in the attached budget (see budget summary) and include the following: (i) Station operations and employee salaries - 6 months; (ii) Office furniture, automation, networking, etc; (iii) Station equipment; and (iv) Radio

antenna tower.

3. The Seddah Nahia Council will agree to operate the radio station in a manner that is non-sectarian and without political or religious bias. Broadcast will be content neutral, open minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and rule of law.

The Seddah radio station will conduct broadcast operations for a minimum of six hours a day, five days a week. This broadcast period will be reviewed and discussed on a monthly basis with the Station Manager and government representative at the Performance Evaluation Meetings. All broadcast content will be non-sectarian and without political or religious bias. Broadcast content will be neutral, open-minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and the rule of law using a local Iraqi forum. Failure to abide by these restrictions may result in the termination of the grant for radio station operations. The grant agreement signed by the Seddah Nahia Council shall commit them to comply with broadcast content requirements contained in this proposal.

Project Justification

This program will support improved governance in Seddah, Babil, by promoting the following civil society objectives:

- a. Provide a conduit for the local government leaders to communicate to the population. Allow them to inform the people about government operations, projects, priorities and plans.
- b. Provide a means to broadcast public service announcements pertaining to public health and safety issues.
- c. Provide a format for Iraqi Security Forces or governmental agencies to address security concerns with the populace.
- d. Provide a means to announce employment or economic opportunities, educational programs and community events.
- e. Provide a broadcast forum to inform the local populace on local, provincial and national news and events.
- f. Provide a broadcast forum for local and regional businesses to advertise their products and services to the population.
- g. Become self-sustaining within six months after beginning operations.

Collaboration & Coordination

The Seddah Nahia Council shall reach out to local Non-Governmental Organizations (NGOs) and Government of Iraq (GOI) entities at the provincial and national level working in the Seddah area to gather and disseminate information on their programs (this will be done in a way that maintains security of personnel involved in the area) and explain how these programs are benefitting the area.

Other Funding

The Seddah Nahia Council will provide substantial in-kind support by providing office space for the establishment of the radio station. Prior to execution of a grant under this program, the Seddah Nahia Council will provide written authorization for use of its office space and facilities. This authorization will be in a form acceptable to DAI and Coalition Forces. No funding or installation of grant financed radio equipment or furniture will take place without this authorization of in-kind support for the program.

Financials

Financial reports will be prepared by the Radio Station Manager (Reaad Abd Al Sahib Mohammed) and submitted for review by the Seddah Nahia Council and submission to DAI under the terms of the grant agreement.

Budget Summary

Total cost of the program is approximately \$70,000. See the attached budget summaries for details. General budget categories are the following: Radio Equipment - \$12,065; Office Equipment - \$10,200; Radio Tower - \$35,000; and Salaries - \$16,800.

**APPENDIX A (SALARY COST SHEET)
TO MOA FOR SEDDAH RADIO STATION (SERVICE)**

SEDDAH RADIO STATION STAFF SALARIES			
POSITION	NAME	SALARY (MONTH)	SALARY (6 MONTHS)
MANAGER	REEAD ABD AL SAHIM MOHAMMED	\$500	\$3,000
BROADCAST MANAGER	HASSUNEEN ALI AMEEN	\$500	\$3,000
BROADCAST MANAGER	IMAD ABRAHAM ALI	\$500	\$3,000
REPORTER	ABD AL ABASS ZUBADI	\$500	\$3,000
DIRECTOR/MONITOR	ABRAHAM RASHAD OMRAN	\$500	\$3,000
ADMINISTRATION	RAAD YOUSIF OLAWI	\$300	\$1,800
		SUBTOTAL: \$2,800	TOTAL: \$16,800

**APPENDIX B (OFFICE EQUIPMENT) TO
MOA FOR SEDDAH RADIO STATION**

SEDDAH RADIO OFFICE EQUIPMENT			
EQUIPMENT	QTY	COST (EA)	TOTAL COST
AIR CONDITIONER [2-TON / COOL & HEAT]	2	\$500	\$1,000
GENERATOR	1	\$1,700	\$1,700
COMPUTER	3	\$550	\$1,650
PRINTER	2	\$110	\$220
CD BURNER	1	\$50	\$50
PORTABLE HARD DRIVE (DATA STICK)	5	\$10	\$50
CDs [R+W]	300	\$0.10	\$30
PAPER [PRINTER]	20	\$15	\$300
TONER [PRINTER]	10	\$20	\$200
BUILDING REPAIRS	N/A	\$500	\$500
ROOM SOUND PROOFING	N/A	\$500	\$500
INTERNET ACCESS [1-YEAR]	N/A	\$2,000	\$2,000
SATELLITE RECEIVER	1	\$50	\$50
TELEVISION	1	\$150	\$150
WOODEN DESK - TWO WINGED	1	\$300	\$300
WOODEN DESK - ORDINARY	4	\$100	\$400
SWIVEL CHAIRS	6	\$100	\$600
COUCH	1	\$200	\$200
END TABLE	2	\$50	\$100
RUG	2	\$50	\$100
COFFEE TABLE	1	\$100	\$100
		SUB-TOTAL: \$7,145.10	TOTAL: \$10,200.00

APPENDIX C (RADIO STATION EQUIPMENT) TO MOA FOR SEDDAH RADIO STATION

U.S. PROCURED EQUIPMENT (SEDDAH)				
EQUIPMENT	QTY	COST (EA)	SHIPPING	TOTAL
RADIO STATION IN A BOX	1	\$5,215.00	\$2,283.40	\$7,498.40
15m MAST ANTENNA	1	\$3,416.36	\$600.00	\$4,016.36
11in BASE PLATE	1	\$239.49	N/A	\$239.49
COAX CABLE (200ft)	1	\$270.90	\$40.00	\$310.90
			TOTAL: \$12,065.15	

APPENDIX D (RADIO TOWER) TO MOA FOR SEDDAH RADIO STATION

RADIO TOWER (IIC)			
EQUIPMENT	QTY	COST (EA)	TOTAL COST
30m ANTENNA TOWER	1	\$35,000.00	\$35,000.00

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: MONDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0820	Morning Discussion
0821	0845	Light Songs
0846	0900	The Program "Bad Actions"
0901	0930	The Program "Between the Citizen and the Official
0931	1000	Iraqi Songs
1001	1030	Life and Health Program
1031	1100	Public Call In Program
1101	1150	Mix Songs
1151	1235	Afternoon Topic/Discussion
1236	1330	Music
1331	1357	Poetry Club
1358	1400	Close with Iraqi National Anthem

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: TUESDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0820	Morning Discussion
0821	0845	Morning Songs
0846	0900	Guides and Hints for the Housewife
0901	0930	Interview with C.S.I.
0931	1000	Book Reading
1001	1030	Family Program
1031	1100	Public Call In Program
1101	1150	Mix Songs
1151	1235	Afternoon Topic/Discussion
1236	1330	Western Songs
1331	1345	Radio Series
1346	1357	Country Songs
1358	1400	Close with Iraqi National Anthem

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APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: WEDNESDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0900	Morning Program "Good Morning Seddah"
0901	0930	Mix Songs
0931	1000	The Program "Between the Citizen and the Official"
1001	1030	Family Program
1030	1130	Mix Songs
1131	1150	History Reading
1151	1235	Afternoon Topic/Discussion
1236	1330	Poetry and Music
1331	1357	Mix Songs
1358	1400	Close with the Iraqi National Anthem

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: THURSDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0900	Morning Songs
0901	0930	Newspaper Reading
0931	1000	The Program "The Students and The Future"
1001	1100	Mix Songs
1101	1155	The Program "For Your City"
1156	1205	Afternoon Topic/Discussion
1206	135	Classic Songs
1358	1400	Close with Iraqi National Anthem

FRIDAY AND SATURDAY THERE WILL NOT BE A BROADCAST.

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: SUNDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0820	Morning Discussion
0821	0845	Morning Songs
0846	0900	Health and Education Program
0901	0930	The Program "Between the Citizen and the Official"
0931	1000	Iraqi Songs
1001	1030	Youth and Sports Program
1031	1100	Public Call In Program
1101	1150	Mix Songs
1151	1200	Music
1200	1230	Afternoon Topic/Discussion
1231	1235	Music
1236	1330	Arabic Songs
1331	1345	Radio Series
1346	1357	Iraq and Current Events
1358	1400	Close with Iraqi National Anthem

Trip Report

Development of Counter-Insurgency Initiative for Golden Hills, Wasit

Michael Maxey - USAID Rep. – EPRT North Babil

May 27, 2008

Purpose trip was to assess damage caused by Al Qaeda of Iraq, identify critical needs of population, and sketch out a “way forward” to address problems that if left unattended could potentially affect stability in Golden Hills area of Wasit.

EPRT North Babil brought out USAID partners and disaster assistance staff to assess reports of wide spread damage to homes and economic infrastructure in Golden Hills area of Wasit Province (approximately 20 kilometers west of Suwayrah). A battle late last year (October 2007) between Coalition Forces and Al Qaeda of Iraq (AQI) resulted in widespread damage, inflicted by AQI, on the local population. Residents in three villages were threatened with destruction of property and death if they did not join forces with AQI. The terrorists followed up on this threat when residents did not join them --- up to 300 homes were destroyed in three villages, a large segment of the population fled the area and almost all economic infrastructure was destroyed. Former residents are only now starting to come back and the team identified serious problems with housing, water and sanitation, and economic infrastructure.



USAID Assessment Team (Left to Right)
Andrea Tracy, USAID OFDA (Office for Foreign Disaster Assistance) Manager; Jon Wiebe, DAI (Development Alternative Inc.) Manager of IRAP (Iraq Rapid Action Program) for North Babil; Karen Campbell, DAI Program Development Advisor.

The Assessment Team tentatively agreed upon two recommendations:

Housing Reconstruction - A proposal will be developed to address the housing needs of local residents. It will follow the model developed for Khidr area (see attached Khidr proposal recently approved by Embassy). Given the number of homes involved (over 300) and the degree of destruction, the Assessment Team will recommend that ICERP funding be used to augment the reconstruction effort by financing up to 50 percent of the construction material packages. A basic package of construction material costs \$3,300 per home and with 300 homes there would be a total cost of approximately \$1 million. The Team will recommend an IRAP program financed in each of the 3 villages attacked by AQI of up to \$200,000 (QRF funds) matched by ICERP financing (\$130,000) to cover the balance required to support reconstruction of 100 homes.

Potable Water – A request will be made by EPRT North Babil to OFDA (Office of Foreign Disaster Assistance) to provide potable water systems in the three villages attacked by AQI.

QRF PROGRAM
SUMMARY PROPOSAL

Requesting PRT/ePRT/REO:
EPRT North Babil

Grant Recipient:

- Name of Organization: Iskandariya Nahia Local Council
- Location of Organization: Iskandariya, Babil Province
- Organization Website and E-Mail:
- Name of Project Director and/or Organization Representative: Sheik Sabah Khafaji, Iskandariya Nahia Local Council Leader

Project Code Number: _____ Organization Code: _____

Previous USG Funding:
None

Project Title:
Construction Material Grant – Khidr Area Residents

Amount Requested:
The total amount of IRAP funds being requested as a one time grant is \$495,000 USD. See Table 1 for the grant cost-sharing budget details.

Executive Summary:
This proposal, the result of consultation with DAI/IRAP, local officials in the Khidr area, and the USAID/Iraq PRT Office provides approximately 30% of the materials required to reconstruct a 10 meter by 10 meter home for 150 homes in the affected area. This support is seen as complementary to ongoing efforts of the local populace to rebuild their homes, is provided on a priority basis to those residents who have not received GOI support, and will be managed by local leaders coordinated by the Iskandariya Nahia Local Council. MNF elements will provide on the ground oversight of distribution of in-kind construction material to the affected families.

Description of Previous Funding
There has not been any previous funding with the Iskandariya Nahia Local Council under the QRF Program (check this with Howard!).

Background of Grantee:
The Iskandariya Nahia Local Council has proven to be a dynamic force in North Babil and with the strong leadership of Council President Sheik Sabah Khafaji, the Nahia has promoted economic development through the revitalization of the Iskandariya VoTech Center. The Council has provided support for improved essential services in the area and has led initiatives to address problems faced by communities they serve. The Council has the experience and management expertise to handle the proposed initiative to provide construction support for the re-building of homes in the Khidr area.

Description/Purpose:

The purpose of the Construction Material Grant – Khidr Area Residents is to provide support for rebuilding homes destroyed by Al Qaeda of Iraq (AQI) during a battle for the area in December 2007. Elements of the 4th Brigade Combat Team, 3rd Infantry Division fought a month long battle against AQI elements in the area over a 5 week period. As AQI retreated from this Sunni/Shia mixed area, they indiscriminately destroyed homes, public buildings and religious sites (both Sunni and Shia sites were destroyed). A USAID (United States Agency for International Development) and /MNF (Multi-National Forces) group made a field trip to the area on March 3, 2008, to assess the damage and begin putting together a development package to stabilize the area and promote social and economic development. One of the results of this field visit was a recommendation by the group to provide a housing support program to complement efforts of the local populace to rebuild their homes as well as emergency assistance families had received from Government of Iraq via the Ministry of Migration.

Project Justification:

The 4th Brigade Combat Team, 3rd Infantry Division chose to liberate the Khidr area of Al Qaeda of Iraq (AQI) elements in December 2007. The ensuing battle resulted in the destruction of more than 136 homes by AQI as they left the area. Photographs in Attachment One of this document shows some of the destruction.

Collaboration/Coordination:

(Explain how Iskandariya Local Council will coordinate with Khidr local leadership (Sheik Jaffa, Head of Ag Association) and MNF elements to distribute supplies equitably.

Other Funding:

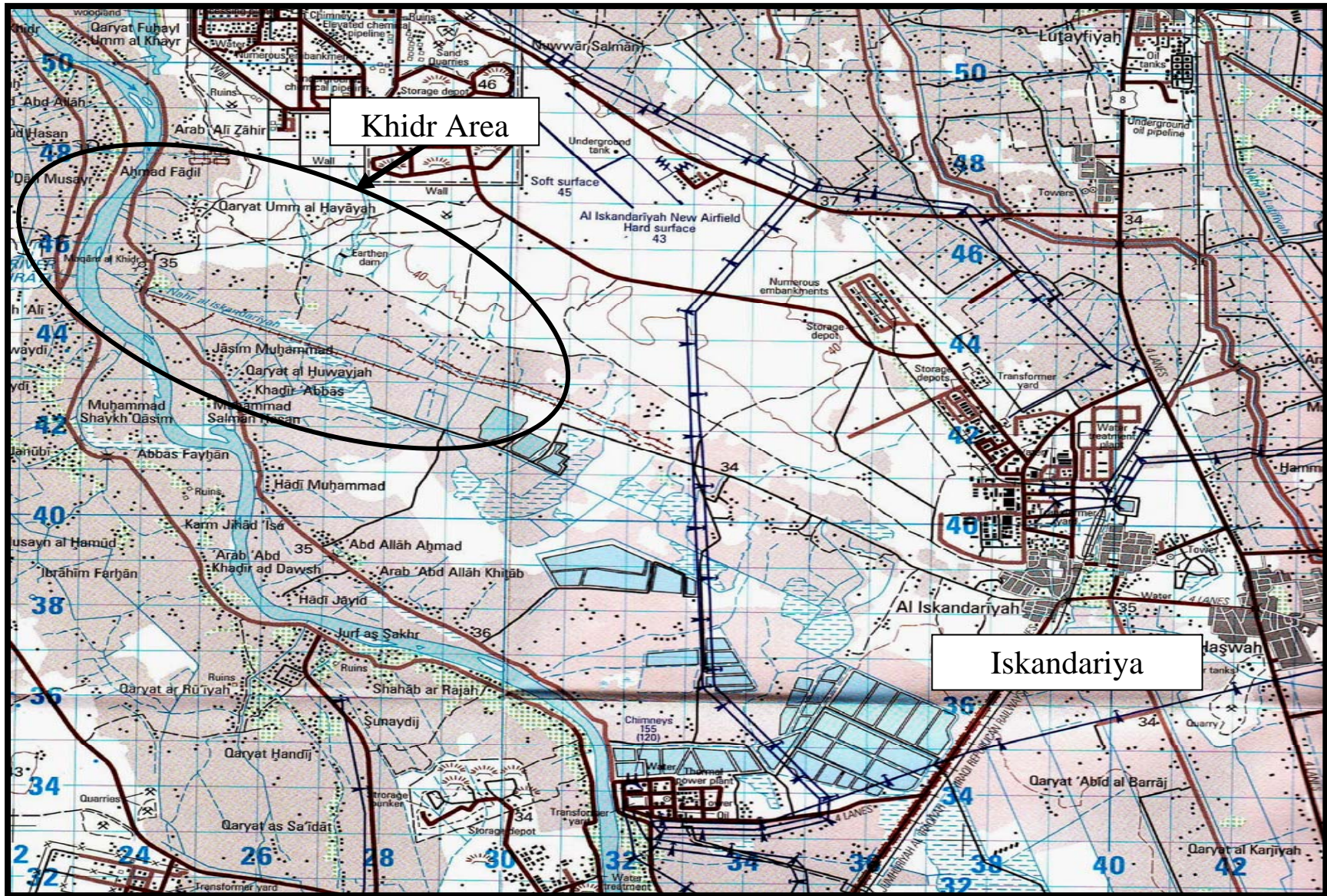
In-kind labor from local community, transportation support and security by MNF, and technical services and support by Iskandariya VoTech Center on procuring and assembling the supplies for delivery to Khidr area.

Financials:

In-kind grants will be made under coordination of Iskandariya Nahia Local Council. Financial report will be provided by the Council at the conclusion of the program. All procurement will be coordinated with MNF and Khidr local leaders.

Budget Summary:

ITEM	QTY	UNIT	COST/UNIT	TOTAL COST
R Bar		1.5 Ton	\$ 800.00	\$ 1,200.00
Cement		5 Ton	\$ 250.00	\$ 1,250.00
Interior doors		5 Each	\$ 130.00	\$ 650.00
Metal entry door		1 Each	\$ 200.00	\$ 200.00
		TOTAL PER PACKAGE		\$ 3,300.00
		FOR 150 PACKAGES		\$ 495,000.00



Khidr Area – North Babil

March 3rd Field Trip to Khidr, Ditung and Umm al Hayayah – We went to the field with battle space commander, Captain Jim Hart who provided a briefing during the trip of how the battle was won for this area. He explained that the final fighting had taken place in mid-December and that as AQI left they destroyed homes, mosque, Shia shrine and medical clinic. As we approached Khidr we saw many destroyed homes, a completely demolished shrine to Khudr, one of the 12 Imams of Shia Islam. This was an important shrine and was deliberately targeted. We stopped in Khidr and toured the area, at one point we stopped at the local school. The photographs below area composite of photos made near the school, the Shia Shrine lies in ruins in the background with people all around trying to rebuild and LTC Newsome with school children we found in their class room at the damaged school. I visited one of the classrooms and made a photo with the local children. It was evident everywhere that people were not waiting for assistance but were actively trying to rebuild with whatever resources they could scavenge from the rubble.



Jon Wiebe – DAI IRAP - Reconstruction of destroyed homes is a key issue and this is an area that IRAP could possibly help on but Jon indicated he needs to confirm with staff in Baghdad on how to put together a proposal that would meet criteria for approval. If this is worked out, there could be up to \$500,000 for Khidr in reconstruction assistance (in-kind materials and supplies following a model unit to provide temporary housing until the community is rebuilt). Lower amounts of funding could possibly be provided to surrounding communities. Assistance in rebuilding the high school (adding bath rooms for women teachers and female students as well as refurbishing classrooms could be done – Jon and Jane will coordinate what CSP and DAI will do – one will work in Khidr with other focused on school rehabilitation elsewhere). The same for the destroyed medical clinic. Either CSP or DAI will work to rebuild it. In either case, a commitment will be obtained from the DG of Health and Education in Hilla committing teachers and medical staff. Jon indicated that something could also be possibly done for potable water. Finally, he mentioned the need to go forward with the pending \$500,000 business development microfinance program and tie this area into the training and micro-credit activities under the proposed Small Business Development Center. We also discussed seeking ways to link CSP and IRAP to combine the CSP micro-grant system with the IRAP micro-credit in order to leverage more synergy and support more viable businesses.



Memorandum of Conversation
Meeting between EPRT North Babil & 4th Brigade Combat Team
1-76 Field Artillery Battalion
Michael Maxey, USAID Rep.
May 29, 2008

Howard Van Vranken, ePRT North Babil Team Leader, and I met with Major Brock and Captain Morris of the 1-76 Field Artillery Battalion to discuss the design and implementation of community development activities in the Golden Hills region. We mentioned that we could prepare and submit for funding approval a program to assist area residents to reconstruct their homes which were destroyed by Al Qaeda in Iraq. We also discussed providing school supplies to children in the area. Major Brock and Capt. Morris said they would let us know what they thought could be done. They mentioned the need to move cautiously to make sure the Company at Patrol Base Copper could oversee and coordinate the assistance to the communities in Golden Hills.

Capt. Morris agreed to provide a short narrative to the EPRT Team on how he best thought the home reconstruction program could be structured. We requested that CERP or ICERP be used to support the program but were told that no CERP funds are available and that all ICERP funding has already been allocated. We discussed developing a two or three phase program that would be initiated with IRAP/QRF funding (\$200,000) and then be continued with ICERP funding (\$200,000 to \$400,000) when it becomes available.

Identification of schools for distribution of backpacks and school supplies for children was discussed. No decision was made on the quantity needed but 1-76 Civil Affairs will provide estimates of the amount of backpacks that could be used in the region.

The meeting ended with agreement that I will travel to Golden Hills on next week to get more information on reconstruction needs and how the program can best be designed for the area.

Trip Report
Suwayrah, Wasit
Michael Maxey - USAID Rep. – EPRT North Babil
May 28, 2008

Trip was made with 4th Brigade Combat Team to meet Government of Iraq officials to discuss security and development issues. Participants included LTC Roger Shuck, Deputy Brigade Commander, Major Brock, Interim Commander of the 1-76 Field Artillery Battalion, and support staff. We met with the local military commander, local police chief, mayor of Suwayrah and the president of the local Nahia council.



Local Iraqi Military Commander – Col. Hassat



Mayor & Nahia Council President



Major Brock with Sheik leader



Luncheon

The meeting started with LTC Shuck explaining that we were there to discuss ways to help the Iraqi government secure the population and promote economic development. “There is no room for extremists.” The Mayor indicated he wanted to discuss projects that could be done in the area. A discussion followed on projects already approved, including \$1.8 million in CERP funding to refurbish a local hospital. The Mayor said that help was needed in cleaning away war debris. He also said he could convene local communities to discuss problems and possible solutions with Coalition Forces and the EPRT. LTC Shuck asked about the level of Government of Iraq investment in Suwayrah. The Mayor said that 13 projects were underway through the Nahia Council. Major Brock said the Civil Affairs Team for 1-76 artillery and Company Commander Capt. Orantowski would meet with Nahia Council and the Mayor during the week of June 2nd to discuss small scale, quickly implemented projects. A luncheon was held at the end of the meeting.

Weekly Report
Michael Maxey, USAID Rep - ePRT North Babil
June 8, 2008

Attached is a summary of USAID expenditures in North Babil which was prepared for to brief General Petraeus on Wednesday, June 11, 2008 by 4th Brigade Combat Team leadership. USAID has committed almost \$9 million for a variety of programs in North Babil since August 2007. Most of these programs have gotten underway in the last 4 months. Attached is summary of USAID investments.

IRAP (Iraq Rapid Action Program) proposal was submitted by EPRT North Babil to ETEC last week and another proposal¹ moved closer to preparation for submission.

- Seddah Radio Station - EPRT North Babil submitted an IRAP proposal developed in conjunction with 4th Brigade Combat Team staff to establish a radio station at the Seddah Nahia Local Council. This pilot effort funded at \$75,000 will purchase equipment and cover salaries of radio station staff . MNF-I will work with the radio station staff to help them provide unbiased, non-sectarian broadcasts aimed at promoting good governance and economic development.

Field trips and meetings during the week included: (1) Team Building – PRT Babil & ePRT North Babil – REO in Hillah; (2) Borlaug Institute – Iraq Advisory Group Visit to Wasit; and (3) ePRT Baghdad 7 - \$500 million PM Initiative for Agricultural Sector.

- PRT/ePRT Team Building – A meeting was held on June 2, 2008, in the REO to discuss how to create greater development impact in Babil Province. Presentations were made on “Joint Common Plan” process and Government of Iraq budget process. Attached Trip Report contains summary of meeting outcomes, comments on GOI Budget Process and a copy of the Budget PowerPoint presentation.
- Borlaug Institute Field Trip – I accompanied the Iraq Advisory Group from the Borlaug Institute on a field trip to the Wasit area. A recurring and critical theme during the trip was the need for proper water resource management.
- PM Initiative \$500 million - This is a \$500,000,000 program consisting of a \$240 million development fund, \$70 million Ministry of Ag program, \$188 million for projects under the Ministry of Water Resources. The development fund will go to the following: animal wealth development (\$40 million); mechanization and advanced irrigation (\$40 million); revitalization of palm groves (\$30 million); small farmer support (\$30 million); and ag investment fund (\$100 million).

¹ Golden Hills Counter-Insurgency Initiative – EPRT North Babil is coordinating with Task Force 1-76 Battalion of the 4th Brigade Combat Team, 3rd ID to draft a reconstruction proposal for Golden Hills area. A final draft will be submitted to the ETEC early next week. The proposal will request \$200,000 in construction material to be provided to families whose homes were destroyed by Al Qaeda of Iraq. Each family identified to participate in the program will receive a \$3,300 package of basic construction supplies (cement, door, windows, etc.) to help them in their reconstruction efforts.

Funding and Disbursement of USAID Programs
EPRT North Babil
June 7, 2008

IRAP (Iraqi Rapid Action Program) – This is a Quick Response Fund program that finances development activities in excess of \$50,000. Funding decisions are decided by the US Embassy – Baghdad’s Office of Provincial Authority through ETEC (Embassy Technical Evaluation Committee). EPRT North Babil now has 4 IRAP (Iraqi Rapid Action Program) projects funded with over \$1.4 million in QRF (Quick Response Funding).

Basic School Supplies for Children - \$200,000 to provide 20,000 children with a backpack and school supplies;

Khidr Area Reconstruction - \$495,000 to provide 300 families with a basic re-building package (basic building supplies valued at \$3,300 for each family);

Iskandariya Microfinance Program - \$500,000 to provide over 200 microcredit loans to area residents (maximum loan is \$2,500 for one year period at approximately 17 percent interest) based on solid business plan and viable economic activities;

Iskandariya Small Business Development Center – \$213,000 to provide business services and training to 555 residents in North Babil area. The Center will also assist in registering Non-Governmental Organizations and strengthening their ability to successfully implement private sector activities.

Total IRAP funding for all of Iraq is \$130 million. The program was initiated in September 2007 and will end in October 2009. Total disbursements as of March 31, 2008 were \$8.5 million.

CSP (Community Stabilization Program) – Total 2008 budget for CSP North Babil activities is \$7,974,827. Of this amount, \$3,575,941 is allocated in micro-enterprise grants (\$603,705), employment generation activities (\$1,133,181), infrastructure and essential services programs (\$1,839,055), and business training (\$10,000). Total CSP employment in North Babil is 4,051 short-term jobs, 190 long-term jobs with 98 total business grants awarded to date valued at \$604,000. There are currently 1,237 Vocational Trainees in the CSP funded program in both Iskandariya VoTec and Mussayib Technical Institute with 30% of CSP VoTech graduates placed in either apprenticeship programs or long-term jobs. There are 17 engineering/infrastructure projects currently being implemented in North Babil valued at total of \$1.8 million. More than 2,500 youth are engaged in soccer tournaments in Mussayib and Mahawil Districts funded by CSP. Total CSP funding for all of Iraq is \$544 million. The program was initiated in May 2006 and will end in September 2009. Total disbursements as of March 31, 2008 were \$297 million.

CAP II (Community Action Program II) – Investments for 2008 in North Babil are \$2,286,905 in 56 projects. The projects included: 8 health projects (\$392,071); 9 construction projects (\$617,703); 14 education programs (\$1,071,081); and 3 community projects (\$206,050). Total CAP II funding for all of Iraq is \$150 million. The program was initiated in October 2006 and will end in September 2008. Total disbursements as of March 31, 2008 were \$68 million.

Inma – Investments in 2008 amount to approximately \$1.5 million (fingerling distribution in Iskandariya area). Total Inma funding for all of Iraq is \$309 million. Total obligated funding as of March 31, 2008 was \$92.5 million. The program was initiated in May 2007 and will end in May 2010. Total disbursements as of March 31, 2008 were \$15.9 million.

Tijara – This program was the follow on to Izdiyar and started in March 2008. There is no firm data on disbursements. Some technical assistance was provided to us by the Tijara staff in April 2008 on the Iskandariya Microfinance and Small Business Development Programs.

Local Governance Program II – Training programs continue in governance involving everything from “how to manage a local council” to budget planning and execution, transparency, communications, citizen outreach, etc. RTI’s technical assistance and training programs reached almost 1,500 participants last year in North Babil. These programs continue. Total funding of the program nationwide is \$352,400,000. Expenditures through March 2008 amount to \$205,243,531. The program began in May 2005 and will end in December 2008.

Seddah Radio Station Proposal

ePRT North Babil – June 1, 2008

Executive Summary

A critical aspect of strengthening local governance in North Babil is giving voice to the local governments to effectively communicate with their constituents in order to promote security, provide important information on programs to promote economic growth and to serve as a forum for citizen involvement in governance. EPRT North Babil believes that local radio stations controlled by Local Nahia Councils in key cities would meet this strategic need for increased involvement in governance issues by the populace. While at least three sites have been identified in North Babil, this proposal is to start with one site, Seddah, to use as a pilot effort for establishing a means for local government leaders to communicate and to receive feedback from residents. This proposal requests \$75,000 to establish the radio station within the Nahia Council building in Seddah -- the program will fund purchase of equipment and cover salaries of radio station staff for the first six months of it's operation. The grant agreement will require the development and approval of a sustainability plan within the first three months of operation. Monitoring of the radio station's operations will done by Coalition Forces through monthly reviews in coordination with DAI.

Program Description

The purpose of this program is to support efforts of local government representatives and leaders to effectively communicate with the populace, promote security and economic growth in the region and receive feedback on the needs and desires of the people in the area. The objective will be accomplished by financing the establishment of an Iraqi public radio station in the city of Seddah. While the radio station is viewed as a public service, the agreement will require a sustainability strategy that includes a private ad revenue plan for obtaining the necessary financing to continue operations and/or a plan for Government of Iraq funding. The sustainability plan will be submitted and approved to DAI within three months of the initiation of services. The station will be overseen by the Seddah Nahia Council and will coordinate with Coalition Forces to ensure that the conditions and terms described in this agreement are met. The radio station will be located within the Seddah Nahia Government Building. The Seddah Nahia Council shall agree as a condition of this grant to cease station operations if the terms of this agreement are breached.

1. The radio station will be an Iraqi owned and operated enterprise however DAI will structure the grant in such a way that Coalition Forces will have a monitoring and oversight role.
2. The total cost for this project is: \$74,065.15. All payments will be made in U.S. dollars. The costs for this project are detailed in the attached budget (see budget summary) and include the following: (i) Station operations and employee salaries - 6 months; (ii) Office furniture, automation, networking, etc; (iii) Station equipment; and (iv) Radio

antenna tower.

3. The Seddah Nahia Council will agree to operate the radio station in a manner that is non-sectarian and without political or religious bias. Broadcast will be content neutral, open minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and rule of law.

The Seddah radio station will conduct broadcast operations for a minimum of six hours a day, five days a week. This broadcast period will be reviewed and discussed on a monthly basis with the Station Manager and government representative at the Performance Evaluation Meetings. All broadcast content will be non-sectarian and without political or religious bias. Broadcast content will be neutral, open-minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and the rule of law using a local Iraqi forum. Failure to abide by these restrictions may result in the termination of the grant for radio station operations. The grant agreement signed by the Seddah Nahia Council shall commit them to comply with broadcast content requirements contained in this proposal.

Project Justification

This program will support improved governance in Seddah, Babil, by promoting the following civil society objectives:

- a. Provide a conduit for the local government leaders to communicate to the population. Allow them to inform the people about government operations, projects, priorities and plans.
- b. Provide a means to broadcast public service announcements pertaining to public health and safety issues.
- c. Provide a format for Iraqi Security Forces or governmental agencies to address security concerns with the populace.
- d. Provide a means to announce employment or economic opportunities, educational programs and community events.
- e. Provide a broadcast forum to inform the local populace on local, provincial and national news and events.
- f. Provide a broadcast forum for local and regional businesses to advertise their products and services to the population.
- g. Become self-sustaining within six months after beginning operations.

Collaboration & Coordination

The Seddah Nahia Council shall reach out to local Non-Governmental Organizations (NGOs) and Government of Iraq (GOI) entities at the provincial and national level working in the Seddah area to gather and disseminate information on their programs (this will be done in a way that maintains security of personnel involved in the area) and explain how these programs are benefitting the area.

Other Funding

The Seddah Nahia Council will provide substantial in-kind support by providing office space for the establishment of the radio station. Prior to execution of a grant under this program, the Seddah Nahia Council will provide written authorization for use of its office space and facilities. This authorization will be in a form acceptable to DAI and Coalition Forces. No funding or installation of grant financed radio equipment or furniture will take place without this authorization of in-kind support for the program.

Financials

Financial reports will be prepared by the Radio Station Manager (Reaad Abd Al Sahib Mohammed) and submitted for review by the Seddah Nahia Council and submission to DAI under the terms of the grant agreement.

Budget Summary

Total cost of the program is approximately \$70,000. See the attached budget summaries for details. General budget categories are the following: Radio Equipment - \$12,065; Office Equipment - \$10,200; Radio Tower - \$35,000; and Salaries - \$16,800.

**APPENDIX A (SALARY COST SHEET)
TO MOA FOR SEDDAH RADIO STATION (SERVICE)**

SEDDAH RADIO STATION STAFF SALARIES			
POSITION	NAME	SALARY (MONTH)	SALARY (6 MONTHS)
MANAGER	REEAD ABD AL SAHIM MOHAMMED	\$500	\$3,000
BROADCAST MANAGER	HASSUNEEN ALI AMEEN	\$500	\$3,000
BROADCAST MANAGER	IMAD ABRAHAM ALI	\$500	\$3,000
REPORTER	ABD AL ABASS ZUBADI	\$500	\$3,000
DIRECTOR/MONITOR	ABRAHAM RASHAD OMRAN	\$500	\$3,000
ADMINISTRATION	RAAD YOUSIF OLAWI	\$300	\$1,800
		SUBTOTAL: \$2,800	TOTAL: \$16,800

**APPENDIX B (OFFICE EQUIPMENT) TO
MOA FOR SEDDAH RADIO STATION**

SEDDAH RADIO OFFICE EQUIPMENT			
EQUIPMENT	QTY	COST (EA)	TOTAL COST
AIR CONDITIONER [2-TON / COOL & HEAT]	2	\$500	\$1,000
GENERATOR	1	\$1,700	\$1,700
COMPUTER	3	\$550	\$1,650
PRINTER	2	\$110	\$220
CD BURNER	1	\$50	\$50
PORTABLE HARD DRIVE (DATA STICK)	5	\$10	\$50
CDs [R+W]	300	\$0.10	\$30
PAPER [PRINTER]	20	\$15	\$300
TONER [PRINTER]	10	\$20	\$200
BUILDING REPAIRS	N/A	\$500	\$500
ROOM SOUND PROOFING	N/A	\$500	\$500
INTERNET ACCESS [1-YEAR]	N/A	\$2,000	\$2,000
SATELLITE RECEIVER	1	\$50	\$50
TELEVISION	1	\$150	\$150
WOODEN DESK - TWO WINGED	1	\$300	\$300
WOODEN DESK - ORDINARY	4	\$100	\$400
SWIVEL CHAIRS	6	\$100	\$600
COUCH	1	\$200	\$200
END TABLE	2	\$50	\$100
RUG	2	\$50	\$100
COFFEE TABLE	1	\$100	\$100
		SUB-TOTAL: \$7,145.10	TOTAL: \$10,200.00

APPENDIX C (RADIO STATION EQUIPMENT) TO MOA FOR SEDDAH RADIO STATION

U.S. PROCURED EQUIPMENT (SEDDAH)				
EQUIPMENT	QTY	COST (EA)	SHIPPING	TOTAL
RADIO STATION IN A BOX	1	\$5,215.00	\$2,283.40	\$7,498.40
15m MAST ANTENNA	1	\$3,416.36	\$600.00	\$4,016.36
11in BASE PLATE	1	\$239.49	N/A	\$239.49
COAX CABLE (200ft)	1	\$270.90	\$40.00	\$310.90
			TOTAL: \$12,065.15	

APPENDIX D (RADIO TOWER) TO MOA FOR SEDDAH RADIO STATION

RADIO TOWER (IIC)			
EQUIPMENT	QTY	COST (EA)	TOTAL COST
30m ANTENNA TOWER	1	\$35,000.00	\$35,000.00

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: MONDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0820	Morning Discussion
0821	0845	Light Songs
0846	0900	The Program "Bad Actions"
0901	0930	The Program "Between the Citizen and the Official
0931	1000	Iraqi Songs
1001	1030	Life and Health Program
1031	1100	Public Call In Program
1101	1150	Mix Songs
1151	1235	Afternoon Topic/Discussion
1236	1330	Music
1331	1357	Poetry Club
1358	1400	Close with Iraqi National Anthem

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: TUESDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0820	Morning Discussion
0821	0845	Morning Songs
0846	0900	Guides and Hints for the Housewife
0901	0930	Interview with C.S.I.
0931	1000	Book Reading
1001	1030	Family Program
1031	1100	Public Call In Program
1101	1150	Mix Songs
1151	1235	Afternoon Topic/Discussion
1236	1330	Western Songs
1331	1345	Radio Series
1346	1357	Country Songs
1358	1400	Close with Iraqi National Anthem

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: WEDNESDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0900	Morning Program "Good Morning Seddah"
0901	0930	Mix Songs
0931	1000	The Program "Between the Citizen and the Official"
1001	1030	Family Program
1030	1130	Mix Songs
1131	1150	History Reading
1151	1235	Afternoon Topic/Discussion
1236	1330	Poetry and Music
1331	1357	Mix Songs
1358	1400	Close with the Iraqi National Anthem

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: THURSDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0900	Morning Songs
0901	0930	Newspaper Reading
0931	1000	The Program "The Students and The Future"
1001	1100	Mix Songs
1101	1155	The Program "For Your City"
1156	1205	Afternoon Topic/Discussion
1206	135	Classic Songs
1358	1400	Close with Iraqi National Anthem

FRIDAY AND SATURDAY THERE WILL NOT BE A BROADCAST.

APPENDIX E (PROGRAM SCHEDULE) TO SEDDAH RADIO STATION MOA

PROGRAMMING SCHEDULE: SUNDAY

<u>START</u>	<u>END</u>	<u>PROGRAM TITLE</u>
0758	0800	Open With Iraqi National Anthem
0801	0815	Morning Speech/Topic
0816	0820	Morning Discussion
0821	0845	Morning Songs
0846	0900	Health and Education Program
0901	0930	The Program "Between the Citizen and the Official"
0931	1000	Iraqi Songs
1001	1030	Youth and Sports Program
1031	1100	Public Call In Program
1101	1150	Mix Songs
1151	1200	Music
1200	1230	Afternoon Topic/Discussion
1231	1235	Music
1236	1330	Arabic Songs
1331	1345	Radio Series
1346	1357	Iraq and Current Events
1358	1400	Close with Iraqi National Anthem

Trip Report
EPRT North Babil & PRT Babil Team-Building Meeting
Michael Maxey
June 2, 2008

EPRT North Babil Team traveled to the Regional Embassy Office (REO) in Al Hilla to meet with the PRT Babil Team to share information on each team's development plan for their area of operation. Attached is a description of outcomes from the meeting.



A presentation presented by PRT Babil staff on the GOI budget process was critical. Provincial governments under current Iraqi law have no budget authority, no legislative authority and can not raise revenue. Total 2008 budget was \$55.1 billion with \$36.7 billion going to “Operations & Maintenance” (primarily salaries – 90% of the budget is for salaries), \$13 billion to the “Investment” line item, \$3.9 billion for provincial reconstruction, and \$1.5 billion as a contingency reserve fund. The 7 percent of the GOI budget going to the provinces is the only part of the budget that PRTs can impact at the local level. Everything else is controlled by the central government.

Important budget presentation points:

Operation & Maintenance Line Item is approximately 67% of the total budget and 90% of it goes for salaries. All government employees at federal, province and district levels are employed and paid as GOI employees – there are no provincial government employees. Provinces have no authority to raise money, budget money or (other than the reconstruction funding provided by the GOI) spend money.

Provincial Powers Law will not have an impact until 2011 since the law doesn't go into effect until after elections later this year. It is doubtful Provincial Councils will be able to participate in a meaningful way in the 2010 budget process (budget deliberations, planning and approval is essentially over by May 2009).

Willie Sutton Principle applies to PRT efforts in that we need to focus on where the money is – and in Iraq the funding is with the central government and the ministry budgets. Our focus should be on getting the ministry programs operating at the local level.

Notes from Team Building Meeting
PRT Babil & ePRT North Babil
June 2, 2008

What was the most important take-away?

ROL/Governance/Political Reconciliation: Budget planning and execution are key to success. The Babil provincial judiciary needs to learn how this works and how to be effective advocates for their budget needs through official channels. We need to adopt different approaches. Regarding economic development, we need to gather information from PC and DGs. On Essential Services/Infrastructure, PRTs need better visibility on state of play.

What to do better?

Improve flow of information between two PRTs – strengthen open communications. In ROL for instance, while we are prevented from spending money on ISF, it is still important to be in the loop on information. Of particular importance was Howard's presentation on the aim to fold 10,000 SOI into the ISF. We should change from "Project" orientation to "Consultative" orientation as Iraqis do project development, provide funding and carry out implementation; PRT should advise on how to do these tasks. One option is to use GRS to hire N. Babil engineers to survey water and electrical infrastructure.

From our perspective, we must view activities from the perspective of how they impact or are integrated into the province as a whole; this will be particularly critical assuming the relatively improved security environment permits more 'normal' activities but GOI and USG. We also need to routinize the gathering and sharing of information.

What areas can the two PRTs usefully work together?

ROL Advisors will jointly visit the courthouses in N. Babil together and will use Kalsu as a staging area relying on N.Babil transportation and security. On Political/Governance side, we need to aim at improving communications between local (Nahiya/Qada) level and Provincial/DG level. All three CF elements (military, ePRT and PRT) should share information on this question. Critical to identify critical nodes in each area, especially with regard to "who, what, when, where, why" info on budget and project approval process. Both PRTs can share resources and understanding of above.

We should also look for ways to replicate successes achieved by the other element. For example, we've heard that the PRT has successful beekeeping and women's initiatives, both of which we should be able to successfully (and relatively easily) expand into the north.

BUDGETING ... THE IRAQI WAY

UNDERSTANDING THE FEDERAL BUDGET PROCESS OF THE GOI



1

OBJECTIVES

- FOSTER GREATER UNDERSTANDING OF THE GOI'S BUDGET PROCESS
- ENABLE ADVISORS TO ASK THE RIGHT QUESTIONS TO MORE EFFECTIVELY ASSIST GOI COUNTERPARTS
- FACILITATE MORE EFFECTIVE INTEGRATION OF USG FUNDED PROJECTS INTO THE GOI'S FEDERAL O&M BUDGET

2

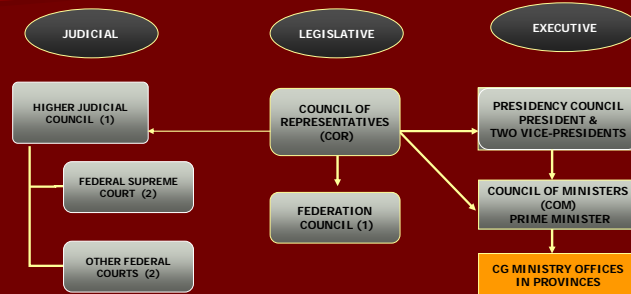
BUDGETING ... THE IRAQI WAY

- OVERVIEW & CONTEXT
- BUDGET PREPARATION
- BUDGET EXECUTION
- OBSTACLES & CHOKEPOINTS
- APPENDICES

OVERVIEW & CONTEXT

4

CENTRAL GOVERNMENT (CG) STRUCTURE

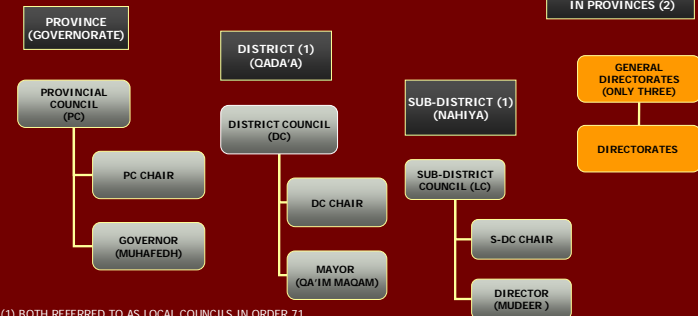


1. IMPLEMENTING LEGISLATION NOT YET ADOPTED BY COR
2. CURRENTLY ORGANIZED UNDER MOJ

5

PROVINCIAL GOVERNMENT STRUCTURE

PROVINCES, DISTRICTS, & SUB-DISTRICTS (EXCLUDING KRG)



- (1) BOTH REFERRED TO AS LOCAL COUNCILS IN ORDER 71
- (2) NO UNIFORMITY IN HOW OFFICES RELATE TO PROVINCES OR CG MINISTRIES

6

PROVINCIAL GOVERNMENT STRUCTURE

■ PROVINCIAL COUNCILS

- ORIGINALLY APPOINTED BY CPA
 - "REFRESHED" BY CPA 2003-2004
- ELECTED 2005
 - CLOSED LISTS
 - EFFECTIVENESS & LEGITIMACY QUESTIONED
- **NOMINAL AUTHORITY TO RAISE REVENUE**
 - NO "PROVINCIAL BUDGET"
 - FUNDED THRU FEDERAL O&M BUDGET
- NO LEGISLATIVE AUTHORITY
- NOVEMBER 2008 ELECTIONS
 - SUBJECT TO CHANGE

7

PROVINCIAL GOVERNMENT STRUCTURE

■ DISTRICT & SUB-DISTRICT COUNCILS

- **SELECTED, NOT ELECTED**, BY VARIOUS PROCESSES
 - LEGITIMACY QUESTIONED
- NO REPORTING RELATIONSHIP
- **NO REVENUE OR BUDGETARY AUTHORITY**
 - NO "DISTRICT OR SUB-DISTRICT BUDGET"
 - FUNDED THRU FEDERAL O&M BUDGET
- NO LEGISLATIVE AUTHORITY
- NO ELECTIONS SCHEDULED AT THIS TIME
- **USE OF TERM "COUNCIL" MISLEADING**
 - NOT COUNCILS AS WE KNOW THE TERM
 - INSTITUTIONALIZED STAKEHOLDER GROUPS
 - ADVISORY & ADVOCACY ROLE

8

CG MINISTRY OFFICES IN PROVINCES

PROVINCIAL LEVEL	DISTRICT (QADA'A) LEVEL	SUB-DISTRICT (NAHIYA) LEVEL
MINISTRY OF FINANCE		
RETIREMENTS DIRECTORATE	NONE	NONE
GOVERNMENTAL REAL ESTATE DIRECTORATE	NONE	NONE
COMMISSION FOR TAXES	NONE	NONE
TREASURY DIRECTORATE	TREASURY BRANCH	TREASURY BRANCH
MINISTRY OF INTERIOR		
NATIONALITY DIRECTORATE	NATIONALITY BRANCH	NATIONALITY BRANCH
CIVIL DEFENSE DIRECTORATE	NONE	NONE
POLICE DIRECTORATE	POLICE DIRECTORATE	NONE
TRAFFIC POLICE DIRECTORATE	NONE	NONE
MINISTRY OF LABOR AND SOCIAL AFFAIRS		
SOCIAL CARE DEPARTMENT	NONE	NONE
LABOR AND SOCIAL SECURITY DEPARTMENT	NONE	NONE
MINISTRY OF HEALTH		
HEALTH GENERAL DIRECTORATE	NONE	NONE

9

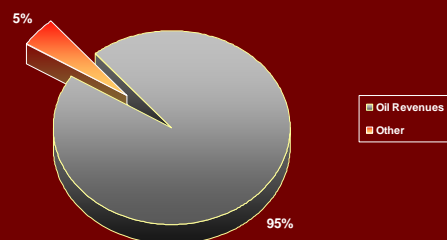
CG MINISTRY OFFICES IN PROVINCES

PROVINCIAL LEVEL	DISTRICT (QADA'A) LEVEL	SUB-DISTRICT (NAHIYA) LEVEL
MINISTRY OF EDUCATION		
EDUCATION GENERAL DIRECTORATE	NONE	NONE
MINISTRY OF YOUTH AND SPORTS		
YOUTH AND SPORTS DIRECTORATE	YOUTH AND SPORTS BRANCH	NONE
MINISTRY OF MUNICIPALITIES AND PUBLIC WORKS		
CONSTRUCTION PLANNING DIRECTORATE	NONE	NONE
GENERAL AND LOCAL ADMINISTRATION	NONE	NONE
WATER DIRECTORATE	OFFICES AT PRODUCTION SITE	NONE
SEWAGE DIRECTORATE	OFFICES ACCORDING TO OWN TERRITORIAL SCOPE	NONE
MUNICIPALITIES GENERAL DIRECTORATE	MUNICIPALITY (BELADIYA)	MUNICIPALITY (BELADIYA)
MINISTRY OF AGRICULTURE		
AGRICULTURE DIRECTORATE	AGRICULTURE SECTION	AGRICULTURE SECTION
MINISTRY OF WATER RESOURCES		
IRRIGATION DIRECTORATE	IRRIGATION SECTION	IRRIGATION SECTION
MINISTRY OF PLANNING AND DEVELOPMENT COOPERATION		
STATISTICS DIRECTORATE	NONE	NONE
MINISTRY OF ENVIRONMENT		
ENVIRONMENT DIRECTORATE	NONE	NONE

10

FEDERAL BUDGET COMPONENTS

REVENUE BUDGET



11

FEDERAL BUDGET COMPONENTS

2008 FEDERAL EXPENDITURE BUDGET

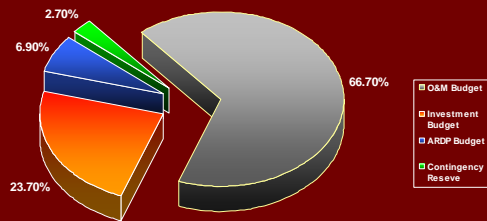
– O&M BUDGET	44,190,747,403 TBID/ \$36,764,348,921 USD
– INVESTMENT BUDGET	15,671,227,145 TBID/ \$13,037,626,577 USD
– ARDP BUDGET	4,590,850,000 TBID/ \$3,819,342,762 USD
– CONTINGENCY RESERVE	1,792,946,556 TBID/ \$1,491,636,070 USD
– TOTAL	66,245,771,104 TBID/ \$55,112,954,330 USD
– DEFICIT	9,086,892,355 TBID/ \$7,559,810,611 USD (FUNDED FROM 2007 BUDGET SURPLUS)

NOTES: EXCHANGE RATE: 1,202 ID/\$1 USD
TBID: THOUSAND BILLION IRAQI DINAR (TRILLION)

12

FEDERAL BUDGET COMPONENTS

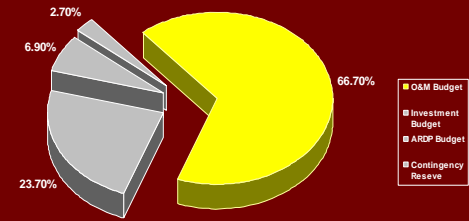
2008 FEDERAL EXPENDITURE BUDGET



13

O&M BUDGET

2008 FEDERAL EXPENDITURE BUDGET



14

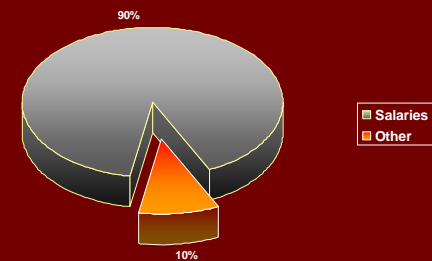
O&M BUDGET

- 4 EXPENDITURE CATEGORIES
 - SALARIES
 - SERVICES, SUPPLIES, & MAINTENANCE
 - NON-FINANCIAL ASSETS (CAPITAL EXPENDITURES)
 - GRANTS & SUBSIDIES
- FUNDS PCS, LCS, & GOV OFFICE
 - PCS & LCS: "OFFICES NOT LINKED TO A MINISTRY"
 - GOV OFFICE: MOMPW
- PRIMARILY SALARIES (90%)
 - ALL GOVERNMENT EMPLOYEES ARE FEDERAL EMPLOYEES
 - NON-DISCRETIONARY
- FUNDS O&M FOR ARDP & USG PROJECTS
- CONTROLLED BY CG MINISTRIES
 - WHY MINISTRIES MUST BE CONSULTED RE: ARDP & USG FUNDED PROJECTS

15

O&M BUDGET

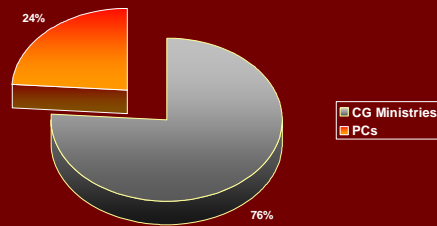
PERCENTAGE OF O&M BUDGET FOR SALARIES



16

O&M BUDGET

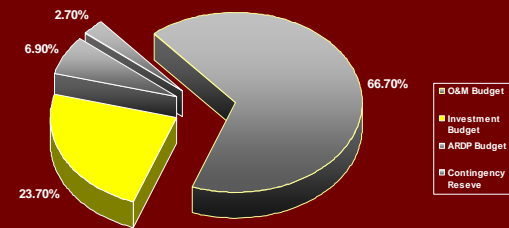
PERCENTAGE OF O&M BUDGET FOR PC FUNDING (EXCLUDING KRG)



17

INVESTMENT BUDGET

2008 FEDERAL EXPENDITURE BUDGET



18

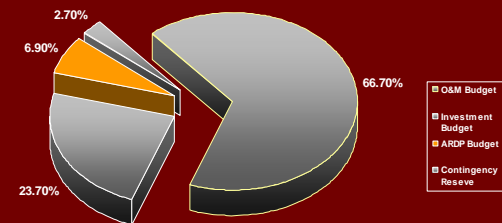
INVESTMENT BUDGET

- CONTROLLED BY CG MINISTRIES
- NOT INCLUDED IN PRDC PROCESSES
- PROCESSES & PROCEDURES ESTABLISHED BY LAW
 - INFLEXIBLE PROCESS - DIFFICULT TO CHANGE

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ARDP BUDGET

2008 FEDERAL EXPENDITURE BUDGET



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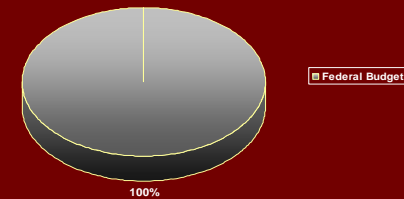
ARDP BUDGET

- 2006 BUDGET LAW
 - TRANSFER OF INVESTMENT FUNDS TO PROVINCES
 - “PROVINCIAL INVESTMENT BUDGET”
- GOV & PC INVOLVED IN DEVELOPMENT OF PROJECT LISTS
 - GOV’S & PC’S ONLY DISCRETIONARY BUDGET FUNCTION
 - PROJECTS IMPLEMENTED THROUGH PMU
- ONLY BUDGET COMPONENT PRTS/ADVISORS CAN INFLUENCE
- CG MINISTRIES STILL INVOLVED/CONSULTED
 - FUNDING AVAILABILITY
 - CONSISTENCY W/RELEVANT MINISTRY PLANS
 - PROVISION OF O&M SUPPORT
- PROCESSES & PROCEDURES ESTABLISHED BY REGULATION – NOT LAW

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FEDERAL BUDGET COMPONENTS

WHO FUNDS LOCAL GOVERNMENT IN IRAQ?



FOLLOW THE MONEY - GOI FEDERAL BUDGET IS THE ONLY BUDGET

22

MULTI-YEAR PROJECTS & CONTRACTS

- MULTI-YEAR PROJECTS & CONTRACTS ALLOWED
 - SUBJECT TO ANNUAL ALLOCATIONS/APPROPRIATIONS
 - CONTRACT AMOUNT CAN NOT EXCEED ESTIMATED PROJECT COST IN MOPDC'S 5-YEAR PLAN
 - AMOUNT PAID IN ANY BUDGET YEAR CAN NOT EXCEED FUNDING ALLOCATION FOR THAT YEAR

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CARRY-OVER OF UNSPENT FUNDS

- MUST BE SPENT BY DECEMBER 31
 - “EXCEPT TO THE EXTENT THAT GOODS HAVE BEEN VALIDLY ORDERED & RECEIVED”
 - OTHERWISE ALLOCATION LAPSES
- 2007 BUDGET LAW
 - CARRIED OVER UNSPENT 2006 ARDP FUNDS
- 2008 BUDGET LAW
 - CARRIED OVER UNSPENT 2007 ARDP FUNDS
 - DISALLOWED CONTINUED CARRY-OVER OF UNSPENT 2006 FUNDS

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PROVINCIAL POWERS LAW

- EXTENT OF BUDGETARY AUTHORITY GRANTED MAY NOT BE KNOWN FOR SOME TIME
 - DEPENDENT UPON IMPLEMENTING LEGISLATION
 - LEGAL CHALLENGES LIKELY
- DOES NOT APPEAR TO SIGNIFICANTLY ALTER THE STATUS QUO
- NOT A SILVER BULLET

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PROVINCIAL POWERS LAW

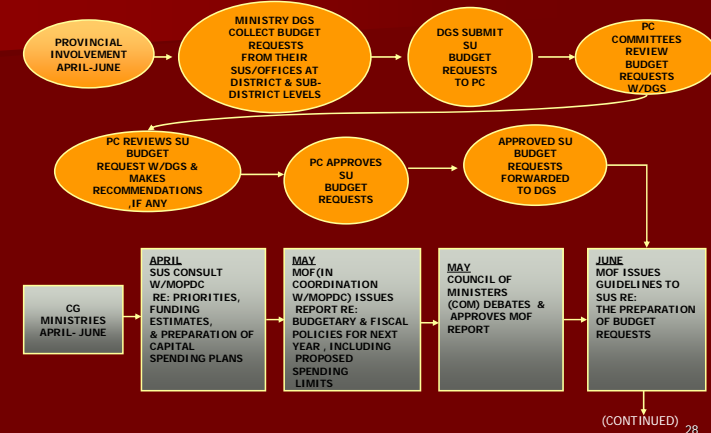
- NOT EFFECTIVE UNTIL AFTER PROVINCIAL COUNCIL ELECTIONS
 - IMMEDIATE IMPACT UNLIKELY
 - 2010 BUDGET CYCLE LIKELY 1ST TO BE AFFECTED
- DOES NOT PROVIDE PCS & LCS W/INDEPENDENT BUDGETARY AUTHORITY OR BUDGETS
 - DOES NOT PROVIDE INDEPENDENT SOURCE OF PROJECT FUNDING
 - AUTHORIZED TO COLLECT, NOT IMPOSE, TAXES, DUTIES, & LOCAL FINES
- AUTHORITY GRANTED IS LIMITED BY CONSTITUTION & APPLICABLE FEDERAL LAW

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BUDGET PREPARATION

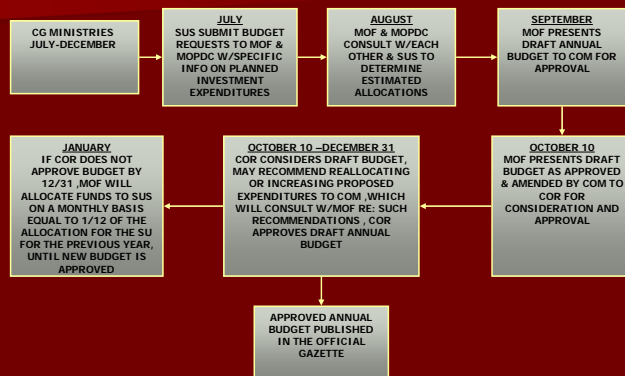
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O&M & INVESTMENT BUDGETS



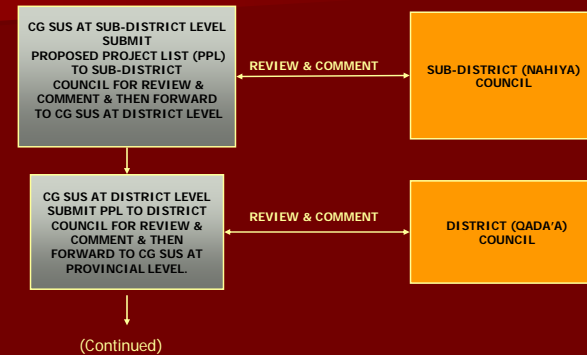
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O&M & INVESTMENT BUDGETS



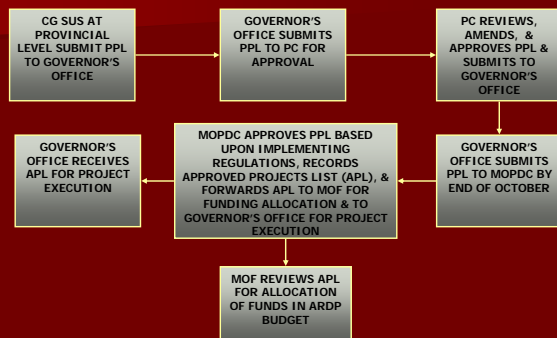
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ARDP BUDGET



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ARDP BUDGET



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PROJECT DESIGN & PREPARATION

COMPLETED IN CONJUNCTION W/BUDGET PREPARATION PROCESS



NOTE: SAME PROCESS FOR INVESTMENT & ARDP BUDGETS

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BUDGET EXECUTION

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BUDGET EXECUTION

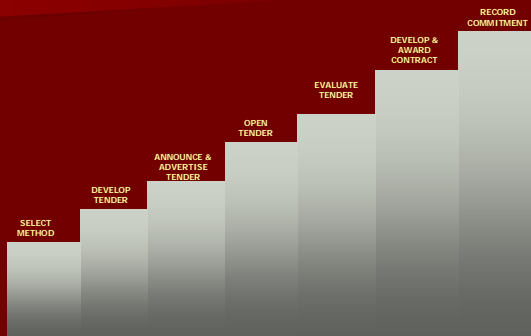
■ 3-STEP PROCESS

- (1) PROCUREMENT
- (2) PROJECT IMPLEMENTATION
- (3) OVERSIGHT & ACCOUNTABILITY

34

PROCUREMENT

7-STEP PROCUREMENT PROCESS



35

5 PROCUREMENT METHODS

- PURCHASING COMMITTEE
 - PROJECTS < 50 MID
 - 3 QUOTES REQUIRED
- OPEN TENDER
 - PROJECTS > 50 MID
- RESTRICTED TENDER
 - ALLOWS PRE-QUALIFICATION OF BIDDERS
- DIRECT INVITATION
 - CONFIDENTIALITY, SECURITY, URGENCY
 - MINIMUM OF 3 BIDDERS INVITED
- SINGLE SOURCE
 - SOLE SOURCE PURCHASES, SPECIALIZED TECHNOLOGY
 - CONTINUATION/EXPANSION OF EXISTING SYSTEMS

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PROCUREMENT & CONTRACT LIMITS

THRESHOLD RANGE	PROCUREMENT METHOD	CONTRACT APPROVAL
1- 100,000 ID	NO REQUIREMENT	RELEVANT MINISTER
100,000 ID - 3.0 MID	PURCHASING COMMITTEE	RELEVANT MINISTER
3.0 - 50.0 MID	PURCHASING COMMITTEE-MINIMUM OF 3 BIDS	RELEVANT MINISTER
50.0 - 150.0 MID	PUBLIC PROCUREMENT	RELEVANT MINISTER
150.0 - 2,500 MID	PUBLIC PROCUREMENT	BOARD OF SUPREME AUDIT (BSA)
2,500 - 12,600 MID	PUBLIC PROCUREMENT	HCC FOR PROVINCIAL CONTRACTS
12,600 - 25,200 MID	PUBLIC PROCUREMENT	HCC FOR MOST CG MINISTRIES
>25,200 MID	PUBLIC PROCUREMENT	HCC FOR MOO, MOD, & MOE

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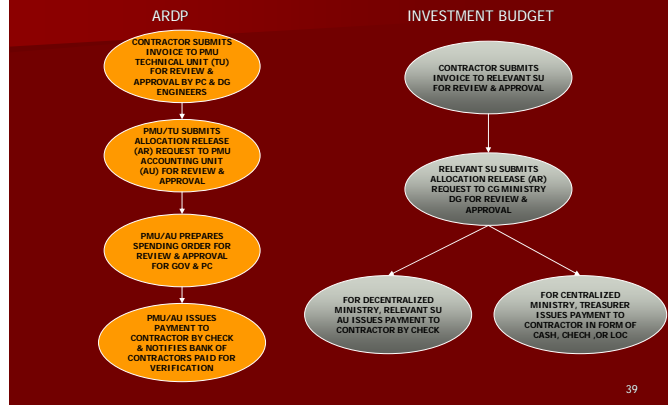
PROJECT IMPLEMENTATION

■ 3 METHODS OF PROJECT MANAGEMENT

- (1) PROJECT MANAGEMENT UNIT (PMU)
 - GOV'S OFFICE
 - ONLY ARDP PROJECTS
- (2) DIRECTORATE PERSONNEL @ PROVINCIAL LEVEL
- (3) CG MINISTRY PERSONNEL

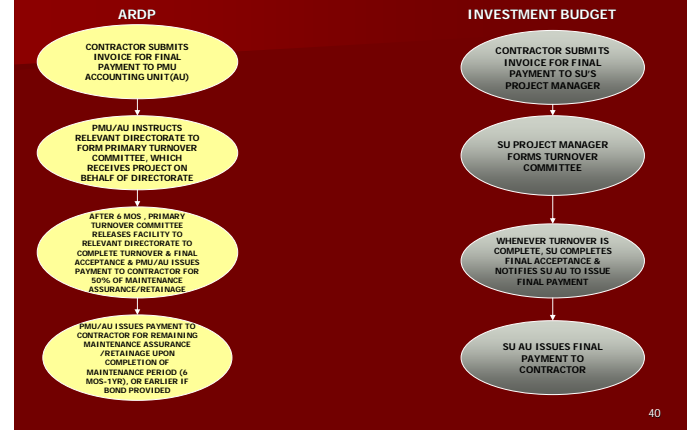
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ALLOCATION RELEASE PROCESS



39

TURNOVER & FINAL ACCEPTANCE



40

OVERSIGHT & ACCOUNTABILITY

- MOF REPORTING REQUIREMENTS
 - LIMITED BUDGET EXECUTION USE
 - MONTHLY TRIAL BALANCES BY SU
 - LITTLE PROJECT INFORMATION
 - 3-MONTH TIME LAG FOR CONSOLIDATED REPORTS
- MOPDC REPORTING REQUIREMENTS
 - ECONOMIC & TECHNICAL REPORTS
 - DETAILED BUDGET EXECUTION INFO BY PROJECT
 - PROJECT IMPLEMENTATION CARD (2007)

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OVERSIGHT & ACCOUNTABILITY

- AUDITS & EVALUATIONS
 - AUDITS
 - CONSTRUCTION (TECHNICAL)
 - COMPLIANCE (MGT & LEGAL)
 - FINANCIAL
 - EVALUATIONS
 - CONTRACTOR
 - PROJECT

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AUDIT INSTITUTIONS

- PROVINCIAL COUNCIL INTEGRITY COMMITTEE
- BOARD OF SUPREME AUDIT (BSA)
- INSPECTORS GENERAL (IGS)
- INTERNAL AUDIT DIRECTORATE
- COMMISSION ON PUBLIC INTEGRITY (CPI)

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OBSTACLES & CHOKEPOINTS

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OBSTACLES & CHOKEPOINTS

- **INADEQUATE STRATEGIC PLANNING & COORDINATION**
- **INADEQUATE O&M FUNDING**
- **COMPLEX & TIME CONSUMING PROCUREMENT PROCESS**
- **DELAY & LACK OF PREDICTABILITY OF ALLOCATION RELEASES**
- **LACK OF STANDARDIZED & ACCURATE BUDGETARY REPORTS**
- **INADEQUATE BUDGET PREPARATION**
- **OVER-CONCENTRATION OF PROJECTS AND TENDERS**

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OBSTACLES & CHOKEPOINTS

- **USG ADVISORS**
 - **NOT UNDERSTANDING THE PROCESS**
 - **NOT ASKING THE RIGHT QUESTIONS**
 - **NOT JETTISONING “BACK HOME” FRAME OF REFERENCE**

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RECOMMENDATIONS

- **PROJECT SELECTION LINKED TO PDS**
- **PUBLIC INFRASTRUCTURE (SECTOR) MASTER PLANS**
- **COORDINATE PROJECTS W/RELEVANT MINISTRY**
- **BUDGET, PROCUREMENT, & PROJECT MGT T&TA**
- **ADVOCATE QUARTERLY RELEASE OF ARDP ALLOCATIONS**
- **DEVELOP METRICS EMPHASIZING QUALITY & SUSTAINABILITY – NOT SPENDING & QUANTITY**
- **USAID FMIS PROJECT**

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RECOMMENDATIONS

- **USG ADVISORS NEED TO**
 - **UNDERSTAND PROCESS & CHOKEPOINTS**
 - **ASK THE RIGHT QUESTIONS**
 - **JETTISON “BACK HOME” FRAME OF REFERENCE**
 - **REMEMBER – US SYSTEM NOT A MODEL OF EFFICIENCY!**

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PRESENTATION SUMMARY

- **FEDERAL BUDGET IS THE ONLY BUDGET IN IRAQ**
 - NO PROVINCIAL, DISTRICT, OR SUB-DISTRICT COUNCIL BUDGETS
 - CG FUNDS 100% OF PROVINCIAL & LOCAL GOV'T
- **ARDP BUDGET (6.9%)**
 - ONLY COMPONENT DISCRETIONARY TO PCS & GOV
 - ONLY COMPONENT PRTS/ADVISORS CAN INFLUENCE

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PRESENTATION SUMMARY

- **DISTRICT & SUB-DISTRICT COUNCILS**
 - NOT COUNCILS AS WE KNOW AND THINK OF THEM
 - NO CAPACITY TO FUND, IMPLEMENT, OPERATE, OR MAINTAIN PROJECTS
 - INSTITUTIONALIZED STAKEHOLDER OR ADVISORY GROUPS
- **PROVINCIAL POWERS LAW NOT LIKELY TO SIGNIFICANTLY ALTER THE STATUS QUO**
 - NOT A SILVER BULLET
- **MUST JETTISON "BACK HOME" FRAME OF REFERENCE**

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APPENDICES

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RELEVANT LAW

- LAW OF GOVERNORATES NOT ORGANIZED INTO A REGION (PROVINCIAL POWERS LAW) OF 2008*
- BUDGET LAW OF 2008
- CONSTITUTION OF THE REPUBLIC OF IRAQ 2005
- CPA ORDER NO. 95 ON FINANCIAL MANAGEMENT LAW, JUNE 2004
- CPA ORDER NO.87 ON PROCUREMENT LAW, MAY 2004
- CPA ORDER NO. 71 ON LOCAL GOVERNMENT POWERS, APRIL 2004
- REVENUES OF MUNICIPALITIES LAW NO. 130 OF 1963

* NOT EFFECTIVE W/REGARD TO COUNCILS UNTIL AFTER COUNCIL ELECTIONS

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DEFINITIONS & ACRONYMS

- ARDP: ACCELERATED RECONSTRUCTION & DEVELOPMENT PROGRAM
- AR: ALLOCATION RELEASE. THE ACTUAL RELEASE AND TRANSFER OF BUDGETED FUNDING FROM THE MOF CG ACCOUNT TO THE SU ACCOUNT OR THE TBI FOR LOCS. USG EQUIVALENT TERM IS "APPORTIONMENT."
- APL: APPROVED PROJECT LIST
- ALLOCATION: BUDGETARY AUTHORITY IN THE AMOUNT INCLUDED IN THE FEDERAL BUDGET. USG EQUIVALENT TERM IS "APPROPRIATION."
- BSA : BOARD OF SUPREME AUDIT
- BELADIYA: THE MUNICIPALITY DIRECTORATE OF THE MOMPW AT THE DISTRICT AND SUB-DISTRICT LEVELS
- CBI: CENTRAL BANK OF IRAQ
- CG: GENERAL GOVERNMENT, SYNONYMOUS WITH FEDERAL GOVERNMENT & GOI

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DEFINITIONS & ACRONYMS

- CIP: CAPITAL INVESTMENT PLAN
- COM: COUNCIL OF MINISTERS
- COR: COUNCIL OF REPRESENTATIVES
- CPA: COALITION PROVISIONAL AUTHORITY
- CPI: COMMISSION ON PUBLIC INTEGRITY
- COMMITMENT: A BINDING AGREEMENT THAT WILL RESULT IN A FUTURE EXPENDITURE OR PAYMENT, SUCH AS AN EXECUTED CONTRACT. COMMITMENTS MAY EXCEED CURRENT RELEASED ALLOCATIONS, BUT NOT THE TOTAL ANNUAL ALLOCATION. USG EQUIVALENT TERM IS " OBLIGATION
- DC: DISTRICT COUNCIL
- DG: DIRECTORATE GENERAL
- EPRT: EMBEDDED PROVINCIAL RECONSTRUCTION TEAM
- FAC: FINAL ACCEPTANCE CERTIFICATE
- FMIS: FINANCIAL MANAGEMENT INFORMATION SYSTEM

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DEFINITIONS & ACRONYMS

- FML: FINANCIAL MANAGEMENT LAW
- GAO: US GOVERNMENT ACCOUNTABILITY OFFICE
- GOI: GOVERNMENT OF IRAQ
- GOV: GOVERNOR
- GOVERNORATE: PROVINCE
- HCC: HIGH CONTRACTS COMMISSION
- IG: INSPECTOR GENERAL
- LC: LOCAL COUNCIL (INCLUDES DISTRICT & SUB-DISTRICT COUNCILS)
- LGP: LOCAL GOVERNANCE PROGRAM (USAID-FUNDED)
- LOC: LETTER OF CREDIT
- MOA: MINISTRY OF AGRICULTURE
- MOE: MINISTRY OF EDUCATION
- MOF: MINISTRY OF FINANCE

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DEFINITIONS & ACRONYMS

- MOH: MINISTRY OF HEALTH
- MOLSA: MINISTRY OF LABOR & SOCIAL AFFAIRS
- MOMPW: MINISTRY OF MUNICIPALITIES & PUBLIC WORKS
- MOPDC: MINISTRY OF PLANNING & DEVELOPMENT COOPERATION
- MUDEER: EXECUTIVE OFFICIAL FOR SUB-DISTRICTS (NAHIYAS)
- NAHIYA: SUB-DISTRICT
- NGO: NON-GOVERNMENTAL ORGANIZATION
- PAC: PRELIMINARY ACCEPTANCE CERTIFICATE
- PC: PROVINCIAL COUNCIL
- PDS: PROVINCIAL DEVELOPMENT STRATEGY
- PPL: PROPOSED PROJECT LIST
- PRDC: PROVINCIAL RECONSTRUCTION & DEVELOPMENT COMMITTEE
- PRT: PROVINCIAL RECONSTRUCTION TEAM

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DEFINITIONS & ACRONYMS

- PMU: PROJECT MANAGEMENT UNIT
- QADA'A: DISTRICT
- QA'IM MAQAM: EXECUTIVE OFFICIAL FOR DISTRICT (QADA'AS)
- SU: SPENDING UNIT
- TBI: TRADE BANK OF IRAQ
- TENDER: BID OR BID SOLICITATION
- USG: UNITED STATES GOVERNMENT
- USM: UNITED STATES MILITARY

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Memorandum of Conversation
Government of Iraq – Ministry of Agriculture Programs
Michael Stevens, USDA Rep, ePRT North Babil
June 8, 2008

I met with Michael Stevens USDA Rep on ePRT Baghdad 7 and he shared some very interesting information regarding the startup of Ministry of Agriculture programs valued at more than \$500 million nationwide. He also shared a “Story Board” that walks you through a “Farmer’s Union Formalization” Strategy that ePRT Baghdad 7 is using to link their farmers to Ministry of Ag programs and to business opportunities. Both documents are attached.

Gen. Petraeus sent Michael an email a few days ago congratulating him on the work by their EPRT in linking area farmers to the Iraqi Ministry of Agriculture programs mentioned in the first part of the attachment (loan programs and equipment support programs). Gen. Petraeus’ email to Michael asked for most important lessons learned in this process so they could be forwarded to the Counterinsurgency Academy.

Michael replied that:

- (1) EPRT should use QRF to get programs underway quickly and link them to GOI funding programs;
- (2) Immediately identify farmers for business training with Izdihar/Tijara (Baghdad 7 used Dr. Asmaa and her group – the same group we are setting up a business services program in Iskandariya) – these training sessions helped farmers prepare business plans and actually do the paperwork for Ministry of Ag loans. Dr. Asmaa’s group also helped registered Farmer Associations;
- (3) Don’t focus on single sectors within ag (fish farm, livestock, etc) but instead have a multi-sectoral approach;
- (4) Develop a close working relationship with the Ministry of Ag at the local level (Michael convened a meeting at the Hotel Rasheed in the IZ of the local (Qada level) Ministry of Ag representatives to ask them what they needed in their local offices to be able to assist farmers gain access to Min of Ag programs – the ePRT then used QRF to purchase office equipment, generators, etc – whatever was needed to get the offices working and their farmers plugged into the Min of Ag loan and equipment programs).

The first part of the attachment summarizes a meeting by Foreign Ag Service staff from Embassy Baghdad with Agriculture Committee of the Iraqi Parliament and Senior Representatives of the Ministry of Agriculture. There were discussions on the drought situation in Iraq (especially in cereal cultivating lands in the northeast and west), GOI grains program (wheat and barley), national seed program, livestock issues and water management issues. There is a long section on the Prime Minister’s Initiative for Agriculture – this is a \$500,000,000 program broken down into a \$240 million development fund, \$70 million Ministry of Ag program, \$188 million for urgent projects by the Ministry of Water Resources. The development fund will go to the following: animal wealth development (\$40 million); mechanization and advanced irrigation (\$40 million); revitalization of palm groves (\$30 million); small farmer support (\$30 million); and ag investment fund (\$100 million). The \$70 million to be directly administered by the Ministry of Ag would go to: pesticide & herbicides (\$20 million), seeds (\$20 million); fodder projects (\$10 million); protected agriculture (plastic tunnels, glass house, etc. -- \$5 million); advanced nurseries (\$5 million); organic pesticides (\$2 million); ag extension (\$3 million) and human resources development at

Ministry of Ag (\$5 million). Rules for the use of the funding were outlined – funds are to be targeted toward investment rather than subsidy. Funding was received by the Ministry of Ag on May 25th. Ag sector credit was discussed and there are some issues on loan forgiveness and whether lack of capital (versus lack of water) is the real limiting factor on ag production.

The steps that ePRT Baghdad 7 has followed in enabling our farmers and local Ministry of Ag representatives to work together to access the funding being provide under the Prime Minister's initiative is a good model. There is clearly a need to work with this system to make sure the intent of promoting investment rather than subsidy is achieved. Bottom line, General Petraeus is clearly focused on this approach as his congratulatory email to Michael indicated. We are moving forward toward the same approach but we need to have a clearer strategic vision of how we are going to achieve it and we need a clear action plan with milestones, dates and follow-up.

Memorandum for the Record

Subj: Meeting with Chairman of the Agriculture Committee, Mr. Mahmood Al-Azawi, Council of Representatives (COR); Senior Deputy Minister of Agriculture, Dr. Subhi; Deputy Minister of Agriculture, Dr. Medhi; Agriculture Counselor, Jonathan Gressel; and other Members of Parliament

FAS Attendees: Joe Carroll, Agricultural Attaché, Mike Neruda, Mark Mitchell, Dr. Muhsin Al-Shabibi, and Maged Hussein

Date: May 26, 2008

Mr. Mahmood Al-Azawi, the Chairman of the Agriculture and Marshland Parliamentary Committee started with the regular pleasantries followed by summarizing the issues the committee is concerned about including 1) the effect of the drought on agriculture and specifically farmers, and 2) the deterioration of agriculture land in general. Mr. Al-Azawi indicated that the problem is of concern to a number of different ministries including the Ministry of Agriculture, Ministry of Water Resources, Ministry of Electricity, Ministry of Oil, Ministry of Industry and Minerals, and the Ministry of Environment to name a few. He understands the two problems he would like to address are multifaceted. However, he wanted to know specifically what the Ministry of Agriculture as well as the friendly countries, specifically, the United States Government Representatives are doing to address these two issues. He attributed the deterioration of agriculture to: (1) the diminishing role of the government in supporting agriculture; (2) the lack of a comprehensive vision or strategy for dealing with human agriculture and agricultural production; and (3) the state of the drought, specifically in cereal cultivating lands in the northeast and in the west. He stated that the GoI was not prepared to deal with the effects of the drought to relieve the affected farmers and supporting them by certain percentages.

Dr. Subhi provided the following updates on action taken and underway within the Government of Iraq, specifically the Ministry of Agriculture (MoA). He noted that the Ministry of Water Resources (MoWR) was absent from the meeting and hoped for better cooperation.

1.0 ON LAND DETERIORATION

Dr. Subhi started with the issue of deterioration of farmlands throughout Iraq. He agreed that the land deterioration is occurring. However, he noted that the deterioration has been occurring during the former regime as well. He stressed that the issues of land deterioration is tied not only to irrigation and drainage and availability of sufficient water but by proper care and farming. Security and absence of farmers also a major cause for land deterioration. He tried to answer the hint of criticism by Mr. Al-Azawi that there is no unified vision or strategy for agriculture and said the Ministry of Agriculture has a 10-year strategy that the Ministry is following. Dr. Subhi said the problem has to be found with full government efforts, not only with the MoA. In the absence of coordination with the Ministry of Water Resources, the vision and strategy is difficult to develop. He mentioned the Ministry of Agriculture support for the idea of forming a “Supreme

Water Council” as an umbrella organization to facilitate cooperation and coordination between the relevant ministries.

Mr. Mahmood Al-Azawi interrupted saying that the parliament had approved a draft law for the formation of the “Supreme Water Council”.

Dr. Subhi cheered the success of the parliament to approve the “Supreme Water Council” and proceeded to explain that there should be a national campaign to prevent land deterioration. He indicated that the funding needed for land reclamation is way beyond the budget of any one ministry or the different ministries capacity to execute, hence the need for national campaign. He also indicated that there are physical limitations on the available water resources considering the dwindling share of water Iraq (and Syria) receive from Turkey. He also noted the impact of the projects Iran is building on trans-boundary rivers flowing into Iraq. Sheik Jamil Batikh agreed and indicated that he has seen the flow in the trans-boundary rivers in his area drop over the past few years. Sheikh Jamil is the deputy chair of the committee and the Representative from Kut, Wassit. He owns a large agriculture area in the Dubonni area of Wassit,

Dr. Subhi also said that the Ministry received all what was allocated of funds for the implementation of the PM’s Initiative, and is starting to work on both of the plant and animal resource issues.

During his talk Mr. Abdul Hussein, Agricultural Economist, Division of Planning & Follow-up, Ministry of Agriculture, indicated that on the average Iraq loses 100,000 donums (annually?) (25,000 hectares) due to salinization and water logging. The GOI has to act quickly to address these problems. In his opinion, the Ministry of Water Resources is not following a sound strategy. The MoWR divided large reclamation projects between 50 different contractors half of which do not finish the job and leave the project semi-reclaimed. He demanded that the MoWR complete the reclamation of old projects before embarking on new projects. He also wants the MoWR to change its policy by giving the reclamation project as “turn key” to specialized international companies capable of completing and delivering fully functioning projects using advanced irrigation and drainage techniques.

Towards the end of the meeting, a representative from the Ministry of Agriculture, Mr. Amer Shabib, the DG, Agriculture Investment Department, was given the opportunity to talk about agriculture investment. Mr. Shabib indicated that the investment law itself has been passed but the regulating directives are still pending. These regulating directives will need to be approved by the Shura Council. In addition, the general director for the investment agency has not been approved by the Parliament and is serving as an interim director.

2.0 ON THE DROUGHT

Dr. Subhi moved to the issue of drought and talked about he reduced water flow through the Tigris and Euphrates Rivers and lack of rain and explained that there is a committee that has been formed over the past few weeks headed by the Minister of Planning (NOTE FAS/Baghdad efforts may have influenced the formation of this committee END NOTE). The Ministry of

Planning's drought committee is working on developing a budget to support the agriculture community outside the normal budget cycle of the government.

The MoA has proposed to the Council of Minister that grain farmers in affected areas be reimbursed for expenses for plowing services, seed and fertilizers, based on the severity of the loss they suffered.

2.1 On Grains

Dr. Subhi agreed that the drought has negatively impacted the grain crop this year. To answer the question from Mr. Mahmood Al-Azawi about the specific steps the Ministry is doing to lessen the impact, he indicated that a joint MoA and MoWR irrigation committee has agreed to reduce planting of summer crops by 30% and to confine rice plantations to two areas only. Orchards and horticulture will receive the quantity of water needed.

Dr. Subhi indicated that a promotional program will be offered that includes higher purchase price of grains from farmers and the free transportation of grain to the storage silos. Details of new prices and how transportation subsidies will work has not yet been determined.

The Ministry of Agriculture has sent a memo to the Ministry of Trade indicating that there will be a shortfall in grain production this year and advising them to purchase a larger quantity of wheat. A quantity to purchase was not included in the memo, it is up to the MoT to determine the amount, speculation from the MoA is 1 -1.5 MMT of wheat.

The Ministry of Agriculture estimates the 2008 barley crop will yield 430,000 MT. (NOTE – the USDA grain report forecast the 2008 barley crop at 450,000 MT, normal production is 1.1 MMT. The MoA estimate likely does not include the KRG. END NOTE)

The pricing system set up by the ministry is very rewarding with wheat being bought at \$550/ton and barley at \$500/ton. The imported wheat is then subsidized by 100%; currently bought at \$420/ton and sold for \$200/ton (NOTE: It costs Iraq about \$200 per ton for shipping, in addition to the commodity cost, making local wheat a relative bargain, but quality is lower and less consistent END NOTE). The wheat will be released for sale on 25 July 2008. Ministry of Trade will start importing barley, but not before October 2008, after planting new crops and to be subsidized (NOTE He assumed everybody knows why they wait till October END NOTE).

Dr. Subhi indicated that there are two issues that are critical for the drought 1) seeds and 2) livestock.

2.2 On Seeds

For the seed, he indicated that 80% of the seeds are provided by the farmers who save their seeds and therefore have seed for next season's crop. The Ministry will provide a total of 70,000 tons of seeds which represent 40% of the seeds needed in the country.

A member of the parliament interrupted that the seeds needed is 160,000 tons. The discussion followed of whether the 160,000 tons was for seeds or for grains. Dr. Subhi feels the 70,000 tons

of wheat is very sufficient for next year. (NOTE Dr. Subhi dismissed the 160,000 ton number as being for grains not seeds. The 70,000 tons represent the government 40% END NOTE).

The MoA has made a request to FAO for access to their emergency seed supply with a request for 10,000 MT. Not clear if this is wheat or barley or both, base on the previous statement, you would assume wheat seed has been requested.

Sheik Jamal Al-Batikh complained about the genetic deterioration of the seeds. Dr. Subhi reiterated his position that the Ministry will not allow untested and unregistered seeds into the country. (He referred to the bitterness experienced in 2003). He explained that it can have a devastating impact on the future of agriculture. Dr. Subhi also indicated that the cultivars (varieties) of wheat “Ajeeba, Mexipacks, and Saber Beg” are the ones that are the most desired. The national agency for registration of seeds is the only authority that can accept the importation of new seeds and can only allow importation after a rigorous testing and approval process. He indicated that the Ministry has an incentive program by paying the farmers a 15% price increase if the farmers deliver their seeds. These farmers will also be subsidized for transportation and fuel (15,000 ID/ton for transportation cost and 30,000 ID/ton for fuel cost) (NOTE the numbers were not very clear and the objective of this incentive could have been misunderstood END NOTE).

Finally, the PM Initiative includes an 8 Billion ID fund for seeds. The loans for seeds will include a grace period of 1.5 year (2 seasons). The last statement prompted a discussion from Dr. Waill, a judge and a member of the Parliament from Basra. He indicated that small farmers are the ones that suffer and can not pay back in 1.5 year. Mr. Mahmood asked if 1.5 year is enough. Dr. Subhi explained that if any Members of the Parliament have any recommendations, they can provide them and the Ministry will incorporate them in their planning.

2.3 On Livestock

Animal feed will be addressed via the sale of barley, grade-3 wheat, and the bran from milling grade-1 wheat. These grains and milling byproducts will also be passed on to farmers at a subsidized rate, again the subsidy amount has not been finalized.

The issue of livestock went back to grains. Some of the grains are not fit for human consumption and will be diverted to animal feed. See the discussion on grains above.

2.3 On Water

Dr. Subhi reiterated the need to secure a fair share of Iraq’s water from both Turkey and Iran. Syria seems to be adhering to the arrangement they have with Iraq. However, Iran may have diverted 12 of the trans-boundary rivers. He recommended that the drought-affected areas start utilizing groundwater for water supply and drill wells. He then moved to the issue with irrigation efficiency and indicated that the country needs to move to new irrigation technology (drip and sprinkler). He indicated that the Ministry is supporting the conversion of irrigation into more efficient means.

Sheik Jamal told the story that there was a program for promoting sprinkler irrigation where the government provided the equipment to the farmers who had to buy it in order to receive fertilizer

that year. However, he never installed the system because water was always available and there was no need to install the system. He ended up selling the equipment later since he never used them in his land. Dr. Subhi agreed that the government in the former regime contracted with a number of countries including Saudi Arabia to implement advanced irrigation technology.

3.0 ON THE PM INITIATIVE

Dr. Subhi indicated that yesterday (NOTE only yesterday END NOTE) the Ministry of Agriculture received all the funding from the PM Initiative. As a result, none of the monies has been dispersed yet. Dr. Abdul Hussein from the Ministry of Agriculture indicated that the plan for the PM initiative was put together before the drought. The objective was to encourage the private sector. As a result nearly half of the money is devoted to development funds (\$240M). The total budget of \$500M is broken down as follows:

- Development Funds total \$240M
- Programs to be administered by the Ministry of Agriculture \$70M
- Capital Investment “urgent” projects to be executed by Ministry of Water Resources \$188M
- PM Advisors office for oversight of the program \$2M

The development funds are broken down as follows:

- \$40M for animal wealth development
- \$40M for mechanization and advanced irrigation system
- \$30M for revitalization of the palm grooves
- \$30M for small farmers
- \$100M for agriculture investment fund

The Ministry of Water Resources budget of \$188M will be used for urgent capital investment projects such as digging more wells in Kirkuk and building the Nassiriyah Drainage Station (NOTE that project has been fully funded by the US Government END NOTE). Mr. Latif interrupted by saying he is specialized in forests and would like to revive the lost forests throughout Iraq.

Mr. Abdul Hussein (MoA) came back to his discussion about the \$70M allocated to MoA fund that will be divided as follows:

- \$20M for pesticides and herbicides
- \$20M for utilities for seeds
- \$10M for fodder projects
- \$5M for protected agriculture (glass houses and low and high plastic tunnels)
- \$5M for advanced nurseries
- \$2M for organic pesticides and herbicides
- \$3M for agriculture extension services (a note by one of the attendees that the extension services is nonexistent)
- \$5M for human resources development in the Ministry of Agriculture

Mr. Abdul Hussein indicated that the PM Initiative committee has set a number of rules for funding designed to make these funds available at very favorable conditions including:

- Project will be funded at a 100%. No matching funds are required from the farmer or investor.
- The grace period will be very long depending on the type of activity. The palm tree funds will carry a grace period of 8 years to allow the 7 year time needed to start harvesting dates.
- The committee responsible for the loan program has given the MoA branches the power to approve loans to certain limits while the directorates in the different governorates has higher approval ceiling for approving capital. Larger loans will have to be approved at higher levels. The objective is to simplify the loan process for the farmers.
- There are no interests whatsoever to adhere to the Sharia law which prohibits Muslims from borrowing with interest. That will make it more acceptable to farmers and their religious leaders. However, there is a 2% annual administrative fee.
- The loans will be delivered in installments. Subsequent installment will be based on review of the project progress. If the project is stalled or stopped, the government will terminate the loan and demand payment of all earlier installments plus interest similar to the prevailing bank interest. The objective is to discourage people from taking the loan, parking the money in a bank, then returning the principle after a few years and benefiting from the 14-16% annual interest rates from banks in Iraq.

Mr. Abdul Hussein indicated that the objective of the PM initiative is to put the funding towards investment rather than subsidies. He cited the fact that the repayment rate on loans was 82 % for loans to small farmers. Dr. Subhi corrected him that the repayment rate is now 95%.

On a question from a parliament member on how much of the PM Initiative money has been dispersed, Mr. Abdul Hussein answered that a number of projects has been submitted and approved and will be funded soon. Dr. Subhi indicated that the MoA just received the money yesterday (NOTE the answer is none of the money has been dispersed yet END NOTE)

Mr. Abdul Hussein cited the success of the plastic tunnel project in Karbala and Najaf where farmers took loans to buy the equipment and were able to pay it back from the profits.

4.0 AGRARIAN REFORM

Judge Waill a Parliament Representative from Basrah expressed frustration about the problems that exist between farmers and the agriculture bank. He indicated that wealthy farmers owning thousands of donums are able to access credit and pay the loans back. On the other hands, small farmers with farms in the range of 5, 10, or 15 donums are suffering. Other representatives chipped in recommending different alternatives to lift the burden from small farmers. One suggested having a limit of 100 donums below which the government forgive debt owed due to rent of the agriculture land. The issue of renewing leases was then discussed. A representative from the Ministry of Agriculture indicated that the current rules allow them to renew leases for 5 additional years by agriculture branch managers in the Nahiahs.

Judge Waill came back to the idea of 100 donums as not being very practical since the farm characteristics differ from one part to the other throughout the country. He then expressed concern about the farmers in Basra not being able to sell their tomato crop which they cultivated on groundwater from wells. He also started discussing the issue of fisheries in Basrah.

A representative from the Ministry of Agriculture indicated that the new regulation given to them (NOTE Presumably by the COR ENDNOTE) was to forgive debts (from 2008 and earlier years rent) on farms 50 donums and smaller and to forgive debts (again from 2008 and earlier years rent) on farms that are 50+ donums.

Another representative questioned the current policy of the MoA as being very restrictive and indicated that the government needs to encourage investment in agriculture and provide new lands to investors at reduced cost. Dr. Subhi objected that the limiting factor is the availability of water not land. The representative argued that some farmers in his district have used return flow (drainage water) to successfully cultivate rice. Others started another discussion on efficient irrigation methods. The bottom line was that agriculture land reform is tied very closely to irrigation efficiency.

5.0 GENERAL REMARKS

Dr. Subhi and his staff indicated that the MoA capital investment plan has been at a 95% execution rate.

Chairman Mahmood read a question from another parliament member about the supply of fodder in Diyala and the care of horticulture. Dr. Subhi said this year is the first year Diyala date palms are being sprayed.

Dr. Subhi indicated that there exist differences in opinion between MoA and MoWR about the implementation strategies. He is not faulting the MoWR in anything specific since the MoWR is working hard in a number of areas. However, there is limited coordination and difference in vision between the two ministries.

6.0 USDA Remarks

USDA was provided 10 minutes at the very end of the discussion to give our thoughts/advice. While we politely complemented MoA and the GOI on their efforts concerning the drought, we did note some areas of either misconceptions or lack of focus. We did emphasize the importance of seeds for the wheat and barley crop to be planted this fall and noted the availability, if action is taken quickly, of high quality certified seed from major producing countries. Also, the improvement of forage grasses and plants is also vital. We noted the importance of an organized cull of the large sheep population which fell on deaf ears. Later Dr. Mahdi told us that a cull was too culturally/politically sensitive. We discussed the water situation, including the lack of availability in neighboring countries which are suffering from drought and the role that the KRG is playing in not releasing water from dams in their territory. The importance of transparency in

timing the release of government subsidized grain was emphasized and resisted by MoA. Also, we noted the important of sound business plans to utilizing the funds in the PM's Ag Initiative and noted that USAID's Izdihar/Tijara program and PRT Ag Advisors would be a good source for putting together a workable business plan.

Drafted: FAS Mike Neruda



2/3ID Farmer's Union Formalization



Farmer's Union Formalization Strategy in Post Kinetic Areas

- Hold Governance meeting with Tribal level leaders to identify Ag Reps immediately after CF's secure area.
- Don't focus on one item associations like a poultry association. (Involve all levels of farming sectors and let them decide what to focus on initially). Think Maslow's Theory of Hierarchy! Farmers are very susceptible to AQI influence if not farming. Get them the inputs quickly in order to get them back to farming and transition area out of Kinetic Environment. QRF, QRF!
- Formalize subcommittees within the Farmer's Union in order to cover all bases of agriculture sector. (See Below Table)
- At each meeting cover all subcommittee concerns and agree as a whole on the prioritizing of importance to act on first.
- Promote newly established MoA Loan Program with Local MoA official at Farmer's Union Meeting. Tie importance of establishing credit in market based societies. QRF interest to gain support.
- Imperative to have each tribe in the Union state the numbers that they represent prior to any discussion of assistance. (This will hold them to not inflate members numbers when assistance is given).
- Establish good working relations with the DG's Chief Engineers of Ag and always get their ok prior to giving assistance.
- Assist MoA offices with supplies, with them agreeing to provide MoA newsletters to the Farmers in Ag Union.
- Assistance is meant to cut down on input costs to achieve self-sustainability. (Not to be duplicated time after time.)
- Send representatives to Agri-Business training ASAP. They will complete the NGO paperwork for the Union at training and track the progress of the paperwork through the various GoI Levels.
- Link meetings with Business Associations through Economic Summits in order to initiate cooperation between Business and Ag.

Irrigation	Vegetables/Row Crops	Poultry	Fish Farms	Orchards
Canals operational enough to support Vegetable planting under plastic (retains moisture). CERP repaired all pump stations and canals in AO	.75 Million dollar CERP packet for Tomatoes, Cucumbers, Eggplants and Green Peppers. (Focus- reduce imports from Iran and get farmers farming).	Coops revitalized with CERP Micro grants and QRF through Union. 40K in QRF purchase of chicks to two unions. Hatcheries and Poultry Proc. QRF (170K)	Restored pumps and restocked Licensed Fish Farms utilizing 2,500 Micro Grants due to minimal expenses need to fix operation.	QRF Micro Purchase Pump Repairs to flood Orchards. Its one thing to lose a crop but to lose an established orchard is devastating to community.
Bee Keepers	Veterinary Needs	Beef	Sheep	Machinery
Assistance is vital to Orchard propagation. To date, 8500.00 in QRF Micro Purchase of Supplies to bee-keepers.	CERP Packet to refurbish and MoA restocked two MoA facilities Assist Private Vets with QRF Micro-grants.	Future Vet Caps and feed assistance scheduled. You must have Vets operational before providing assistance to livestock	Future Vet Cap and feed assistance scheduled. You must have Vets operational before providing assistance to livestock	MoA Loans to purchase 9 Case New Holland Tractors with QRF to pay interest. New MoA Loan Program emphasized!

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
June 14, 2008

We moved ahead on linking our farmers to the Prime Minister's \$500 million initiative. Focus during the week was on implementation of \$1.4 million portfolio of IRAP/DAI funded programs in our Area of Operation. There were two major events during the week (1) Implementation Review of IRAP/DAI Projects; and (2) USAID/Inma Brief to Borlaug Institute – Iraq Advisory Group.

June 9 – Request for Assistance from Local Government II Program – Support was requested to develop a strategy for ePRT North Babil to assist the Ministry of Agriculture in North Babil to access the Prime Minister's \$500 million initiative for the agricultural sector and link our local farmers into these programs. A one week consultancy was requested. See attached request.

June 10 – Meeting with IRAP/DAI Partners - Babylon Center for Economic Development & Relief International - Discuss IRAP MicroCredit & Small Business Training. Participants in the meeting included Dr. Asmaa and Mr. Kaiser of the BCED and Mr. Ahmed of Relief International and ePRT North Babil staff (Howard Van Vranken, Michael Maxey, Steven Wilson and Fouad Hussein). The purpose of the meeting was for ePRT North Babil to learn the status of implementation of the Iskandariya MicroFinance Program and the Small Business Development Center. See attached Memorandum of Conversation summarizing the meeting.

June 12 – IRAP/DAI Program Implementation - Meetings were scheduled with IRAP/DAI staff, local partners, USAID, EPRT North Babil and MNF-I representatives to discuss implementation status of the Khidr Reconstruction Program (\$495,000), Iskandariya Microfinance (\$500,000) and Small Business Training Center (\$213,000), and School Supplies Program (\$200,000). One pending program will be discussed – Seddah Radio Station (\$75,000) as well as one proposed program – Golden Hills Reconstruction (\$495,000).

June 13 – Borlaug Institute/Inma Meeting – Inma representatives traveled to FOB Kalsu on June 13th to brief Borlaug Institute Group. Scheduling was a problem. Borlaug Group, Inma and USAID personnel discussed Inma activities with ePRT North Babil staff. Attached is the briefing that Inma prepared for the meeting. It was suggested that ePRT North Babil representatives go to Inma's offices in Baghdad for a longer briefing.

June 13 – Meeting with Deputy Commanding General – Col. Jeff Smith - Staff from the two ePRTs at Forward Operating Base Kalsu met with Col. Jeff Smith (DCG – P) who has replaced General Cardon as the commander of the MNF-I economic and governance efforts in the our Area of Operation. Memorandum of Conversation attached.



Iraq Local Governance Project Request for Specialized Services



MISSION INFORMATION			
Date Requested:	June 9, 2008	Province/PRT/ePRT:	North Babil
Beneficiary:	North Babil Farmers	Counterpart:	USAID Rep – Michael Maxey
		Counterpart E-mail:	michael.maxey@4bct3id.army.mil
		Counterpart Phone:	202 204-5575
Service Requested:	1 week consultancy by RTI ag expert to review Min of Ag procedures, capabilities and role in implementing PM Initiative of \$500 million to Iraqi Ag Sector.	Consultant Assigned:	
		Consultant E-mail:	
		Consultant Phone:	
Scope of Work (Brief description of the assistance requested)			
<p>In order to move forward on how ePRT North Babil could link our farmers into to the Ministry of Ag programs (especially the loan programs). An RTI expert in agriculture with extensive knowledge of the Iraqi Ministry of Agriculture is need to help ePRT North Babil staff: (1) Learn the operations of Ministry of Ag local offices in North Babil and how their bureaucracy works, (2) Design a program to assess the needs the Ministry of Ag offices (what are they currently capable of doing in terms of working with farmers? Do they have office equipment? Can they accept loan applications? Do they have communication equipment?); and (3) Develop a strategy for how ePRT North Babil can assist local Ministry of Ag offices gear up to interact with our farmers on the ag loan program outlined under the PM Initiative.</p> <p>Once the Ministry of Ag offices are ready, we will need a plan for working with farmers to prepare business plans and loan applications (perhaps by using the services of Babylon Center for Economic Development with whom we just signed a \$200,000 grant to establish a business services office in Iskandariya). We also need help in developing a strategy for strengthening and “formalizing” ag associations.</p> <p>ePRT Baghdad 7 has developed a model for this type of program and their USDA Rep (Michael Stevens) should be one of the persons interviewed to gain an understanding of their “lessons learned.” Attached is a Memorandum of Conversation of a discussion with Mr. Stevens early this week.</p>			
Deliverables:			
Estimated Time:			
Type of Transportation Required:			
Consultant’s Need at Workplace:	Projectors	<input type="checkbox"/>	
	Interpreter	<input type="checkbox"/>	
	Secretarial Assistance	<input type="checkbox"/>	

	Other (explain)
Signatures	
RTI Responsible:	Counterpart: Michael Maxey, USAID Rep. ePRT North Babil

Memorandum of Conversation
Government of Iraq – Ministry of Agriculture Programs with
Michael Stevens, USDA Rep, ePRT Baghdad 7
Michael Maxey, USAID Rep. ePRT North Babil
June 8, 2008

I met with Michael Stevens USDA Rep on ePRT Baghdad 7 and he shared some very interesting information regarding the startup of Ministry of Agriculture programs valued at more than \$500 million nationwide. He also shared a “Story Board” that walks you through a “Farmer’s Union Formalization” Strategy that ePRT Baghdad 7 is using to link their farmers to Ministry of Ag programs and to business opportunities. Both documents are attached.

Gen. Petraeus sent Michael an email a few days ago congratulating him on the work by their EPRT in linking area farmers to the Iraqi Ministry of Agriculture programs mentioned in the first part of the attachment (loan programs and equipment support programs). Gen. Petraeus’ email to Michael asked for most important lessons learned in this process so they could be forwarded to the Counterinsurgency Academy.

Michael replied that:

- (1) EPRT should use QRF to get programs underway quickly and link them to GOI funding programs;
- (2) Immediately identify farmers for business training with Izdihar/Tijara (Baghdad 7 used Dr. Asmaa and her group – the same group we are setting up a business services program in Iskandariya) – these training sessions helped farmers prepare business plans and actually do the paperwork for Ministry of Ag loans. Dr. Asmaa’s group also helped registered Farmer Associations;
- (3) Don’t focus on single sectors within ag (fish farm, livestock, etc) but instead have a multi-sectoral approach;
- (4) Develop a close working relationship with the Ministry of Ag at the local level (Michael convened a meeting at the Hotel Rasheed in the IZ of the local (Qada level) Ministry of Ag representatives to ask them what they needed in their local offices to be able to assist farmers gain access to Min of Ag programs – the ePRT then used QRF to purchase office equipment, generators, etc – whatever was needed to get the offices working and their farmers plugged into the Min of Ag loan and equipment programs).

The first part of the attachment summarizes a meeting by Foreign Ag Service staff from Embassy Baghdad with Agriculture Committee of the Iraqi Parliament and Senior Representatives of the Ministry of Agriculture. There were discussions on the drought situation in Iraq (especially in cereal cultivating lands in the northeast and west), GOI grains program (wheat and barley), national seed program, livestock issues and water management issues. There is a long section on the Prime Minister’s Initiative for Agriculture – this is a \$500,000,000 program broken down into a \$240 million development fund, \$70 million Ministry of Ag program, \$188 million for urgent projects by the Ministry of Water Resources. The development fund will go to the following: animal wealth development (\$40 million); mechanization and advanced irrigation (\$40 million); revitalization of palm groves (\$30 million); small farmer support (\$30 million); and ag investment fund (\$100 million). The \$70 million to be directly administered by the Ministry of Ag would go to: pesticide & herbicides (\$20 million), seeds (\$20 million); fodder projects (\$10 million); protected agriculture (plastic tunnels, glass house, etc. -- \$5 million); advanced nurseries (\$5 million);

organic pesticides (\$2 million); ag extension (\$3 million) and human resources development at Ministry of Ag (\$5 million). Rules for the use of the funding were outlined – funds are to be targeted toward investment rather than subsidy. Funding was received by the Ministry of Ag on May 25th. Ag sector credit was discussed and there are some issues on loan forgiveness and whether lack of capital (versus lack of water) is the real limiting factor on ag production.

The steps that ePRT Baghdad 7 has followed in enabling our farmers and local Ministry of Ag representatives to work together to access the funding being provide under the Prime Minister's initiative is a good model. There is clearly a need to work with this system to make sure the intent of promoting investment rather than subsidy is achieved. Bottom line, General Petraeus is clearly focused on this approach as his congratulatory email to Michael indicated. We are moving forward toward the same approach but we need to have a clearer strategic vision of how we are going to achieve it and we need a clear action plan with milestones, dates and follow-up.

Memorandum for the Record

Subj: Meeting with Chairman of the Agriculture Committee, Mr. Mahmood Al-Azawi, Council of Representatives (COR); Senior Deputy Minister of Agriculture, Dr. Subhi; Deputy Minister of Agriculture, Dr. Medhi; Agriculture Counselor, Jonathan Gressel; and other Members of Parliament

FAS Attendees: Joe Carroll, Agricultural Attaché, Mike Neruda, Mark Mitchell, Dr. Muhsin Al-Shabibi, and Maged Hussein

Date: May 26, 2008

Mr. Mahmood Al-Azawi, the Chairman of the Agriculture and Marshland Parliamentary Committee started with the regular pleasantries followed by summarizing the issues the committee is concerned about including 1) the effect of the drought on agriculture and specifically farmers, and 2) the deterioration of agriculture land in general. Mr. Al-Azawi indicated that the problem is of concern to a number of different ministries including the Ministry of Agriculture, Ministry of Water Resources, Ministry of Electricity, Ministry of Oil, Ministry of Industry and Minerals, and the Ministry of Environment to name a few. He understands the two problems he would like to address are multifaceted. However, he wanted to know specifically what the Ministry of Agriculture as well as the friendly countries, specifically, the United States Government Representatives are doing to address these two issues. He attributed the deterioration of agriculture to: (1) the diminishing role of the government in supporting agriculture; (2) the lack of a comprehensive vision or strategy for dealing with human agriculture and agricultural production; and (3) the state of the drought, specifically in cereal cultivating lands in the northeast and in the west. He stated that the GoI was not prepared to deal with the effects of the drought to relieve the affected farmers and supporting them by certain percentages.

Dr. Subhi provided the following updates on action taken and underway within the Government of Iraq, specifically the Ministry of Agriculture (MoA). He noted that the Ministry of Water Resources (MoWR) was absent from the meeting and hoped for better cooperation.

1.0 ON LAND DETERIORATION

Dr. Subhi started with the issue of deterioration of farmlands throughout Iraq. He agreed that the land deterioration is occurring. However, he noted that the deterioration has been occurring during the former regime as well. He stressed that the issues of land deterioration is tied not only to irrigation and drainage and availability of sufficient water but by proper care and farming. Security and absence of farmers also a major cause for land deterioration. He tried to answer the hint of criticism by Mr. Al-Azawi that there is no unified vision or strategy for agriculture and said the Ministry of Agriculture has a 10-year strategy that the Ministry is following. Dr. Subhi said the problem has to be found with full government efforts, not only with the MoA. In the absence of coordination with the Ministry of Water Resources, the vision and strategy is difficult to develop. He mentioned the Ministry of Agriculture support for the idea of forming a “Supreme

Water Council” as an umbrella organization to facilitate cooperation and coordination between the relevant ministries.

Mr. Mahmood Al-Azawi interrupted saying that the parliament had approved a draft law for the formation of the “Supreme Water Council”.

Dr. Subhi cheered the success of the parliament to approve the “Supreme Water Council” and proceeded to explain that there should be a national campaign to prevent land deterioration. He indicated that the funding needed for land reclamation is way beyond the budget of any one ministry or the different ministries capacity to execute, hence the need for national campaign. He also indicated that there are physical limitations on the available water resources considering the dwindling share of water Iraq (and Syria) receive from Turkey. He also noted the impact of the projects Iran is building on trans-boundary rivers flowing into Iraq. Sheik Jamil Batikh agreed and indicated that he has seen the flow in the trans-boundary rivers in his area drop over the past few years. Sheikh Jamil is the deputy chair of the committee and the Representative from Kut, Wassit. He owns a large agriculture area in the Dubonni area of Wassit,

Dr. Subhi also said that the Ministry received all what was allocated of funds for the implementation of the PM’s Initiative, and is starting to work on both of the plant and animal resource issues.

During his talk Mr. Abdul Hussein, Agricultural Economist, Division of Planning & Follow-up, Ministry of Agriculture, indicated that on the average Iraq loses 100,000 donums (annually?) (25,000 hectares) due to salinization and water logging. The GOI has to act quickly to address these problems. In his opinion, the Ministry of Water Resources is not following a sound strategy. The MoWR divided large reclamation projects between 50 different contractors half of which do not finish the job and leave the project semi-reclaimed. He demanded that the MoWR complete the reclamation of old projects before embarking on new projects. He also wants the MoWR to change its policy by giving the reclamation project as “turn key” to specialized international companies capable of completing and delivering fully functioning projects using advanced irrigation and drainage techniques.

Towards the end of the meeting, a representative from the Ministry of Agriculture, Mr. Amer Shabib, the DG, Agriculture Investment Department, was given the opportunity to talk about agriculture investment. Mr. Shabib indicated that the investment law itself has been passed but the regulating directives are still pending. These regulating directives will need to be approved by the Shura Council. In addition, the general director for the investment agency has not been approved by the Parliament and is serving as an interim director.

2.0 ON THE DROUGHT

Dr. Subhi moved to the issue of drought and talked about he reduced water flow through the Tigris and Euphrates Rivers and lack of rain and explained that there is a committee that has been formed over the past few weeks headed by the Minister of Planning (NOTE FAS/Baghdad efforts may have influenced the formation of this committee END NOTE). The Ministry of

Planning's drought committee is working on developing a budget to support the agriculture community outside the normal budget cycle of the government.

The MoA has proposed to the Council of Minister that grain farmers in affected areas be reimbursed for expenses for plowing services, seed and fertilizers, based on the severity of the loss they suffered.

2.1 On Grains

Dr. Subhi agreed that the drought has negatively impacted the grain crop this year. To answer the question from Mr. Mahmood Al-Azawi about the specific steps the Ministry is doing to lessen the impact, he indicated that a joint MoA and MoWR irrigation committee has agreed to reduce planting of summer crops by 30% and to confine rice plantations to two areas only. Orchards and horticulture will receive the quantity of water needed.

Dr. Subhi indicated that a promotional program will be offered that includes higher purchase price of grains from farmers and the free transportation of grain to the storage silos. Details of new prices and how transportation subsidies will work has not yet been determined.

The Ministry of Agriculture has sent a memo to the Ministry of Trade indicating that there will be a shortfall in grain production this year and advising them to purchase a larger quantity of wheat. A quantity to purchase was not included in the memo, it is up to the MoT to determine the amount, speculation from the MoA is 1 -1.5 MMT of wheat.

The Ministry of Agriculture estimates the 2008 barley crop will yield 430,000 MT. (NOTE – the USDA grain report forecast the 2008 barley crop at 450,000 MT, normal production is 1.1 MMT. The MoA estimate likely does not include the KRG. END NOTE)

The pricing system set up by the ministry is very rewarding with wheat being bought at \$550/ton and barley at \$500/ton. The imported wheat is then subsidized by 100%; currently bought at \$420/ton and sold for \$200/ton (NOTE: It costs Iraq about \$200 per ton for shipping, in addition to the commodity cost, making local wheat a relative bargain, but quality is lower and less consistent END NOTE). The wheat will be released for sale on 25 July 2008. Ministry of Trade will start importing barley, but not before October 2008, after planting new crops and to be subsidized (NOTE He assumed everybody knows why they wait till October END NOTE).

Dr. Subhi indicated that there are two issues that are critical for the drought 1) seeds and 2) livestock.

2.2 On Seeds

For the seed, he indicated that 80% of the seeds are provided by the farmers who save their seeds and therefore have seed for next season's crop. The Ministry will provide a total of 70,000 tons of seeds which represent 40% of the seeds needed in the country.

A member of the parliament interrupted that the seeds needed is 160,000 tons. The discussion followed of whether the 160,000 tons was for seeds or for grains. Dr. Subhi feels the 70,000 tons

of wheat is very sufficient for next year. (NOTE Dr. Subhi dismissed the 160,000 ton number as being for grains not seeds. The 70,000 tons represent the government 40% END NOTE).

The MoA has made a request to FAO for access to their emergency seed supply with a request for 10,000 MT. Not clear if this is wheat or barley or both, base on the previous statement, you would assume wheat seed has been requested.

Sheik Jamal Al-Batikh complained about the genetic deterioration of the seeds. Dr. Subhi reiterated his position that the Ministry will not allow untested and unregistered seeds into the country. (He referred to the bitterness experienced in 2003). He explained that it can have a devastating impact on the future of agriculture. Dr. Subhi also indicated that the cultivars (varieties) of wheat “Ajeeba, Mexipacks, and Saber Beg” are the ones that are the most desired. The national agency for registration of seeds is the only authority that can accept the importation of new seeds and can only allow importation after a rigorous testing and approval process. He indicated that the Ministry has an incentive program by paying the farmers a 15% price increase if the farmers deliver their seeds. These farmers will also be subsidized for transportation and fuel (15,000 ID/ton for transportation cost and 30,000 ID/ton for fuel cost) (NOTE the numbers were not very clear and the objective of this incentive could have been misunderstood END NOTE).

Finally, the PM Initiative includes an 8 Billion ID fund for seeds. The loans for seeds will include a grace period of 1.5 year (2 seasons). The last statement prompted a discussion from Dr. Waill, a judge and a member of the Parliament from Basra. He indicated that small farmers are the ones that suffer and can not pay back in 1.5 year. Mr. Mahmood asked if 1.5 year is enough. Dr. Subhi explained that if any Members of the Parliament have any recommendations, they can provide them and the Ministry will incorporate them in their planning.

2.3 On Livestock

Animal feed will be addressed via the sale of barley, grade-3 wheat, and the bran from milling grade-1 wheat. These grains and milling byproducts will also be passed on to farmers at a subsidized rate, again the subsidy amount has not been finalized.

The issue of livestock went back to grains. Some of the grains are not fit for human consumption and will be diverted to animal feed. See the discussion on grains above.

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Dr. Subhi reiterated the need to secure a fare share of Iraq’s water from both Turkey and Iran. Syria seems to be adhering to the arrangement they have with Iraq. However, Iran may have diverted 12 of the trans-boundary rivers. He recommended that the drought-affected areas start utilizing groundwater for water supply and drill wells. He then moved to the issue with irrigation efficiency and indicated that the country needs to move to new irrigation technology (drip and sprinkler). He indicated that the Ministry is supporting the conversion of irrigation into more efficient means.

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- \$5M for protected agriculture (glass houses and low and high plastic tunnels)
- \$5M for advanced nurseries
- \$2M for organic pesticides and herbicides
- \$3M for agriculture extension services (a note by one of the attendees that the extension services is nonexistent)
- \$5M for human resources development in the Ministry of Agriculture

Mr. Abdul Hussein indicated that the PM Initiative committee has set a number of rules for funding designed to make these funds available at very favorable conditions including:

- Project will be funded at a 100%. No matching funds are required from the farmer or investor.
- The grace period will be very long depending on the type of activity. The palm tree funds will carry a grace period of 8 years to allow the 7 year time needed to start harvesting dates.
- The committee responsible for the loan program has given the MoA branches the power to approve loans to certain limits while the directorates in the different governorates has higher approval ceiling for approving capital. Larger loans will have to be approved at higher levels. The objective is to simplify the loan process for the farmers.
- There are no interests whatsoever to adhere to the Sharia law which prohibits Muslims from borrowing with interest. That will make it more acceptable to farmers and their religious leaders. However, there is a 2% annual administrative fee.
- The loans will be delivered in installments. Subsequent installment will be based on review of the project progress. If the project is stalled or stopped, the government will terminate the loan and demand payment of all earlier installments plus interest similar to the prevailing bank interest. The objective is to discourage people from taking the loan, parking the money in a bank, then returning the principle after a few years and benefiting from the 14-16% annual interest rates from banks in Iraq.

Mr. Abdul Hussein indicated that the objective of the PM initiative is to put the funding towards investment rather than subsidies. He cited the fact that the repayment rate on loans was 82 % for loans to small farmers. Dr. Subhi corrected him that the repayment rate is now 95%.

On a question from a parliament member on how much of the PM Initiative money has been dispersed, Mr. Abdul Hussein answered that a number of projects has been submitted and approved and will be funded soon. Dr. Subhi indicated that the MoA just received the money yesterday (NOTE the answer is none of the money has been dispersed yet END NOTE)

Mr. Abdul Hussein cited the success of the plastic tunnel project in Karbala and Najaf where farmers took loans to buy the equipment and were able to pay it back from the profits.

4.0 AGRARIAN REFORM

Judge Waill a Parliament Representative from Basrah expressed frustration about the problems that exist between farmers and the agriculture bank. He indicated that wealthy farmers owning thousands of donums are able to access credit and pay the loans back. On the other hands, small farmers with farms in the range of 5, 10, or 15 donums are suffering. Other representatives chipped in recommending different alternatives to lift the burden from small farmers. One suggested having a limit of 100 donums below which the government forgive debt owed due to rent of the agriculture land. The issue of renewing leases was then discussed. A representative from the Ministry of Agriculture indicated that the current rules allow them to renew leases for 5 additional years by agriculture branch managers in the Nahiahs.

Judge Waill came back to the idea of 100 donums as not being very practical since the farm characteristics differ from one part to the other throughout the country. He then expressed concern about the farmers in Basra not being able to sell their tomato crop which they cultivated on groundwater from wells. He also started discussing the issue of fisheries in Basrah.

A representative from the Ministry of Agriculture indicated that the new regulation given to them (NOTE Presumably by the COR ENDNOTE) was to forgive debts (from 2008 and earlier years rent) on farms 50 donums and smaller and to forgive debts (again from 2008 and earlier years rent) on farms that are 50+ donums.

Another representative questioned the current policy of the MoA as being very restrictive and indicated that the government needs to encourage investment in agriculture and provide new lands to investors at reduced cost. Dr. Subhi objected that the limiting factor is the availability of water not land. The representative argued that some farmers in his district have used return flow (drainage water) to successfully cultivate rice. Others started another discussion on efficient irrigation methods. The bottom line was that agriculture land reform is tied very closely to irrigation efficiency.

5.0 GENERAL REMARKS

Dr. Subhi and his staff indicated that the MoA capital investment plan has been at a 95% execution rate.

Chairman Mahmood read a question from another parliament member about the supply of fodder in Diyala and the care of horticulture. Dr. Subhi said this year is the first year Diyala date palms are being sprayed.

Dr. Subhi indicated that there exist differences in opinion between MoA and MoWR about the implementation strategies. He is not faulting the MoWR in anything specific since the MoWR is working hard in a number of areas. However, there is limited coordination and difference in vision between the two ministries.

6.0 USDA Remarks

USDA was provided 10 minutes at the very end of the discussion to give our thoughts/advice. While we politely complemented MoA and the GOI on their efforts concerning the drought, we did note some areas of either misconceptions or lack of focus. We did emphasize the importance of seeds for the wheat and barley crop to be planted this fall and noted the availability, if action is taken quickly, of high quality certified seed from major producing countries. Also, the improvement of forage grasses and plants is also vital. We noted the importance of an organized cull of the large sheep population which fell on deaf ears. Later Dr. Mahdi told us that a cull was too culturally/politically sensitive. We discussed the water situation, including the lack of availability in neighboring countries which are suffering from drought and the role that the KRG is playing in not releasing water from dams in their territory. The importance of transparency in

timing the release of government subsidized grain was emphasized and resisted by MoA. Also, we noted the important of sound business plans to utilizing the funds in the PM's Ag Initiative and noted that USAID's Izdihar/Tijara program and PRT Ag Advisors would be a good source for putting together a workable business plan.

Drafted: FAS Mike Neruda



2/3ID Farmer's Union Formalization



- Farmer's Union Formalization Strategy in Post Kinetic Areas**
- Hold Governance meeting with Tribal level leaders to identify Ag Reps immediately after CF's secure area.
 - Don't focus on one item associations like a poultry association. (Involve all levels of farming sectors and let them decide what to focus on initially). Think Maslow's Theory of Hierarchy! Farmers are very susceptible to AQI influence if not farming. Get them the inputs quickly in order to get them back to farming and transition area out of Kinetic Environment. QRF, QRF!
 - Formalize subcommittees within the Farmer's Union in order to cover all bases of agriculture sector. (See Below Table)
 - At each meeting cover all subcommittee concerns and agree as a whole on the prioritizing of importance to act on first.
 - Promote newly established MoA Loan Program with Local MoA official at Farmer's Union Meeting. Tie importance of establishing credit in market based societies. QRF interest to gain support.
 - Imperative to have each tribe in the Union state the numbers that they represent prior to any discussion of assistance. (This will hold them to not inflate members numbers when assistance is given).
 - Establish good working relations with the DG's Chief Engineers of Ag and always get their ok prior to giving assistance.
 - Assist MoA offices with supplies, with them agreeing to provide MoA newsletters to the Farmers in Ag Union.
 - Assistance is meant to cut down on input costs to achieve self-sustainability. (Not to be duplicated time after time.)
 - Send representatives to Agri-Business training ASAP. They will complete the NGO paperwork for the Union at training and track the progress of the paperwork through the various GoI Levels.
 - Link meetings with Business Associations through Economic Summits in order to initiate cooperation between Business and Ag.

Irrigation	Vegetables/Row Crops	Poultry	Fish Farms	Orchards
Canals operational enough to support Vegetable planting under plastic (retains moisture). CERP repaired all pump stations and canals in AO	.75 Million dollar CERP packet for Tomatoes, Cucumbers, Eggplants and Green Peppers. (Focus- reduce imports from Iran and get farmers farming).	Coops revitalized with CERP Micro grants and QRF through Union. 40K in QRF purchase of chicks to two unions. Hatcheries and Poultry Proc. QRF (170K)	Restored pumps and restocked Licensed Fish Farms utilizing 2,500 Micro Grants due to minimal expenses need to fix operation.	QRF Micro Purchase Pump Repairs to flood Orchards. Its one thing to lose a crop but to lose an established orchard is devastating to community.
Bee Keepers	Veterinary Needs	Beef	Sheep	Machinery
Assistance is vital to Orchard propagation. To date, 8500.00 in QRF Micro Purchase of Supplies to bee-keepers.	CERP Packet to refurbish and MoA restocked two MoA facilities Assist Private Vets with QRF Micro-grants.	Future Vet Caps and feed assistance scheduled. You must have Vets operational before providing assistance to livestock	Future Vet Cap and feed assistance scheduled. You must have Vets operational before providing assistance to livestock	MoA Loans to purchase 9 Case New Holland Tractors with QRF to pay interest. New MoA Loan Program emphasized!

Memorandum of Conversation

Meeting with Representatives of Babylon Center for Economic Development
& Relief International to Discuss IRAP MicroCredit & Small Business Training
Michael Maxey, USAID Rep. – ePRT North Babil
June 10, 2008

Participants in the meeting included Dr. Asmaa and Mr. Kaiser of the BCED and Mr. Ahmed of Relief International and ePRT North Babil staff (Howard Van Vranken, Michael Maxey, Steven Wilson and Fouad Hussein). The purpose of the meeting was for ePRT North Babil to learn the status of implementation of the Iskandariya MicroFinance Program and the Small Business Development Center.

Iskandariya Micro-Finance Program - The program has started operations by taking applications in the local market. Twenty applications are already in process. The NGO that will manage the program has hired 3 staff (Office Manager and 2 Loan Officers). Mr. Ahmed expects to have all the loan capital (\$369,000) disbursed in loans (between \$500 to \$2,500) over the next four months. As reflows come in from loan repayments, more loans will be made. Loans are made in US dollars. An upfront fee is charged in lieu of interest (length of loan term determines the percentage amount of total loan that is charged – for a one year loan, the fee is 14 percent). Payback is made each month. Late payments are followed up on immediately. Advertising of loan availability is essentially word of mouth. Once up to speed the program should be disbursing 150 loans per month. Office space is an issue in the sense that the Iskandariya Nahia Council has not approved the use of the office space for Relief International staff to set up operations.

Small Business Development Center – This program is ready to begin. Five of a total of eight staff have been hired. Nahia Council has not authorized them to use the office space and training room space yet. There is also an issue on allowing the installation of a generator. Dr. Asmaa indicated that her organization, the Babylon Center for Economic Development is ready to proceed. When asked about a farmer training program, she replied that one is being developed in coordination with Inma. Four courses will be offered: “How to Start a Business”, “How to Improve a Business”, “Farmer Training Program”, and “Advanced Course.” Dr. Asmaa also indicated that the lawyer that will assist with NGO registration is being hired and the program can help farmer associations become registered NGOs.

Follow up actions: Mr. Ahmed will provide a scanned copy of a credit application and loan program advertisement via email. Dr. Asmaa and Mr. Ahmed will provide a list of issues with the Iskandariya Nahia Council to Steven Wilson. Steven Wilson will draft a letter to Sheik Khafaji for Howard Van Vranken’s signature outlining the issues we want to discuss with Sheik Khafaji. Fouad Hussein will request a meeting for ePRT North Babil, IRAP/DAI & Partners with Sheik Khafaji at the VoTech Center in Iskandariya on Thursday, June 19th.

Memorandum of Conversation
Meeting with Seddah Local Council Representatives
To Discuss Seddah Radio Station Proposal
Michael Maxey, USAID Rep. – ePRT North Babil
June 13, 2008

Meeting was held at BOB Kalsu with Hadir Mohsen Ali Tnu, Seddah Nahia Council President, and Reaad Abd Al Sahib Mohammed, candidate to be Radio Station Manager. Major Tony Comello and Michael Maxey represented the 4th Brigade Combat Team.

The meeting started with an overview of the status of the proposal. We told the Seddah officials that the proposal had been presented to the Embassy but was not yet approved. We said that one of the primary issues was the sustainability of the program after the US funding ends in six months. The Seddah representatives explained different ways that funding would be generated for the radio station including leveraging support for the local tourism industry, obtaining direct support from the Provincial Government, and from a potential Internet access business that may be established in conjunction with the radio station Internet uplink.

We indicated that however sustainability was addressed, we wanted to have a written commitment to developing and implementing a sustainability strategy. The Seddah representatives agreed to sign a declaration.



We agreed to follow up with the Embassy officials regarding approval of the radio station and get back to the Seddah officials.



Agenda for IRAP/DAI Meetings
ePRT North Babil - Micheal Maxey – USAID Rep.
June 12, 2008

Meetings will be held tomorrow with IRAP/DAI staff, local partners, USAID, EPRT North Babil and MNF-I representatives¹ to discuss implementation status of the Khidr Reconstruction Program (\$495,000), Iskandariya Microfinance (\$500,000) and Small Business Training Center (\$213,000), and School Supplies Program (\$200,000). One pending program will be discussed – Seddah Radio Station (\$75,000) as well as one proposed program – Golden Hills Reconstruction (\$330,000).

Schedule of Meetings

1000 – Khidr Reconstruction Program – Representatives from 3-7 Battalion to meet with DAI to discuss how program will be implemented. Sheik Jaffa will be here at 1000 for the discussion. BBA needed to facilitate this meeting. Purpose of meeting is to determine next steps in signing of grant agreement and discuss how program will be implemented. See Attachment One - grant proposal approved by ETEC.

1100 – Iskandariya Microfinance & Small Business Development Center – We had meeting with RI rep today (Mr. Ahmed) and SBDC's Dr. Asmaa and Mr. Kaiser (MemCon attached – Attachment Two). Issues left to be resolved include: office space, installation of generator, etc. Decision made to meet with Sheik Khafaji next Thursday, June 19th to address issues and get Khidr Reconstruction grant signed. Both approved grant proposals are attached – Attachment Three – Microfinance, and Attachment Four – Small Business Development Center.

1300 – School Supplies – “Operation Backpack” – We need to discuss status and how you see this proceeding. Brigade point person will be Economic & Governance Leader Major Kim Peeples. Major Peeples will provide list of Points of Contact and backpack distribution plan. Approved proposal is attached (Attachment Five). Follow on proposal for other areas of 4th BCT Area of Operation is already being discussed.

1400 – Seddah Radio Station – Proposal was submitted (copy attached – Attachment Six). We are trying to address issues raised by ETEC. We are also asking Seddah Council reps to attend the meeting to discuss pending ETEC issues with the Seddah Radio Station proposal.

1500 – Golden Hills Reconstruction – Draft proposal is attached (Attachment Seven) for reconstruction of 200 homes (phase 1 – 100 homes; and phase 2 – 100 homes). We can discuss how to proceed. Only local government structure is local council. Program is planned in two phases: (1) IRAP/QRF funded and (2) ICERP funded.

¹ Participants will include: (1) USAID – Kent Larson, PRT Office Director; Jadranka Spasojevic, PRT Program Officer; Jessica DeVreeze, PRT USAID/Washington; William Carr, Military Liaison; EPRT North Babil – Howard Van Vranken, EPRT Leader; John Nye, Deputy Team Leader; Fouad Hussein, BBA; Steven Wilson, Economic Development Advisor; MNF-I - Anthony Comello, MAJ 4BCT3ID S-6 OIC; Kimberly Peeples, MAJ 4BCT3ID BDE EN; IRAP/DAI - Jon Wiebe and Azad Saeed; OPA – Walter Yates, PRT Desk Officer.

Attachement One

Khidr Reconstruction Program

Proposal Number:	TEC 35 - 2738	Submitted:	05/20/08
Proposal Name:	Khidr Area Residential Rehabilitation	Grantee:	Iskandariya Nahia Local Council
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$495,000.00	Period of Performance:	06/01/08 to 08/31/08
Coordinates :		EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Grantor:	DAI (Party responsible for grant disbursement/monitoring)	Action:	Sent to DAI
Director of Organization:	Sheik Sabah Khafaji, Iskandariya Nahia Local Council Leader	Name of Signee:	Iskandariya Nahia Local Council
Location:	Iskandariya, Babil	Telephone/Fax:	n/a
Email:	smkm_alkafaji@yahoo.com	Website:	n/a

Grantee Background : The Iskandariya Nahia Local Council has proven to be a dynamic force in North Babil and with the strong leadership of Council President Sheik Sabah Khafaji, the Nahia has promoted economic development through the revitalization of the Iskandariya VoTech Center. The Council has provided support for improved essential services in the area and has led initiatives to address problems faced by communities they serve. The Council has the experience and management expertise to coordinate the proposed initiative for the rehabilitation of homes in the Khidr area.

Previous Funding

Description of Previous USG has supported the Iskandariya Nahia Local Council with the financing of a building for the council's office in Iskandariya. Support has also been

Funding: provided by USAID programs such as the Community Stabilization Program for employment generation activities in the Iskandariya area. Local Council members and staff have also been trained under Local Government Program II activities. Total amounts of funding exceed \$500,000 over the last five years.

Executive Summary: The Khidr Area Residential Rehabilitation Program provides packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.

The Khidr Residential Rehabilitation Program supports the Babel Provincial Development Strategy's goal of rebuilding communities to provide suitable housing for all (Objective No. 7). It also strengthens the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle of Khidr in December 2007, this program will now ensure that we win the peace.

A field trip to the Khidr area in March 2008 indicated that more than 150 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

Description/ Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007 by Coalition Forces. Elements of the 4th Brigade Combat Team, 3rd Infantry Division at FOB Iskandariyah fought a month long battle against large AQI elements. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes, public buildings and religious sites (both Sunni and Shia) as reprisals to passive resistance and underlying support to CF by area residents.

A USAID (United States Agency for International Development) and /MNF (Multi-National Forces) group made a field trip to the area on March 3,

2008, to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has been partially mitigated through the efforts of the local leadership, GOI (emergency assistance received through the Min. of Migration) and Coalition Forces. One of commendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

- Project Justification :** The people of the Khidir area suffered through a 9 month occupation by AQI and, as an unfortunate outcome of their passive resistance, many lost their homes, material possessions and lives. The resulting disruption of this quiet agricultural area and displacement of its residents has not torn this community apart. While the effects of AQI presence have been partially mitigated through the efforts of local council leadership, and funding by GOI and Coalition Forces, the majority of residents have optimistically returned and, brick by brick slowly continue to repair the fabric of their community. This proposal is not intended to rebuild the destroyed residences in-kind. It is intended to provide basic construction materials to support these residents' efforts to return to their properties re-establish stable homes, put their lives back together and return to normalcy.
- Collaboration & Coordination:** This project provides basic building material for home construction in the Khidr area which in turn will provide shelter a key component of economic and social recovery. The overall coordination of this program by the Iskandariya Nahia Local Council strengthens their legitimacy in North Babel and shows the commitment of the Iraq government to support communities that stand with the national government.
- Other Funding:** In-kind labor will be provided from the local community, transportation support and security by Coalition Forces, and technical services and support by Iskandariya VoTech Center on assembling the supplies for delivery and distribution to Khidr area.
- Financials:** The In-Kind grant mechanism will be used for this implementation. Financial reporting will be provided by the implementer (DAI). The local council will provide and validate the resident distribution and delivery list with Coalition Forces and ePRT North Babil. The final distribution and delivery date will be provided at the conclusion of the program.

Attachment Two

Memorandum of Conversation

Meeting with Representatives of Babylon Center for Economic Development
& Relief International to Discuss IRAP MicroCredit & Small Business Training

Michael Maxey, USAID Rep. – ePRT North Babil

June 10, 2008

Participants in the meeting included Dr. Asmaa and Mr. Kaiser of the BCED and Mr. Ahmed of Relief International and ePRT North Babil staff (Howard Van Vranken, Michael Maxey, Steven Wilson and Fouad Hussein). The purpose of the meeting was for ePRT North Babil to learn the status of implementation of the Iskandariya MicroFinance Program and the Small Business Development Center.

Iskandariya Micro-Finance Program - The program has started operations by taking applications in the local market. Twenty applications are already in process. The NGO that will manage the program has hired 3 staff (Office Manager and 2 Loan Officers). Mr. Ahmed expects to have all the loan capital (\$369,000) disbursed in loans (between \$500 to \$2,500) over the next four months. As reflows come in from loan repayments, more loans will be made. Loans are made in US dollars. An upfront fee is charged in lieu of interest (length of loan term determines the percentage amount of total loan that is charged – for a one year loan, the fee is 14 percent). Payback is made each month. Late payments are followed up on immediately. Advertising of loan availability is essentially word of mouth. Once up to speed the program should be disbursing 150 loans per month. Office space is an issue in the sense that the Iskandariya Nahia Council has not approved the use of the office space for Relief International staff to set up operations.

Small Business Development Center – This program is ready to begin. Five of a total of eight staff have been hired. Nahia Council has not authorized them to use the office space and training room space yet. There is also an issue on allowing the installation of a generator. Dr. Asmaa indicated that her organization, the Babylon Center for Economic Development is ready to proceed. When asked about a farmer training program, she replied that one is being developed in coordination with Inma. Four courses will be offered: “How to Start a Business”, “How to Improve a Business”, “Farmer Training Program”, and “Advanced Course.” Dr. Asmaa also indicated that the lawyer that will assist with NGO registration is being hired and the program can help farmer associations become registered NGOs.

Follow up actions: Mr. Ahmed will provide a scanned copy of a credit application and loan program advertisement via email. Dr. Asmaa and Mr. Ahmed will provide a list of issues with the Iskandariya Nahia Council to Steven Wilson. Steven Wilson will draft a letter to Sheik Khafaji for Howard Van Vranken’s signature outlining the issues we want to discuss with Sheik Khafaji. Fouad Hussein will request a meeting for ePRT North Babil, IRAP/DAI & Partners with Sheik Khafaji at the VoTech Center in Iskandariya on Thursday, June 19th.

Attachment Three

Iskandariya Micro Finance Program

Proposal Number:	TEC 24 - 1879	Submitted:	03/07/08
Proposal Name:	Iraq Microfinance Initiative - Iskandariya	Grantee:	Izdiharona for Economic Development (IED)
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9741 - Business Dev	Province:	Babil
Organization Type:	NGO	Objective:	200 - Economic
Amount:	\$500,000.00	Period of Performance:	03/16/08 to 02/28/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	michael.maxey@4bct3id.army.mil
Grantor:	DAI (Party responsible for grant disbursement/monitoring)	Action:	N/A
Director of Organization:	Arafat Dajani, Project Director	Name of Signee:	Arafat Dajani
Location:	Iskandariya, Babil	Telephone/Fax:	Iraq: +964-7703622606
Email:	dajani_arafat@yahoo.com	Website:	

Grantee Background:

Dr. Arafat Dajani, Project Director, has more than seventeen years of management experience, over thirteen of which have been in the area of international development. He has been working inside Iraq since 2003 with previous positions as Chief of Party for IRD's Iraq Humanitarian Assistance Program and as the Deputy Director for CHF's Iraq microfinance program. Dr. Dajani spent over seven years working for USAID's Cooperative Development Project where he supported fledgling cooperatives in the areas of business analysis and marketing. He has also worked for the Bank of Jordan, Land O'Lakes International Development, and for several private companies with in the middle east. He is proficient in the design, implementation and day-to-day management of complex donor funded programs. He speaks fluent English and Arabic.

Dr. Dajani is forming a local NGO, Izdiharona for Economic Development (IED), based on his successful experience with Relief International (RI). RI began operations in southern Iraq in April 2003 and within one year had completed dozens of infrastructure rehabilitation projects in the educational, agricultural, municipal and water-supply sectors. Since then, RI's work in Iraq has expanded to include emergency aid, microfinance, conflict mitigation, legal aid, local NGO capacity building programs, and other community development activities. RI's Iraq team currently conducts activities in all 18 governorates and manages a diverse portfolio of grants valued at over \$30,000,000.

Izdiharona for Economic Development (IED) has elected officers, approved by-laws and established a bank account. It has submitted the necessary application for registration as a local NGO. Registration is expected to be completed by the end of March 2008.



Previous Funding

Description of
Previous
Funding:

Select U.S. government funding in Iraq for Relief International (this is not funding that was provided to Izdiharona for Economic Development but the management of these funding levels by Dr. Dajani in his work with Relief International, CHF and other organizations is indicative of his ability to manage relatively large projects):

Executive
Summary:

Izdiharona for Economic Development (IED) will provide a micro-financing mechanism for small businesses in the Iskandariya, North Babil area. Using a loan capital of almost \$370,000, IED will help revitalize small businesses, farming activities, and women owned businesses in order to promote diversity, economic growth, and more dynamic local commerce. Loans will be provided in amounts ranging from \$500 to \$2,500 for short periods of time at 12 percent interest rate. This micro-finance approach will be built on the successful model implemented throughout Iraq by Relief International (RI). RI will maintain an advisory role with IED during the one year life of its operations. Any outstanding loans at the end of the program period will be administered by RI or one of its partner organizations. The RI model has achieved almost 100 percent payback rates and it is expected that the reflows from the initial capitalization of IED will continue to finance micro-credits after the completion of the program

in February 2009. This is a critical activity that dovetails with other USG funded initiatives in the Iskandariya area. IED will coordinate with the Votech Training Center, local fish farmers, and other businesses to find the most viable private sector initiatives for financing. The successful implementation of this microfinance program combined with job training, business skill development and mentoring services contemplated under other USG financed initiatives can set the stage for the development of a "business incubator" model for Iskandariya.

Description/Purpose: In the spring of 2006, Relief International began a five-year endeavor to build a sustainable, independently operated microfinance institution (MFI). With the support of Izdihar, a USAID-funded project dedicated to promoting economic growth in Iraq, RI has since lent over \$3.8 million to over 3,000 clients spanning three governorates. This initiative is assisting in the restructuring of Iraq's economy, sparking wealth generation and employment, and providing a foundation for the development of a vibrant private sector unconnected with the corruption and inequity of Iraq's recent past.

With assistance from the U.S. Embassy, Relief International is establishing a local NGO, Izdiharona for Economic Development (IED), in order to open a MFI branch in Iskandariya, Babil. The requested funding will cover the branch's operating expenses for one year and provide it with \$369,270 in loan capital. Like RI's MFI branches in Sulaymaniyah, Missan, Wassit, and Karbala, IED target beneficiaries will include any small business owner or entrepreneur, but loan officers will make a special effort to engage farmers, women (particularly widows and female heads-of-household) and IDPs. The Program will also coordinate with other USG financed initiatives related to business training and vocational education in seeking clients who have the most viable business proposals. It is anticipated that loan sizes will range from \$500 to \$2500 with repayment periods of six to twelve months. IED will start with only two loan officers and a small support staff in Iskandariya. After several months of lending, additional loan officers and staff may be hired to respond to market demand. Other financial products, such as home improvement loans, may also be offered in time.

As noted above, IED plans to begin its operations in Iskandariya with only two loan officers and a small support staff. The first six to eight weeks will be devoted to securing an office space, procuring furniture and supplies, and hiring and training local staff. These activities will be led by the microfinance program's Regional Director for the south in close coordination with the Project Director. During this time period, MFI staff will also conduct an intensive community outreach

effort by meeting with community leaders (including representatives from existing businesses, the government, NGOs, and religious organizations) to introduce them to key features of the loan program including its mission, basic eligibility requirements, the loan products offered, application, and selection process. This step is taken to build community support, which is critical to promoting the program and providing a general level of security for the program and its staff members.

Loan Officers at the Iskandariya branch will use a variety of methods to promote loan products including the distribution of brochures and posters and door-to-door marketing. Once it is determined that a potential client meets basic eligibility criteria and a background check is completed, Loan Officers will meet with potential clients in their homes or at their businesses where they will fill out a loan application together. During this meeting, the Loan Officer will collect the financial data needed to assess the applicant's repayment capacity. This assessment may also include talking to customers, landlords, and community representatives to determine the applicant's creditworthiness. Because RI wishes to reach the neediest clients, it is not necessary for an applicant to have collateral. However, a guarantor – and, in some cases, two guarantors – must co-sign the loan contract to ensure that the loan will be repaid.

In an effort to minimize the risk of theft, IED will follow Relief International's procedure of writing checks to loan recipients rather than disbursing loans in cash. Loan recipients may then cash their checks at a local bank. Clients will also go to the bank to deposit their repayments. Presently, there is no grace period and repayments must begin the month after the loan is received.

IED will follow Relief International's guidelines in operating its Iraq microfinance program according to Islamic lending principles and subsequently charges a 12% administrative fee which is deducted from the loan check amount (i.e., a client who has been approved for a \$1000 loan will receive a check for \$880 as \$120 will have been deducted up front). RI staff regularly examines the program's fee structure and administrative requirements to determine if they are appropriate for the markets they serve.

Pending the availability of loan capital and additional operations funding, IED will evaluate whether the Iskandariya program should be expanded beyond two loan officers at the six-month mark.

Project Justification: Iskandariya's economy has suffered tremendously in the past several years as a result of ongoing violence in the city. Fortunately, the recent improvement in security has created an environment in which commerce is slowly beginning to resume. However, access to work continues to be a major need of city residents including the thousands of IDPs who have settled there in recent years. Starting a microfinance program in Iskandariya will help residents in both the city and surrounding areas to create, rebuild, or expand businesses. This will contribute to the overall revitalization of the economy as new jobs are created and spending increases. As the economy of Iskandariya improves so will the social landscape in general. Schools, non-profit organizations, and other social institutions will develop as residents start to invest in the city and their future.

Collaboration & Coordination: The IED Micro-finance program will, as mentioned in the Executive Summary, coordinate with business training services currently being provided through USG funding of a Small Business Development Center program in Iskandariya. The business training component will be expanded with additional USG funding and is expected to develop core curricula for business planning, financial management, computer skills and marketing. A business networking program is also envisioned that will link businesses to key markets. Starting small is the key to success in this approach and the IED micro-finance program will provide a small but highly targeted and effective financing mechanism.

Other Funding: There is no other funding that directly supports the operation of IED, however, the program will collaborate closely with other USG funded programs. Also, RI will provide technical support and coordination as an in-kind contribution for which no "over head" will be charged. IED also plans to apply for funding from Tijara, Izdihar's successor after the termination of this grant.

Financials: IED will work with RI to incorporate its methodology for financial reporting. Information about the program's activities will flow from the MFI's branches up to the main branch in Iskandariya on a daily basis. Each month, the MFI's Chief Accountant prepares a financial report for the program's primary donor, Izdihar, detailing the MFI's outreach and collection efforts for prior month. A lengthy report is also submitted to Izdihar on a quarterly basis which consists of: (1) a narrative prepared by RI's headquarters in coordination with the

program's Project Director discussing the program's achievements and progress toward stated objectives; (2) a financial report prepared by field staff with oversight by RI's International Comptroller; and (3) a report detailing the program's performance and efficiency as defined by sustainability ratios standards used in the industry. Unless additional information is required by future donors, Relief International plans to continue its current reporting mechanism and IED reporting requirements will be incorporated into the RI financial reporting systems.

Attachment Four

Small Business Development Center

Proposal Number:	TEC 30 - 2345	Submitted:	04/14/08
Proposal Name:	Small Business Development Center (SBDC) - Iskandariya	Grantee:	Babylon Center for Economic Development
Award Type:	QRF Grant	Submitting Office:	Babil PRT
Theme:	9741 - Business Dev	Province:	Babil
Organization Type:	NGO	Objective:	200 - Economic
Amount:	\$213,100.00	Period of Performance:	05/15/08 to 05/14/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	michael@iraq.usaid.gov; michael@maxey.info
Grantor:	DAI (Party responsible for grant disbursement/monitoring)	Action:	Sent to DAI
Director of Organization:	Dr. Asmaa Mahdi Al-Hashimi, Chief of Babylon Center for Economic Development	Name of Signee:	Babylon Center for Economic Development
Location:	Hilla, Babil Province	Telephone/Fax:	00964-7702744085
Email:	asmaaahashmi@yahoo.com; asmaaahashmi@imfi.org	Website:	http://www.bced-iq.org/index.htm

Grantee Background:

The SBDC Hilla operates as a registered NGO, the Babylon Center for Economy Development (BCED), whose goal is to raise businessmen and businesswomen skills in Babil Province and other Provinces in the South Central region of Iraq, and to improve management skills in trade, industry, agriculture, tourism, service and other sectors for small and middle-size businesses. SBDC Hilla operates business, computer and other training and seminar programs, provides consultations and research services, and helps women and the young people achieve their full potential. The SBDC Hilla was created with the support of USAID funded IZDIHAR and it has been

training Iraqis in Babil Province since November 2006.



Previous Funding

Description of Previous Funding:

Since August 2007, business development training has been offered by the Small Business Development Center (SBDC) in Hilla in cooperation with the Iskandariya Nahia Council. For the last eight months, trainers from the SBDC Hilla traveled to Iskandariya and taught 15-20 students every other week in various aspects of business skills, financial planning, computer skills and software training. By the end of March 2008, the program had trained approximately 240 students. Local government representatives in North Babil expressed interest in expanding business training, promoting new business start-ups and expanding existing businesses, and promoting investment in the local economy. EPRT North Babil supports this local initiative to create a comprehensive business services center.*

1* Preliminary discussions between EPRT staff and the Nahia council members resulted in agreement that the training program should evolve into a business development center that would offer training, financial and technical assistance to small business. A training facility has been completed in the Nahia council building and the Nahia council has agreed to provide an office for a branch of a Micro-Finance Institution. QRF funding (under the IRAP Program) was approved on March 10, 2008 to create the Micro-Finance Institution in Iskandariya to provide \$370,000 in small loans (\$500 to \$2,000).

Executive Summary:

This grant will fund the establishment of the Small Business Development Center (SBDC) Program in Iskandariya is to improve the business prospects for North Babil by supporting access to microfinance, providing training and business advisory services, and promoting private investment in the local economy. The grant will be made to the existing regional SBDC - Hilla to staff, train and build capacity for the Iskandariya SBDC to be sustainable within one year. This goal to support the growth of the existing small business training program in Iskandariya into a self sustaining SBDC will serve not only Iskandariya but the surrounding cities of Haswa, Musayyib and Seddah. The SBDC – Iskandariya will provide training and assistance to support small businesses to begin operation or for existing businesses to expand their operations by linking to services receiving training and direct support and by linking with other USAID partners for micro-finance, micro-grants, vo-tech training and long-term economic development support.

This proposal will provide a \$200,000 grant to SBDC – Hilla to staff, train and mentor a core cadre of business professional to become a SBDC in Iskandariya. SBDC – Hilla would be responsible for (1) training local staff to manage the center, (2) establishing operating procedures and linkages required for the center to be self sustaining by the end of the grant period (12 months), and (3) guiding center staff in completing all the requirements to register the Iskandariya SBDC as a national Non-Governmental (NGO).

Description/Purpose:

The purpose of this project is to establish a functioning SBDC in Iskandariya. The IRAP funding will provide the first 12 months of operational budget support to the Iskandariya SBDC (through a grant to the Babylon Center for Economic Development) following the standard USAID IZDIHAR program guidelines for such support. With this QRF Grant support, the Iskandariya SBDC receive the administrative and mentoring support needed to be able to provide critically needed business services to the southern region business community in North Babil. More than 500 businessmen and women will be trained under this program during the year and will also receive a "one stop" shop approach for business planning, market development, and financing. If only 20 percent of these businesses were successful, it would mean an increase of more than 300 to 500 permanent jobs in the Iskandariya area. It is worth noting that the IZDIHAR model has proven itself effective in providing appropriate levels business skills to small businessmen across Iraq.

The USAID IZDIHAR program has supported the establishment of 6 SBDCs around the country, most being located in the central of northern regions. The standard IZDIHAR SBDC package of office furniture and IT / computer equipment will be, as part of this proposal, be delivered and installed at the Iskandariya SBDC site. As per USAID IZDIHAR SBDC guidelines, the Iskandariya SBDC will offer two courses per month with a maximum of 15 participants per course for a total monthly output of 30. Keeping the number of participants to a maximum of 15 per course will ensure overall high quality of the course and allow the Trainers to provide more one-on-one support to individual participants. In addition to the 2 Trainers that make up the staff, all of the Iskandariya SBDC management staff will receive TOT training so that they could be the Trainers for specific course components such as the IT Manager for Day 4 and the Accountant for Day 3, etc.

A voucher system will be used to select participants for the 2

“Core” business courses (1A and 1B) that the Iskandariya SBDC is required to conduct. A total of 360 numbered vouchers will be printed out and provided to provincial councils, local community organizations, and other entities via EPRT North Babil and Civil Affairs Teams associated with the 4th Brigade Combat Team of the 3rd Infantry Division of the United States Army. Each of the above groups can then distribute them to select participants throughout the North Babil area.

The Iskandariya SBDC will develop a schedule for the “Core” business courses for the full year to include the tentative date of each of the 24 planned “Core” business course delivery dates. Candidates that have received a voucher to attend the “core” business course will be able to contact the Iskandariya SBDC and sign up for the scheduled course delivery date of their choice. It is anticipated that the Iskandariya SBDC “advanced” business courses and services will be offered for a small fee. The amount of the fee will be determined after a market assessment is completed by the SBDC. The SBDC will make full use of all appropriate and available marketing and sales techniques to advertise the availability of their business services and promote their use by the North Babil region business community.

Project
Justification:

At the present time, there is no permanent business related organization or agency in the North Babil region, either government, NGO or private sector that provide the type of business services that will be offered by the Iskandariya SBDC. Based on months of EPRT North Babil staff observation and engagement with the business community it has become apparent that there is an overwhelming need for basic business development services in the area. The business services that will be provided by the Iskandariya SBDC will enhance the quantity and quality of business proposals by improving the overall business planning for existing businesses that wish to improve or expand their market base. New business start-ups and existing businesses will also benefit from improved “bankable” business plans and better business loan applications that will increase access to available credit programs. Together, new business start-ups and expanded existing businesses will provide for increased long-term employment opportunities, and lead to enhanced marketability for potential joint venture partnerships in the country and region. New markets for products and services, especially in the agro-business sector will be encouraged along with increased manufacturing of products in the south for internal consumption and export, all of which will be more

likely to attract internal and external business investment. Enhanced political and social stability in North Babil region is much more likely in an environment of planned and organized business expansion that includes attracting regional and international investment.

Collaboration & Coordination:

EPRT North Babil has been working closely with the business community in the province for the past year and EPRT Joint Common Plan's Economic Development Strategy includes support in select areas with business development training being an essential component to the overall strategy. Linkages with other USAID business programs such as INMA Agro-business, PEG, will be strongly encouraged as will increased development and use of the internet. It is anticipated that the Iskandariya SBDC will develop its own separate website.

Other Funding:

Total cost of the program is \$232,000. EPRT North Babil met with local leaders in Iskandariya and obtained a verbal commitment that is being put into a "Letter of Commitment" document specifying that space will be provided in the Iskandariya Nahia Council building for training and business services functions of the Iskandariya SBDC. We are also programming a contribution by the SBDC itself as it begins generating income from training. Finally, we met with USAID funded Tijara staff and they have verbally committed to provide technical assistance to assess and advise the Iskandariya SBDC during the early stages of its operations.

Financials:

The implementing entity, Babylon Center for Economic Development, is an experience NGO with strong financial accounting systems and a verified reporting system. The Center's staff will prepare its financial reports.

Budget Summary:

EPRT North Babil IRAP Grant to the Iskandariya SBDC provides for significant cost-sharing as indicated below. This budget is based on the standard SBDC budget guideline from the USAID IZDIHAR program. EPRT North Babil is requesting \$200,000 USD from a total estimated budget of \$232,400, which is 87% of the proposed budget. The Iskandariya Nahia and the Iskandariya SBDC would be responsible for the remaining 13% of the cost-share budget balance of \$32,400 USD. Total staff cost is \$109,200 of which IRAP will contribute \$86,400, Iskandariya Nahia will contribute \$16,800 and the Iskandariya

Attachment Five

School Supplies Program

Proposal Number: TEC 35 - 2743 Submitted: 05/20/08
 Proposal Name: Basic School Supplies for Children Grantee: Nahia Local Councils - North Babil
 Award Type: QRF Grant Submitting Office: Babil (North) ePRT
 Theme: 9738 - Education Province: Babil
 Organization Type: Gov. Related Objective: 500 - Community Building
 Amount: \$200,000.00 Period of Performance: 06/01/08 to 07/31/08
 Coordinates: , EPLS Vetting:
 Formulated By: PRT/ePRT Recipient Type: GOV - Sub-Provincial
 GOR Name: Michael Maxey GOR Email: mmaxey@iraq.usaid.gov
 Grantor: DAI (Party responsible for grant disbursement/monitoring) Action: Sent to DAI
 Director of Organization: Leader of Nahia Local Council Name of Signee: Leader of Nahia Local Council
 Location: Various Locations, North Babil Telephone/Fax: n/a
 Email: n/a Website: n/a
 Grantee Background: Grantees will be Nahia Local Councils in the North Babil area. A needs assessment conducted in conjunction with the Ministry of Education will identify the specific locations to be included in the program. The Nahia Local Councils selected to participate in the program will be grantees of the funding administered by DAI. The grantees will procure and distribute school supplies using local suppliers. The grantees will work in close coordination with the Ministry of Education and local Coalition Forces.



Previous Funding

Description of Previous Funding: Assistance provided to Nahia Local Councils will be assessed. Areas that have already received school supply support will not be included in this program. The target group for the School Supply Program are those primary school students in former conflict areas that were not been included in a prior assistance program under the Creative Associates RISE (Revitalization of Iraqi Schools and

Strengthening of Education) or similar programs.

Executive Summary: The improved security situation in the northern part of Babil Province has encouraged children to return to school. In many cases, children are meeting in difficult conditions but across the area they and their parents have shown a strong desire to improve their lives. The expulsion of Al Qaeda of Iraq from this area and the ongoing community work with the large Shia population here makes this an ideal time to reach out the communities and help their children return to school. This program would address the acute shortage of basic school supplies for these children by providing a backpack containing school supplies. Initial estimates indicate that approximately 20,000 students need school supplies in North Babil and this program would supply each of them a backpack and minimum supply of school material.

Description/Purpose: North Babil is comprised of four major cities and 14 secondary cities. This area was insecure until only recently. Schools are now open and children are trying to learn. Visits by 4th Brigade Combat Team of the 3rd Infantry Division and members of the ePRT (Embedded Provincial Reconstruction Team) found that school supplies for basic learning are in short supply.

Children in North Babil are, in many cases, from families with little or no income due to the lack of steady income earning opportunities. These families are unable to provide these basic supplies to enable learning to take place. It is expected that the Iraq government will provide support for these families in 2009 and beyond. However, in order to take advantage of the current school year, ePRT North Babil is submitting a proposal requesting \$200,000 in funding to purchase 20,000 backpacks that include basic school supplies. A basic package of school supplies will be purchased from local vendors for distribution by local government authorities to elementary school students in North Babil. The overall program will be coordinated by Coalition Forces with North Babil Nahia Local Councils, the Ministry of Education and Other Donors.

Project Justification: The School Supply Program will provide temporary assistance for this school year to primary school students located in areas that were not assisted under previous school supply programs. This is a support mechanism to help students return to school in areas that

were insecure and underserved by Government of Iraq support for education. The Government of Iraq is expected to provide assistance for school supplies and other education sector support in the future.

Collaboration & Coordination:

EPRT North Babil with assistance from PRT Babil will coordinate directly with the Ministry of Education to identify areas that because security issues were under-served in the past. A program will be developed that will link the Nahia Local Councils to the Ministry of Education to deliver school supplies to primary school children. The delivery of school supplies will be monitored by Coalition Forces in these areas in coordination with the Nahia Local Councils and the Ministry of Education. Coordination will also be undertaken with Other Donors providing support to primary education in these sectors.

Other Funding:

The School Supply Program will complement ongoing programs contemplated by the Ministry of Education in North Babil. Total funding amounts and the contribution of different parties will be determined during the assessment of where school supply support is needed. The program will also coordinate its efforts with the Japanese International Cooperation Agency education activities in North Babil. (Note: There have been informal discussions and a tentative agreement for cooperation between EPRT North Babil and JICA in helping the Japanese identify and fund education projects in North Babil -- with each project limited to not more than \$75,000).

Financials:

Financial reports will be provided by the Nahia Local Councils regarding the procurement and distribution of school supplies in each area chosen to participate in the program. These local programs will be monitored by DAI and coordinated with Coalition Forces in the area to ensure proper execution and oversight.

Budget Summary:

Each package will cost approximately \$10 and will contain the following:

- Backpack (two shoulder straps with an internal capacity of between 20 and 25 liters
- Calculator (approximately 10 cm x 10 cm in size with basic math functions)
- Four school lined copy (Compensation) books, lined, 150 pages each
- Packets of loose leaf paper, two or three hole punched, 200 sheets per packet
- Loose leaf notebook, 5cm back, two or three ringed, that will hold the paper from above

Five ink pens, blue or black ink
One box of eight Crayons
Five pencils, number two with erasers
Pencil Sharpener, small hand held
Five Erasers
Scissors, safety type without sharp tips
Eight Markers, different colors
Two sticks or bottles of school glue, non-toxic
Metric Ruler, 30 cm
Five Folders, two pockets, A4 size

There are an estimated 20,000 students that are in areas that were previously not served by school supply programs in the past due to Al Qaeda of Iraq and counter insurgency issues.

The total cost of the program will be \$200,000 (20,000 student back packs with supplies at \$10 per student).

Submitted by: Michael Maxey Submitter mmaxey@iraq.usaid.gov
Email:

ETEC Comments: 5/26/08 (Approved) - Based on success of Anbar ePRT submission with similiar goals in post-AQI violent environment, ETEC is supportive of this effort. Appreciate effort reqd to get local city council involved. Presume municipal DG for Education will also be included?

PRT Comments: The attachment contains information on the development and justification of the School Supply Program including a Memorandum of Conversation with the former RISE Project manager, Robert Murphy, in which it was determined that North Babil was not included in previous "Operation Backpack" activities executed by Creative Associates in 2003 and 2004.

A meeting was also held with Ambassador Richard Saloom, Senior Advisor on Iraq at the Department of State. Amb. Saloom was the former head of the Iraq Reconstruction Office in Baghdad. He indicated his strong support for this "Operation Backpack" type program in areas that were previously not covered due to security issues.

Attachment Six

Seddah Radio Station Program

Proposal Number: Draft 37 - 2819 Submitted: 05/31/08
 Proposal Name: Seddah Radio Station Grantee: Seddah Nahia Council
 Award Type: QRF Grant Submitting Office: Babil (North) ePRT
 Theme: 9734 - Governance Issues Province: Babil
 Organization Type: Gov. Related Objective: 300 - Governance
 Amount: \$75,000.00 Period of Performance: 06/15/08 to 12/15/08
 Coordinates: , EPLS Vetting:
 Formulated By: PRT/ePRT Recipient Type: GOV - Sub-Provincial
 GOR Name: Michael Maxey GOR Email: mmaxey@iraq.usaid.gov
 Grantor: DAI (Party responsible for grant disbursement/monitoring) Action: N/A
 Director of Organization: Hidar Mohsen Ali Tnu, Seddah Nahia Council President Name of Signee: Hidar Mohsen Ali Tnu, Seddah Nahia Council President
 Location: Seddah, Babil Telephone/Fax: n/a
 Email: n/a Website: n/a
 Grantee Background: Hidar Mohsen Ali Tnu is President of the Seddah Nahia Council. He is a prominent local leader who is interested in providing cultural, security and entertainment information to the local populace in Seddah, Babil. Hidar Mohsen Ali Tnu is an important counterpart to Coalition Forces and our efforts to improve security in this area of Babil Province.
 Previous Funding
 Description of Previous Funding: n/a
 Executive Summary: A critical aspect of strengthening local governance in North Babil is giving voice to the local governments to effectively communicate with their constituents in order to promote security, provide important information on programs to promote economic growth and to serve as a forum for citizen involvement in governance. EPRT North Babil believes that local radio stations controlled by Local Nahia Councils in key cities would

meet this strategic need for increased involvement in governance issues by the populace. While at least three sites have been identified in North Babil, this proposal is to start with one site, Seddah, to use as a pilot effort for establishing a means for local government leaders to communicate and to receive feedback from residents. This proposal requests \$75,000 to establish the radio station within the Nahia Council building in Seddah -- the program will fund purchase of equipment and cover salaries of radio station staff for the first six months of its operation. The grant agreement will require the development and approval of a sustainability plan within the first three months of operation. Monitoring of the radio station's operations will be done by Coalition Forces through monthly reviews in coordination with DAI.

Description/Purpose: The purpose of this program is to support efforts of local government representatives and leaders to effectively communicate with the populace, promote security and economic growth in the region and receive feedback on the needs and desires of the people in the area. The objective will be accomplished by financing the establishment of an Iraqi public radio station in the city of Seddah. While the radio station is viewed as a public service, the agreement will require a sustainability strategy that includes a private ad revenue plan for obtaining the necessary financing to continue operations and/or a plan for Government of Iraq funding. The sustainability plan will be submitted and approved to DAI within three months of the initiation of services. The station will be overseen by the Seddah Nahia Council and will coordinate with Coalition Forces to ensure that the conditions and terms described in this agreement are met. The radio station will be located within the Seddah Nahia Government Building. The Seddah Nahia Council shall agree as a condition of this grant to cease station operations if the terms of this agreement are breached.

1. The radio station will be an Iraqi owned and operated enterprise however DAI will structure the grant in such a way that Coalition Forces will have a monitoring and oversight role.
2. The total cost for this project is: \$74,065.15. All payments will be made in U.S. dollars. The costs for this project are detailed in the attached budget (see budget summary) and include the following: (i) Station operations and employee salaries - 6 months; (ii) Office furniture,

automation, networking, etc; (iii) Station equipment; and (iv) Radio antenna tower

3. The Seddah Nahia Council will agree to operate the radio station in a manner that is non-sectarian and without political or religious bias. Broadcast content will be content neutral, open minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and rule of law.

The Seddah radio station will conduct broadcast operations for a minimum of six hours a day, five days a week. This broadcast period will be reviewed and discussed on a monthly basis with the Station Manager and government representative at the Performance Evaluation Meetings. All broadcast content will be non-sectarian and without political or religious bias. Broadcast content will be neutral, open-minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and the rule of law using a local Iraqi forum. Failure to abide by these restrictions may result in the termination of the grant for radio station operations. The grant agreement signed by the Seddah Nahia Council shall commit them to comply with broadcast content requirements contained in this proposal.

Project Justification: This program will support improved governance in Seddah, Babil, by promoting the following civil society objectives:

- a. Provide a conduit for the local government leaders to communicate to the population. Allow them to inform the people about government operations, projects, priorities and plans.
- b. Provide a means to broadcast public service announcements pertaining to public health and safety issues.
- c. Provide a format for Iraqi Security Forces or governmental agencies to address security concerns with the populace.
- d. Provide a means to announce employment or economic opportunities, educational programs and community events.
- e. Provide a broadcast forum to inform the local populace on local, provincial and national news and

events.

- f. Provide a broadcast forum for local and regional businesses to advertise their products and services to the population.

Become self-sustaining within six months after beginning operations.

Collaboration & Coordination:

The Seddah Nahia Council shall reach out to local Non-Governmental Organizations (NGOs) and Government of Iraq (GOI) entities at the provincial and national level working in the Seddah area to gather and disseminate information on their programs (this will be done in a way that maintains security of personnel involved in the area) and explain how these programs are benefitting the area.

Other Funding:

The Seddah Nahia Council will provide substantial in-kind support by providing office space for the establishment of the radio station. Prior to execution of a grant under this program, the Seddah Nahia Council will provide written authorization for use of its office space and facilities. This authorization will be in a form acceptable to DAI and Coalition Forces. No funding or installation of grant financed radio equipment or furniture will take place without this authorization of in-kind support for the program

Financials:

Financial reports will be prepared by the Radio Station Manager (Reaad Abd Al Sahib Mohammed) and submitted for review by the Seddah Nahia Council and submission to DAI under the terms of the grant agreement.

Budget Summary:

See the attached budget summaries.

General budget categories are the following:

Radio Equipment - \$12,065

Office Equipment - \$10,200

Radio Tower - \$35,000

Salaries - \$16,800

Attachment Seven

Golden Hills Reconstruction Proposal

Proposal Number:		Submitted:	
Proposal Name:	Golden Hills Residential Rehabilitation	Grantee:	Local Council
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$330,000.00	Period of Performance:	07/01/08 to 09/31/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Grantor:	DAI (Party responsible for grant disbursement/monitoring)	Action:	Sent to DAI
Director of Organization:	Local Council Leader	Name of Signee:	Local Council
Location:		Telephone/Fax:	n/a
Email:		Website:	n/a

Grantee Background: The Local Council in the Golden Hills area of Wasit is leading efforts to rebuild the area after devastating damage to local homes and infrastructure by Al Qaeda of Iraq. The Council has provided support for improved essential services in the area and has led initiatives to address problems faced by communities they serve. The Council, with support by MNF-I, can coordinate the proposed initiative for the rehabilitation of homes in the Golden Hills area.

Previous Funding

Description of Previous Funding: n/a

Executive Summary: The Golden Hills Area Residential Rehabilitation Program provides

Summary: packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.

The Golden Hills Residential Rehabilitation Program supports the Babel Provincial Development Strategy's goal of rebuilding communities to provide suitable housing for all (Objective No. 7). It also strengthens the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle in Wasit Province against Al Qaeda in December 2007, this program will now ensure that we win the peace.

A field trip to the Golden Hills area in May 2008 indicated that more than 300 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

Description/Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes and public buildings (both Sunni and Shia) as reprisals for a lack of support by area residents.

A USAID (United States Agency for International Development) and /MNF (Multi-National Forces) group made a field trip to the area in May 2008 to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has only partially been mitigated through the efforts of the local leadership, GOI (emergency assistance received through the Min. of Migration) and Coalition Forces. One of recommendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

IRAP/DAI Meetings
ePRT North Babil
June 13, 2008

Purpose of meeting with Jon Weibe and DAI staff is to discuss implementation status of the Khidr Reconstruction Program (\$495,000), Iskandariya Microfinance (\$500,000) and Small Business Training Center (\$213,000), and School Supplies Program (\$200,000). One pending program will be discussed – Seddah Radio Station (\$75,000) as well as one proposed program – Golden Hills Reconstruction (\$330,000).

Khidr Reconstruction Program – Representatives from 3-7 Battalion met with Sheik Jaffar to discuss how program will be implemented. Sheik Jaffar will be at meeting with Sheik Khafaji next week (Thursday, June 19th).

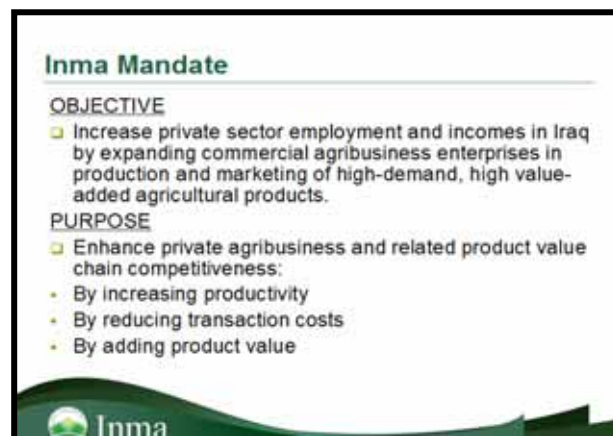
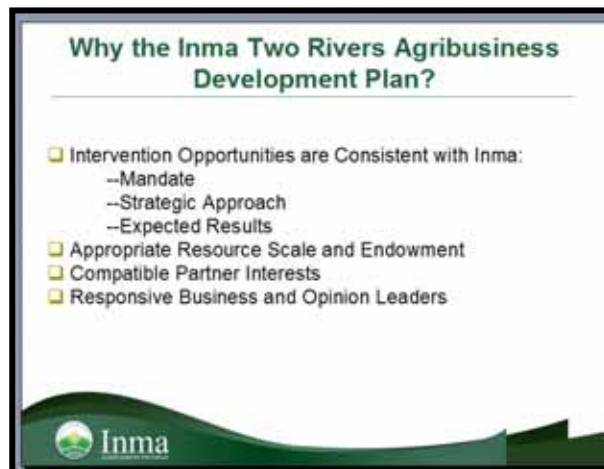
Iskandariya Microfinance & Small Business Development Center – We had meeting with RI rep today (Mr. Ahmed) and SBDC's Dr. Asmaa and Mr. Kaiser. Issues left to be resolved include: office space, installation of generator, etc. Decision made to meet with Sheik Khafaji next Thursday, June 19th to address issues and get Khidr Reconstruction grant signed. Both approved grant proposals are attached – Attachment Three – Microfinance, and Attachment Four – Small Business Development Center.

School Supplies – “Operation Backpack” – We developed a list of Points of Contact for local government reps for backpack distribution. Major Peeples will discuss follow on proposal for other areas of 4th BCT Area of Operation is already being discussed.

Seddah Radio Station – Proposal was submitted. We are trying to address issues raised by ETEC. Major Comello and I met with Seddah Council reps to attend the meeting to discuss pending ETEC issues with the Seddah Radio Station proposal.

Golden Hills Reconstruction – Draft proposal is ready for submission. Program will support reconstruction of 200 homes (phase 1 – 100 homes; and phase 2 – 100 homes). We can discuss how to proceed. Only local government structure is local council. Program is planned in two phases: (1) IRAP/QRF funded and (2) ICERP funded.

Inma Presentation to Borlaug Group June 13, 2008

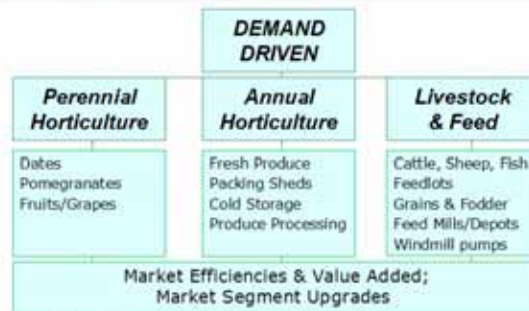


Strategic Approach

- **Multiplier:** Achieve economic multiplier results, not "one-off."
- **Demand First:** Select market led interventions to Increase:
 - **Productivity:** Stimulate Resource Use Efficiencies Throughout Value Chain
 - **Output:** Stimulate Expanded Agricultural Output at competitive prices
- **Anchor Agribusinesses:** Target large-scale "anchor" agribusiness enterprises strategically positioned within major product value chains
- **Spread Effects:** Apply geographic focus in prioritizing multiple anchor enterprises that achieve high vertical and horizontal synergies.



Priority Value Chains --Product Groups--



Livestock and Feed

Feed Production

- Fodder: Alfalfa, Grass hay
- Grains: Maize, Barley, Wheat
- Oil Seeds & Seed Cake

Feed Mills

- Wholesale & Distribution
- Extruded Feed – fish/poultry
- Other Animal Feeds

Feed Lots

- Access to Feeder Animals
- Access to Demand Centers
- Marketing/Processing Subsystems Functioning

Livestock Reproduction and Fattening

- Improved Nutrition, herd management, veterinary care
- Reliable and Clean Water Supply



Horticulture: Perennials & Annuals

Market Upgrades

- ❑ Modernize Wholesale Markets (cold chain included)
- ❑ Identify Test Export Opportunities (ex. pomegranates, mushroom)
- ❑ Modernize Retail Facilities (cold chain included)

Update Food Handling

- ❑ Improved on-farm Handling
- ❑ Improved off-farm handling
 - > Packing Sheds
 - > Sorting & Grading
 - > Modern Packaging
 - > Cold Storage

Introduce New Technologies

- ❑ Modern Hybrids & Varieties
- ❑ Green House Demonstrations
- ❑ Verified Best Cultural Practices



Fish Value Chain Improvement: High Priority in Two Rivers Region

Key Selection Indicators:

- ❑ Existing Unsatisfied Market Demand at Competitive Prices.
- ❑ High Potential for Expanding Market Penetration & High-End Demand Growth.
- ❑ Critical Constraint--Shortage of Healthy Fingerlings: Constrains Entire Value Chain.

High Potential to:

- ❑ Rapidly Recover Previous Production Capacity.
- ❑ Achieve Added Value and Increased Efficiency in All Segments.
- ❑ Revitalize Business Productivity & Viability throughout Value Chain



Fish Value Chain Improvement (con't)

High Potential To (Con't):

- ❑ Achieve Rapid Long Term Sustainable Growth in Employment and Incomes.
- ❑ Quickly Increase Stakeholder Demand for Rehabilitating Supporting Infrastructure.
- ❑ Demonstrate Validity of Anchor Enterprise Approach to Achieve Rapid and Sustainable Production and Economic Revitalization.
- ❑ Demonstrate Synergisms and Multiplier Impacts to Stimulate Cluster Enterprise Development.

Favorable Human Factors:

- ❑ High degree of Interest and Support Among Local Stakeholders, especially business and opinion leaders.
- ❑ High Degree of Support Among Development Partners.



Criteria for Selecting The Two Rivers Region as Geographic Focus

Cohesive Region and Resource Base

- Geographically Compact
- Excellent productive resource base
- Restorable comprehensive infrastructure: irrigation, energy, transportation and market channels

Diversified Production—Inma Target Clusters Well Represented

- Inma priority target clusters are economically important to region
- Amenable to systematic value chain development approach
- Amenable to large scale anchor enterprise strategic approach.



Criteria for Selecting Two Rivers Region (con't)

Potential—Region Producing Well Below Potential

- Diversified production base with high potential for targeting improvements to several product value chains
- High potential for cluster enterprise development, e.g. not only the fish production and marketing value chain, but also feed supply systems (feed mills, feed depots, diversified farm service enterprises, improved/custom haymaking, etc), live haul fish and other transport services, health care services, etc.

Scale—Potential Productivity and Output Levels Facilitate Major Economies of Scale and Efficient Integrated Linkages Along Value Chain

- Large-scale anchor enterprise revitalization (AER) achieves both quick impact and long term development objectives, viz. large-scale employment and income generation
- AER targets value chain price makers and key decision-makers for value-added actions;



Criteria for Selecting Two Rivers Region (con't)

- When appropriately targeted and conditioned, AER "raises all boats" in the value chain—small, medium and large stakeholders;
- AER generates demand and integration opportunities for cluster enterprise establishment
- AER provides market stability and security
- Anchor Enterprise "Champions", and "Early Adopter" Producers provide leadership for productivity and output growth in adapting and verifying best Iraqi practices in all segments of the production-marketing value chain

Citizen Support and Participation in Growth Benefits

- High stakeholder interest
- Conditions Favorable to Widely Distribute Spread Effects



Identifying the Best Fish Farm



Fish Value Chain: Modernization and Expansion

Activities Initiated (or Completed) to June 1, 2008:

- Reactivate Euphrates Fish Farm Fingerling Production
- Conduct Field Survey of Potential Partners; estimate employment potential
- Develop and Implement Initial Training and Technology Transfer to Fish Farmers
- Dialogue and Cooperation with Fish Farmer Associations in fingerling supply and distribution
- Design-activate pilot micro-finance activity for operating loans to selected farmers participating in productivity improvement verification trials
- Encourage and facilitate improved quality and availability of fish feed
- Complete an initial production & marketing survey; to identify ancillary and associated market chain and cluster improvement opportunities
- Design and initiate implementation of fish production improvement and verification trials activity



Current Vision for Two Rivers Region Development



Expected Results to June, 2009

- Feed Mill revitalized/established and operating.
- Integrated feed supply system under way
- Initial beef and sheep feedlots operational
- Wholesale Fish Market Modernization Initiated: improved downstream price signals to producers and value being added throughout Marketing Chain
- Horizontal and vertical integration arrangements being tested for improving scope and efficiency of production and marketing services to farmers
- Price differentiation, based on standardized grades, notably enhances value added accruing to producers and to service providers throughout the marketing chain
- Declining transaction costs & increasing competitiveness: fish, fresh produce and red meat value chains.



June '09 Results (continued)

- Improved fish live-haul services established and operational for movement of both fingerlings and market fish, reducing mortality at least by half.
- At least one commercial packing shed established and operational.
- Refrigerated transport services available at competitive prices
- Other important results not directly implemented through Inma:
 - IMMDF Projects funded or planned in the Area: Date Packing house (\$200,000), Chicken Slaughterhouse (\$500,000), Rice Husking (\$250,000), Calf Fattening (feed lot) (\$250,000), Fish Production (\$500,000), Yogurt Manufacturing (\$500,000)
 - Repair and normalized operation of region's irrigation systems
 - Grid electricity reliability improved, removing serious constraint to economic recovery
 - Unrestricted highway passage to wholesale markets
 - Appropriate Social Needs Met to Solidify Stability and social cohesion: Schools and Clinics operating, adequate government services delivered, law and order re-established



Conclusions

1. Inma will carry out major interventions in the "Two Rivers" Region
2. This year our initial plans include:
 - A. Follow on and expansion of forward and backward linkages to fingerling project:
 - Transportation
 - Production
 - Processing / cold storage
 - Marketing
 - B. Animal Feeds:
 - Grains
 - Seeds
 - Fodder / feed depot
 - Feed mill



Conclusions (continued)

C. Annual Horticulture:

- Sorting, grading, processing.
- Packaging Improvement.
- Marketing.
- Improved Hybrids – vegetables.
- Greenhouse.

D. Livestock:

- Possible expansion into feedlot and / or poultry.



Conclusions (continued)

E. Marketing:

- Keen interest in collaborating in USDA led wholesale / retail market

F. Perennials:

- Dates, Improved sorting, grading, packaging.
- Possible trial plantings of low chill requirement fruit trees.



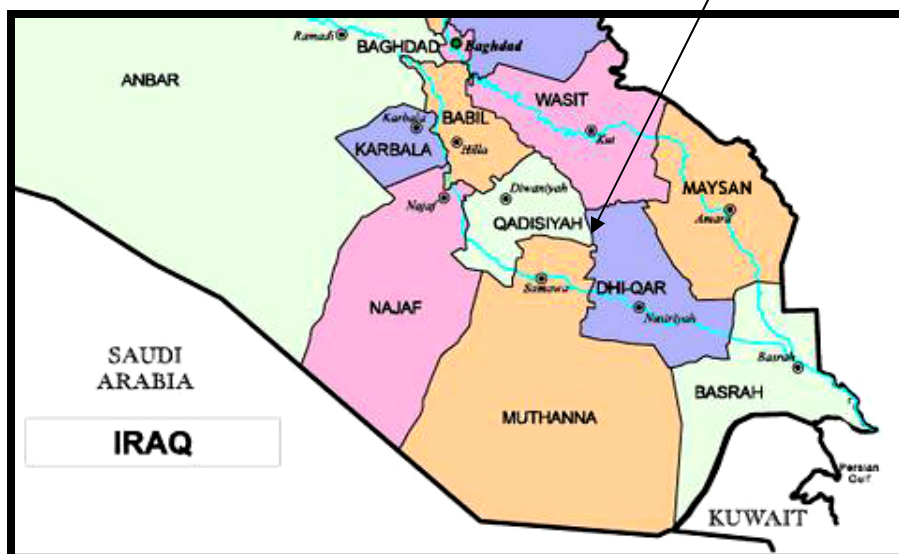
Memorandum of Conversation
Meeting with Deputy Commanding General – 10th Mountain Division
June 13, 2008

Staff from the two ePRTs at Forward Operating Base Kalsu met with Col. Jeff Smith (DCG – P) who has replaced General Cardon as the commander of the MNF-I economic and governance efforts in the our Area of Operation.

Col. Smith started the meeting with an overview of the strategic view of 10th Mountain Division which is a strong focus on supporting Iraqi Security Force development and capacity building, Col. Smith said his intent



was to support ePRTs to help create strong Government of Iraq institutions which in turn will help strengthen the overall security situation in the area. He mentioned that the Division had picked up 4 provinces to the south: **Maysan, Muthanna, Dhi-Qar and Qadisiyah**. Col. Smith indicated this would mean greatly increased distances and indicated there would be a burden on Division transportation systems.



Howard Van Vranken and John Smith, respective Team Leaders for ePRT North Babil and ePRT Baghdad 7 gave an overview of our activities in areas of operation of the 4th Brigade Combat Team and 2nd Brigade Combat Team. Howard cited the need to focus on 3 things: (1) electricity needs, (2) Sons of Iraq, and (3) ICERP. Col. Smith responded

that electricity is a long, long term issue and that we should make sure the Iraqis understand this is not an issue we are going to address – they have to grapple with this on a national level. As for SOIs, he said that there are currently 103,000 SOIs in Iraq and while there is an overall plan for reductions to begin later this year, this is not something that is anticipated in 10th Mountain’s AO. The key issue with SOIs is security and the decrease in casualties is critical – the two are linked and we are committed to continuing this program. In terms of ICERP, this is seen as an Iraqi program and 10th Mountain wants the Iraqis involved as much as possible in the programming and execution of programs funded with any future ICERP. John Smith, ePRT Baghdad Team Leader outlined the key aspects to his team’s approach to promoting economic development – Team Work, Relationships and Trust. John described his programs and had his team members brief on their activities. USDA Rep. Michael Stevens described the team’s success in helping farmers access the Prime Minister’s Initiative \$500 million. Col. Smith said this was a critical approach and indicated that ePRT North Babil should use the same approach.



ePRT Baghdad 7 Team Leader John Smith with DCG – P Col. Jeff Smith

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
June 21, 2008

Focus during the week was on moving forward on helping North Babil farmers gain access to Prime Minister's \$500 million Initiative for the agricultural sector. Also worked on implementation of IRAP programs in Iskandariya – Khidr area. Met with private business man

June 15 – Meeting with Victor Sevilla, RTI – Local Government II Project – Victor Sevilla met with us to discuss how to proceed in developing a strategy to assist North Babil farmers to access the different components of the Prime Minister's \$500 million agricultural initiative. Victor recommended convening a meeting of key players at the RTI Compound later this month (date to be determined this week). The meeting would include Ministry of Agriculture representatives at the Nahia, Qada and Province level for North Babil. Memorandum of Conversation attached.

June 16 – Submission of Golden Hills Residential Rehabilitation Program – The Golden Hills Area Residential Rehabilitation Program provides packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely. Proposal was submitted to the QRF (Quick Response Funds) database.

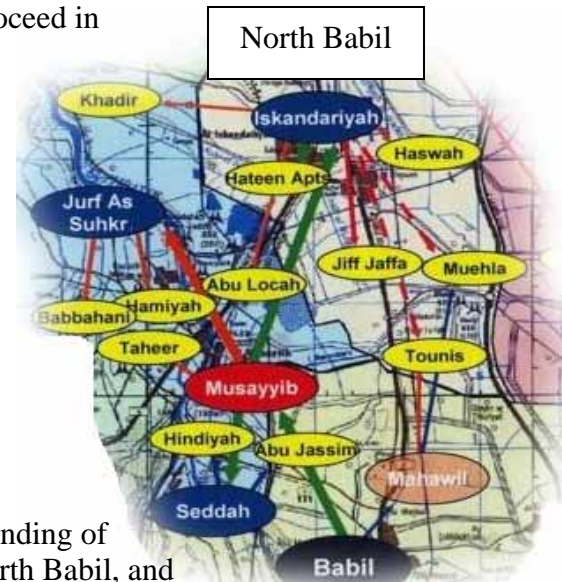
June 18 – Meeting with Textile Factory Owner - Civil Affairs Economics/Education Officer SSG Steve Czarnowski and I met with Mr. Firas to discuss his company and how we can help him get the factory operating again. His company is called the Ezeldeen Textile Factory and is located in Hilla, Babil. The plant at full capacity can employ 15 people (5 people working 3 shifts). Memorandum of Conversation attached.

June 19 – Meeting with Iskandariya Nahia Council to Review Implementation of Khidr Reconstruction Program, Iskandariya Microfinance & Small Business Development – Meeting was held with Sheik Khafaji to sign grant agreement and discuss how program will be implemented. Also, reviewed implementation of microfinance and business services programs. Khidr Reconstruction Grant Agreement was signed. Trip Report attached.

Next Week: Attend USAID PRT Conference in USAID Baghdad (June 21 – 22); Attend ETEC Meeting on June 23 to discuss two ePRT North Babil proposals (Basic School Supplies II and Golden Hills Reconstruction); June 25 – Trip to Tounis Dairy with Borlaug Group; June 26 – Ministry of Ag meeting at RTI Compound in Hilla.

Memorandum of Conversation
Meeting with Victor Sevilla, RTI Ag Expert -Local Government II
ePRT North Babil's Strategy to Assist Local Farmers Access the GOI Resources under
the Prime Minister's \$500 Million Ag Initiative

Victor Sevilla met with us to discuss how to proceed in developing a strategy to assist North Babil farmers to access the different components of the Prime Minister's \$500 million agricultural initiative. Victor recommended convening a meeting of key players at the RTI Compound later this month (date to be determined this week). The meeting would include Ministry of Agriculture representatives at the Nahia, Qada and Province level for North Babil.



The purpose of the meeting would be to (1) get information on the PM's Initiative in order to understand how it is working at the national, provincial and local levels, (2) gain an understanding of how the program is currently functioning in North Babil, and (3) determine how ePRT North Babil can assist farmers gain access to the PM's Initiative programs. We agreed that a meeting would be a good way to move forward on developing a strategy for the ePRT to leverage the impact of the Initiative in North Babil.

Key issues to be resolved were:

(1) Who should be included in the meeting? We discussed whether the meeting should focus only on North Babil or include all of Babil Province. We also discussed who to invite from Baghdad (Ministry of Ag and Embassy). Howard agreed to contact PRT Babil and get a read how they think we should proceed. There are clearly advantages in having a province-wide approach. Victor's concern was that the meeting would be more manageable if we focused only on North Babil. Howard will come out with a decision on how to proceed based on his consultations with PRT Babil. We still need to decide on who to invite from Baghdad.

(2) When should the meeting be held? Howard agreed to get back to Victor with a suggested date for the meeting. Primarily indications are that June 30th would be a good date. This will be confirmed by Howard in an email.

(3) Where should the meeting be held? We briefly discussed where the meeting would be held and we agreed that the RTI Compound in Hilla would be a good location. Subsequent discussions among team members focused on having the conference at the El Rasheed Hotel in Baghdad. The reason for the Baghdad location would be the relative ease of people getting into the meeting and the ability to invite key policy makers from the Embassy and Ministry of Agriculture.

Memorandum of Conversation
Meeting with Firas Fakri Murati Aboud Almahdi
Owner of Ezeldeen Textile Factory
June 18, 2008

Civil Affairs Economics/Education Officer SSG Steve Czarnowski and I met with Mr. Firas to discuss his company and how we can help him get the factory operating again. His company is called the Ezeldeen Textile Factory and is located in Hilla, Babil. The plant at full capacity can employ 15 people (5 people working 3 shifts).

Mr. Firas does not have a proposal. He indicated if we would tell him how much support is available, he could write a proposal.

We told Mr. Firas that we could offer business training and potentially access to a \$2,500 micro credit. We also we could request the Community Stabilization Program staff to assess his business to determine if it would be eligible for a grant or credit.

Mr. Firas provided us with a copy of his business registration papers. We told him we would forward his information to Dr. Asmaa, Director of the Babylon Center for Economy Development, and ask that they discuss the possibility of business training and the preparation of a business proposal for presentation to a national bank, micro-credit lender.



The Ezeldeen Textile Factory is located in the Al Zani neighborhood and has the heavy equipment still in place. Everything that could be carried away was stolen in 2003/2004. Mr. Firas needs help in getting a generator operating, buying raw material for weaving, and repairing his weaving equipment. Mr. Firas can be reached firas_fm@yahoo.com.

Trip Report
Meeting with Sheik Sabah Khafaji, Iskandariya Nahia Council Chairman
To Discuss IRAP (Iraqi Rapid Action Program) Implementation Issues
Michael Maxey, USAID Rep. ePRT North Babil
June 19, 2008

The purpose of this meeting was for ePRT North Babil staff to assist IRAP implementers (Relief International and Small Business Development Center-Hilla) resolve issues regarding the operation of their programs in the Iskandariya Nahia Council Building. Sheik Sabah Khafaji met with us.¹ The meeting started with introductions and an explanation of why the



VoTech Center was chosen as the meeting place: IRAP partners prefer not having US military show up at building where their offices are located – this is a matter of security for them. Sheik Khafaji reassured everyone that Iskandariya is a very safe place now. Howard Van Vranken started the discussion with an overview of the issues we wanted to resolve: (1) office space issues related to both the micro credit program and the small business training program; (2) authorization for placement of a generator by the SBDC at the Nahia Council Building; and (3) signing of Khidr Residential Rehabilitation Program Grant Agreement.

Micro – Credit - Mr. Ahmed started the discussion with an overview of the micro-credit program. Twenty applications have already been received and three loans have been disbursed. Demand is high and the current loan capital of \$369,000 will be disbursed with the next two to three months. Total population in the area is 20,000 families (150,000 residents) and of these up to 80 percent would be candidates for micro credits if resources were available – a total loan capital of \$16 million would be needed to cover these needs (20% of 20,000 families equals 16,000 loans at average size of \$1,000 each). We briefly discussed whether the Government of Iraq could provide funding for micro-credit. We agreed to take up this discussion at another time and that we would also try to obtain additional funding for micro-credit from US sources. We made the point, however, that we would be more likely to obtain US resources if Government of Iraq put up resources as well.

¹ Participants included Mr. Ahmed of Relief International, Mr. Kaiser of SBDC, Howard Van Vranken, ePRT North Babil Team Leader, Steve Wilson, Senior Economic Dev. Advisor, Michael Maxey, USAID Rep, Hikmet Al Awazi, Senior BBA, Dr. Hamid Ahmed, Team Iskan, Major ____ Team Iskan Leader.

Office Space – Micro-Credit & Small Business Development Center – Hilla – We discussed the space issues involving both programs at the Nahia Council Building. It was agreed that Sheik Khafaji would determine how best to partition the open space on the second floor of the building. He would submit a plan to Howard Van Vranken via email and that ePRT North Babil would fund the partition (estimated cost was \$5,000 or less).

Authorization for Generator Installation – Mr. Kaiser explained the need to install a generator. Questions were asked and answered. Sheik Khafaji agreed to authorize the installation of the generator.

Khidr Residential Rehabilitation –

Howard Van Vranken and Michael Maxey provided an explanation of the process that was followed in developing the Khidr Residential Rehabilitation Program. We asked Sheik Khafaji to sign the grant agreement document in order for



material to be purchased and the program move forward. He expressed concern that the grant be implemented in the most cost effective way possible. Sheik Jaffar explained how the grant would be implemented. We agreed that DAI would provide an explanation to Sheik Khafaji and the Nahia Council regarding how the grant would be implemented. We also agreed that DAI would help organize an event in Khidr recognizing the role of the Nahia Council as the grantee under the program. It was clear to everyone that DAI would procure the material and deliver it to PB Kelsey for distribution. It was agreed that a ceremony of some kind involving local authorities, MNF-I and the Nahia Council would be planned in the near future (within the next two months).

Assistance for VoTech Center – The meeting ended with an extended discussion about the pending cut in funding by IRD under the Community Stabilization Program. We agreed that this was a concern and that we would seek ways to help offset the impact of this cut in funding for training. A brief discussion was held on the feasibility of setting up a separate micro-credit fund (\$500,000) for graduates of the VoTech Center. We also discussed setting up a scholarship fund for training – this could create demand driven training. Finally, we also discussed setting up a separate business training fund to provide business services training for VoTech graduates. We agreed to follow up on these discussions in the next two weeks.

OVERVIEW PAGE

GRANT

Between

Development Alternatives, Inc.

And

Iskandariya Nahia Local Council


**LIMITED SCOPE GRANT AGREEMENT
NO: DAIBAG0109**

In response to your application(s) dated 05/20/2008, Development Alternatives, Inc. (hereinafter, referred to as DAI) is pleased to award Iskandariya Nahia Local Council (hereinafter referred to as the Grantee), a grant of, not to exceed US\$495,000.00 in equivalent in support of Khidr Area Residential Rehabilitation, This grant will be implemented IN-KIND meaning that goods and services will be provided in kind to the grantee rather than the grantee managing procurement. The effective date of this Grant Agreement is 06/01/2008 and the estimated completion date of the Grant Agreement is 08/31/2008.

Please sign both original copies of this Grant Agreement document to acknowledge your receipt and acceptance of the grant, and return one original to DAI at the address indicated on the Overview Page.

This Agreement consists of this page, the Overview Page and Articles, and all accompanying annexes.

FOR DEVELOPMENT ALTERNATIVES INC.:	
Name:	Heidi Silvey
Title:	Chief of Party
Date:	12-Jun-2008

ACCEPTED AND CERTIFIED:	
As a legally authorized representative of the recipient named below, I do hereby certify all the items set out in Annex Six of this Grant.	
FOR:	Iskandariya Nahia Local Council
Name:	
Title:	Sheik Sabah Khafaji, Iskandariya Nahia Local Council Leader
Date:	

منحة

بين
شركة تطوير البدائل الأنسانية المحدودة
و

المنحة العينية المرقمة:

الرجاء توقيع كلا النسختين الاصلية من اتفاقية هذه المنحة للأقرار بالاستلام و قبول المنحة، يرجى ارسال واحدة من النسخ الاصلية الى شركة تطوير البدائل الأنسانية على العنوان الذي سيذكر لاحقا.

عن شركة تطوير البدائل الأنسانية المحدودة:	
الاسم:	هايدي سيلفي
المركز:	مديرة المشروع
التاريخ:	٨ كانون الاول ٢٠٠٧

المقبولين و المصادق عليهم:	
بصفتي الممثل القانوني للمستلم المدون اسمه ادناه، وبموجب هذا اصادق على جميع الفقرات المذكورة في الفقرة السادسة من هذه المنحة.	
عن:	الحبيب المصطفى بن ابي بكر
الاسم:	صباح مديرة المشروع
المركز:	رئيس المكتب
التاريخ:	٨/٦/١٩

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
June 28, 2008

Met with IRAP/DAI (Iraqi Rapid Action Program/Development Alternatives Incorporated) to discuss design and implementation of IRAP proposals. Participated in the Embassy Technical Evaluation Committee meeting and supported ePRT North Babil's presentation of two proposals. Attended the USAID PRT (Provincial Reconstruction Team) Conference in the International Zone (IZ). Developed a concept piece for live poultry production and marketing program.

IRAP/DAI – ePRT North Babil now has over \$2 million in approved IRAP/QRF (Quick Response Fund) programming that provides support for micro-credit, business services, reconstruction support to families, school supplies to children, and public information support. We are working hard to implement these programs and create others that are need to support our counter-insurgency initiatives in our Brigade (4th Brigade Combat Team 3rd Infantry Division's Area of Operation – North Babil, Southern Baghdad and Northwest Wasit). A meeting was held with Jon Wiebe to review implementation progress of the programs. An action plan was developed to track implementation and address any issues.

ETEC (Embassy Technical Evaluation Committee) Meeting – I met with the ETEC on Monday, June 23rd, and provided background on two of ePRT North Babil projects that were being presented: (1) Golden Hills Residential Rehabilitation Program - \$495,000 to help 150 families rehabilitate their homes after they were attacked by Al Qaeda of Iraq; and (2) Basic School Supplies for Southern Baghdad and Northwest Wasit - \$200,000 to provide backpacks and school supplies to children impacted by Al Qaeda provoked insecurity in their communities.

PRT/ePRT USAID Conference – Three day conference was held at USAID Compound in the International Zone (IZ) with 27 USAID Representatives attending. The agenda of the conference along with various Memoranda of Conversation of some of the discussions and presentations.

Poultry Proposal – I developed a concept piece for a Live Poultry Production and Marketing Program in North Babil. A meeting was held with Bolaug Team Advisor in poultry on Thursday, June 26th.

Next Week: Follow up on IRAP/DAI implementation of programs in ePRT North Babil area of operation and take action to move forward on design of implementation of live poultry production and marketing program. Follow up on RTI task order to develop strategy for working with Ministry of Agriculture offices in order to help our farmers gain access to the Prime Minister's \$500 million Agricultural Initiative. Take action to elaborate Live Poultry Program.

Memorandum of Conversation
Meeting with Jon Wiebe, IRAP Program Manager,
to Discuss IRAP Activities
Michael Maxey, USAID Rep., ePRT North Babil
June 21, 2008

Bruce Bailey, USAID Rep. for ePRT Baghdad 7, and I met with Jon Wiebe to discuss pending IRAP/DAI proposals in our Areas of Operation (Southern Baghdad, North Babil, Northern Wasit). Jon explained he was going on leave for twelve days and he wanted to recap where we were in terms of proposals being presented, implementation of existing proposals, and development issues related to IRAP. David Williams, Deputy of Chief of Party of DAI, will be in charge during Jon's absence.

Regarding ePRT North Babil, we focused on four areas:

1. Pending Proposals for ETEC (Embassy Technical Evaluation Committee) – Golden Hills - \$495,000 – funds to put together construction packages to assist 150 families rehabilitate their homes in the Northwest part of Wasit province; Basic School Supplies – \$200,000 – funding for 20,000 backpacks for school children in Northwest Wasit and Southern Baghdad.
2. VOTECH – Discussion of implementation of activities for IRAP financed micro credit and businesses training programs. We also discussed expansion of micro credit activities in North Babil.
3. Prime Minister's \$500 million Ag Initiative – We discussed ways that ePRT North Babil is trying to engage Prime Minister's Initiative by helping Ministry of Agriculture offices and North Babil farmers connect to the funding (ag loans, technical support, etc.).
4. Water Well Proposal – Bruce Bailey discussed a pending (now shelved) proposal for water well drilling. The idea was for IRAP to buy well drilling equipment capable of getting to water table 150 ft to 200 ft. The equipment would be granted to a local entity which would then charge a reduced (or competitive) rate¹ for drilling water wells.



¹ Bruce Bailey explained that drilling in our general area is around \$80/ft which is very expensive. Costs should be around \$20/ft or less. Creating competition with more drilling equipment would be a key action.

Memorandum of Conversation
Attendance at the Deliberations of the QRF (Quick Response Fund)
ETEC (Embassy Technical Evaluation Committee) Meeting
June 23, 2008

I attended the ETEC meeting and provided information on two of the seven proposals that were being considered: (1) Golden Hills Residential Rehabilitation Program - \$495,000; and (2) Basic School Supplies for Children (Northern Wasit & Southern Baghdad) - \$200,000.

Both proposals were approved and we have received ETEC notification via the PRS-Help@msi-inc.com of further information requested by WTEC on the Golden Hills Residential Program regarding safeguards to ensure the building material goes to those families in most need (those whose homes were destroyed by Al Qaeda of Iraq) and to prevent any resell of supplies for cash.

A reply was sent to WTEC (qrf@state.gov) explaining the procedures that were used to assess the families who suffered from AQI occupation of the Golden Hills area of Northwest Wasit and describing the way the supplies will be provided under the supervision of the Patrol Base Copper and the military unit who owns this battle space.

EPRT North Babil now has over \$2 million in IRAP approved projects¹ and we want to make sure these programs are implemented expeditiously. A meeting will be scheduled in North Babil to review issues and seek ways to move quickly but with proper oversight. ETEC Committee members will be invited to attend this field review.



ETEC Committee – US Embassy Baghdad

¹ Iskandariya Micro-credit - \$500,000; Iskandariya Business Services - \$213,000; Khidr Reconstruction - \$495,000; Golden Hills Reconstruction - \$495,000; Seddah Radio Station - \$75,000; School Supplies – North Babil - \$200,000; School Supplies – Northwest Wasit & Southern Baghdad - \$200,000.

Maxey, Andrew 4 BCT EPRT

From: Maxey, Andrew 4 BCT EPRT
Sent: Friday, June 27, 2008 11:09 AM
To: Dowling, Christopher MAJ B-415 CA CDR; Elnour, Adil MAJ HHC BDE CA
Cc: Vanvranken, Howard; Shuck, Roger LTC 4BDE DCO; Nye, John COL EPRT Deputy Team Leader; Comello, Anthony MAJ 4BCT, 3ID S6; McConnell, Joseph 1LT 4BDE HHC XO; Kerr, William MAJ B-415 CA CAT A TM CHF; Nunnelee, Michael SFC EPRT MEDICAL ADVISOR; Stewart, Luke 1LT 4-3ID ePRT OPS; Brock, Mark MAJ 1/76 FA BN XO; Morris, George M. CPT, 2-502 IN B CO CDR; Hood, Sean MAJ Team Chief 415th CA BN; Stickels, George GS-14 EPRT AG ADVISOR; Duncan, Laurence GS-15 EPRT
Subject: ePRT North Babil - IRAP (Iraqi Rapid Action Program) Implementation
Categories: UNCLASSIFIED

Sirs,

I need your help and advice on how to proceed in coordinating the implementation of approximately \$2 million in programs funded by ePRT North Babil. These programs are described below and were developed with input from the Battalions. From my experience, Civil Affairs teams at the Battalion level were involved but I don't believe we have a good communication system set up to coordinate our activities with the Civil Affairs teams, Battalion Projects Officers, and others. I believe we need to clarify how these programs will be implemented, who will be the primary lead for coordinating implementation, and how we will track and resolve issues. We are entering a phase in which the effectiveness of our program is going to depend more and more on how well we implement our programs. Involving military staff in coordinating with DAI the implementation of IRAP funded programs in their Area of Operation could be a very effective force multiplier and the only way our limited ePRT North Babil staff can manage an increasingly complex program portfolio. In addition to implementation coordination, we also want to make sure military units are able to effectively present their concerns, priorities and issues regarding the types of programs and activities that should be included in new IRAP programs.

The purpose of this email is (1) determine who the key people at the Brigade, Battalion and Company level that should be involved in coordinating implementation and providing input on new program design (2) get your input on how to set up a coordinating mechanism for the implementation of ongoing programs, and (3) how to manage the coordination of IRAP implementation activities managed by DAI in each unit's Area of Operation. I want to set up a meeting for next week and invite DAI to come out and explain their operations and their vision of how implementation will work in the field. At that meeting, ePRT North Babil (Howard and me) will explain how IRAP works, what we have funded to date, and what types of new activities are envisioned under IRAP over the next three months.

6/27/2008

Can you please give me a list of people that should be invited to that meeting to discuss IRAP? I hope we can include as many people as possible from all the units across the Brigade.

Current IRAP Projects

Iskandariya Micro Credit Program - \$500,000 – Implementation Proceeding
Iskandariya Small Business Training - \$213,000 – Implementation Proceeding
Khidr Residential Rehabilitation Program - \$495,000 – Grant Agreement Signed – Implementation Pending
Golden Hills (Wasit) Residential Rehabilitation Program - \$495,000 – Program Funding Approved – Grant Agreement Signing Pending
Seddah Radio Station - \$75,000 – Program Funding Approved – Grant Agreement Signing Pending
Operation Backpack – School Supplies – North Babil - \$200,000 (20,000 backpacks w/supplies) – Program Funding Approved – Grant Agreement Signing Pending
Operation Backpack – School Supplies – Northwest Wasit & Southern Baghdad - \$200,000 (20,000 backpacks w/supplies) – Program Funding Approved – Grant Agreement Signing Pending

Possible Future IRAP Projects

Expansion of Micro Credit to other areas of 4th BCT Area of Operation
Live Poultry Production and Marketing Program
Bank Credit Program for Small Enterprise Activities (including agriculture)
Security Program (Solar Street Lights – in strategic areas)

Any help on moving forward with this is much appreciated. The list of contacts is needed as soon as possible. Thanks for your help.

Michael Maxey
USAID Rep.
ePRT North Babil

**USAID PRT/ePRT Representatives Conference
22 – 24 June 2008**

Saturday, 21 June –

1300 – 1700

Time for one-on-one discussions on work objectives and other issues (Kent's office)

1830 - 2000

Social (VIP Room)

Sunday, 22 June – Hammurabi Room

0800

Opening by Mission Director, USAID/Iraq, Mr. **Chris Crowley**

0845

Introductions and ice-breaker
Leads: **Tami Halmrast-Sanchez and Brian Conklin**

0900

PRT/ePRT Provincial Strategic Planning –
Discussion on the maturity model, PRT work plans and Joint Common Plans (JCP)
Leads: **Jeff Ashley and Miles Toder**

1000

Coffee Break

1030

PRTs' Roles and Missions – Discussion on how PRTs function as both an implementation mechanism and as a platform for program implementation.
Leads: **Kent Larson and Steve Morin**

1130

Discussion on reporting, communications, and information sharing (frequency, format, and inclusion of USAID information)
Lead: **Jim Dobson and Geoff Minott**

1230

Lunch with RTI (Cafeteria separate')

1400

Discussion with OAA – USAID procurement mechanisms, budgets, work plans, the role of activity managers, and do's and don'ts in the field
Leads: **Jerry Kryschal OAA and Steve Morin**

1445

Break

- 1500 Support issues
Leads: **EXO and FMO**
- 1600 Presentation by RLA on No Fear/Whistle blowing
Lead: **Mark Driver**
- 1645 USAID and OPA – Discussion on the future in Iraq of PRTs & cPRTs, teamwork, procedures and interagency communication
Leads: **Kent Larson, Phyllis Powers/OPA and Andrew Passen/OPA**

Monday, 23 June – Hammurabi Room

- 0900 Scheduled time for video taping of "Life on a PRT in Iraq" information segments
Leads: **Dan Squillaro, Lasha Altunashvili, Jana Spasojevic**
- 0930 Presentation, followed by discussion on the Iraq Community-based Conflict Mitigation (ICCM) project, with the participation of the implementing partner Relief International.
Lead: **Diana Arnaudova and David Bailey**
- 1100 Panel Discussion on CAP II. A chance for G to hear from the field on the progress being made by CAP II, as well as the challenges it faces. Discussion will include the Civil Society Database and use of the CAP II PRS. G is encouraged to invite a partner representative.
Leads: **Gavin Helf and Mark Wilt**
- 1200 Lunch
- 1300 Panel Discussion on LGP. A chance for Governance to hear from the field on the progress being made by LGP, as well as the challenges it faces. G is encouraged to invite a partner representative.
Leads: **Miles Toder and Geoff Minott**

- 1400 CSP -FSO presentation. Discussion will include the possible vetting of sub-contractors through military databases.
Lead: Jeff Goebel, Nick Marinacci and Peter Davidian
- 1500 Break
- 1530 Panel Discussion on Elections Support - A chance for G to hear from the field on what local government is saying about elections, do's and don't's for PRTs/ePRTs in regards to election support. G is encouraged to invite a partner representative. **(In VIP Room)**
Leads: Martin McLaughlin and Sacha Fraiture
- 1630 OFDA Presentation. A discussion of OFDA IDP programs and the role of PRTs in the IDP issue. OFDA is encouraged to invite partner representatives. **(In VIP Room)**
Lead: Doug Mercado and Mark Urban
- 1730 VTC with Jim Kunder

Tuesday, 24 June – Hammurabi Room

- 0830 Panel Discussion on the way forward in governance and capacity-building and the current status of new activity design and approval (LGP III, CAP III, and Tatweer)
Leads: Rodeina AbdelFattah, Miles Toder and Julie Koenen-Grant
- 1000 Time for one-on-one discussions on work objectives and other issues (Kent's office)
- 1100 Hail and Farewell
- 1200 Lunch
- 1330 Panel Discussion on *Inma*. A chance for EGA to hear from the field on the progress being made by *Inma*, as well as the challenges it faces. There will

- be a special emphasis on the challenges and opportunities the Poultry industry presents. EGA is encouraged to invite a partner representative.
Leads: **Michael Maxey and Ron Curtis**
- 1430 Presentation by **Ambassador Adam Erel** on PRT Imagery and differentiating public diplomacy and public affairs and the 'fit' in Iraq
- 1500 Program Office presentation: monitoring & evaluation (M&E), knowledge management/web portal and budgets – Discussion by PRO
Leads: **Workench Tolla, Marunga Manda, Michael Rothe**
- 1530 Break
- 1545 Media training, media policies, information uses
Leads: **Jessica DeVreeze**
- 1600 Panel Discussion on *Tijara* private sector economic growth programs. A chance for EGA to hear from the field on the progress being made by *Tijara*, as well as the challenges it faces. EGA will provide an update on the current macroeconomic situation in Iraq, challenges being faced by the Central Government that have impact on the Provincial level. EGA is encouraged to invite a partner representative.
Leads: **Anar Khalilov and Rave Aulakh**
- 1700 Closing remarks by **DCM Patricia Butenis**
- 1730 Panel Discussion on IRAP. A chance for PRT to hear from the field on the progress being made by IRAP, as well as the challenges it faces. PRT is encouraged to invite a partner representative.
Leads: **Mustapha El-Hamzaoui and Peter Davidian**
- 1830 Wrap-up and Closing Remarks

Memorandum of Conversation
Phyllis Powers - Director of Office of Provincial Affairs &
Col. Jeff Smith, Deputy Commanding General – Econ. Dev. – 10th Mountain Division
Discussion of PRT Issues – PRT Conference
June 22, 2008

This session focused on the future in Iraq of PRT and ePRTs, teamwork, procedures and interagency communications. Ms. Powers began the meeting by saying that the current plan is to have PRTs and ePRTs through next year and probably until the summer of 2010. She indicated she was here to have a discussion. Col. Smith indicated he wants to learn what is happening at the PRT level and how to improve on the ground activities. He mentioned that a conference is being planned during the next 50 to 60 days in which the PRT Team Leaders and USAID Reps participate.



doing interviews of potential candidates. They can also do different things to get PRT new hires up to speed quicker through some innovative mentoring (she mentioned a mechanism where new USDA hire reps are partnered for the first few weeks in country with veteran USDA reps).

Wide ranging discussion focused on how to incorporate PRT and ePRT staff into planning processes of the military. Col. Smith said that finding a way to bring in PRT experts to Division headquarters for planning sessions is critical. There was general agreement that we find a way to get civilian expert advice into the Division level. The advantages of having this type of advisor (one or more) would take pressure off the field level staff in terms of countering the strategic directions taken by the military leadership.

Ms. Powers recommended that she and USAID Mission Director Chris Crowley could help play this role until a longer term solution has been found. In the meantime, she indicated that any concerns be communicated directly to her and Mr. Crowley before vetting comments, especially negative comments, too widely. The meeting ended with agreement to keep this dialogue open.

Ms. Powers – *Planning is key. We are going to get less money, not more money. Planning will be critical. Iraqi buy in will be critical. Leveraging the Iraqi financing of activities is key.*

Chris Crowley – *The discussions this morning were important in terms of discussing roles and responsibilities of PRTs and how they support implementation in the field.*

There was a wide ranging discussion on PRT and ePRT implementation, staffing issues, and general operations. Ms. Powers said that in terms of staffing, OPA can help by

Memorandum of Conversation
Presentation by Community Stabilization Program
Jeff Goebel, Focused Stabilization Office, USAID Baghdad
June 23, 2008

Nick, Jeff and Kent are all leaving in September, 2008. USPSC will come on board in August. USDH will be in as Deputy Office Director in September. Staff changes are coming – we need to work together to make the transition as smooth as possible. The following issues were discussed:



CSP Protocol – Jeff reviewed the “protocol” for communication between ePRT USAID Reps with CSP (IRD) field staff. The protocol describes the types of information that can be provided by IRD in terms of requests made by the field. Nick as CTO may have to get involved if the requests are above what normally can be expected from a USAID grantee under a Cooperative Agreement.

Waste, Fraud & Abuse – Jeff passed around the Inspector General guidelines for how to deal with fraud. Any reports that come to Jeff or his staff are first offered to the Inspector General’s office in USAID/Baghdad. Mission leadership mentioned that the Front Office should be included in communications regarding clear cases of fraud.

Monitoring of CSP Activities – A wide ranging discussion centered on how best to get feedback on CSP activities in the area of operation of each ePRT. Some ePRT and PRT USAID Representatives mentioned the need to have more information regarding what is being done in their areas of operation. There was also a discussion of the need to vet the names of IRD contractors and/or companies to determine whether they are any problems. An email will be sent out to PRT and ePRT USAID Reps asking for suggestions on the need for and potential benefit of a formal vetting process.

SOIs & Votech Training – There has been a decision by Washington that ESF funding can not support SOI training. Stipend levels are different between what is paid by JTERP (\$240) and IRD (\$75). Different target was to have 5,000 in JTERP but so far less than 500 are in the Votech training program under JTERP. There is a “don’t ask, don’t tell” policy regarding SOIs. As long as an Iraqi is unemployed and willing to accept the IRD stipend then they can participate in CSP/IRD funded votech training. Strategic Effects Team in Embassy is working with Focused Stabilization Office.

After the meeting, I spoke with Nick and Jeff and they indicated if the 10th Mountain Division will agree to not use JTERP funding in the Iskandariya Votech then CSP/IRD funding will continue.

Memorandum of Conversation
 Local Government Program Briefing
 Geoff Minott, CTO LGP II
 June 23, 2008

Local government history --- original local governments stood up by MNF-I with little legitimacy. Evolution over time has been for provincial governments to execute federal funding allocated to them: 2006 - \$2 billion; 2007 - \$2.6 billion; and 2008 - \$5 billion. Represent constituents, review local ministry plans, authorize and collect local taxes, address local issues --- Local government does not the power to impact on essential services – this is done by local offices of ministries of the federal government.

2003 – LGP I – Active in all 18 provinces, 200 personnel, 2,400 Iraqi staff. Focused on establishing essential services at the local level. In 2004, Muqtada al Sadr led an uprising that made LGP I to centralize operations in regional offices Erbil, Baghdad, Hillah and Basrah. LGP I played a key role in forming local governments from the grassroots up.

2005 – Follow on contract was signed in May 2005. Focused on supporting local governments and provincial governments brought to power in the provincial elections. LGP II had their mandate changed as the first 10 PRTs (Provincial Reconstruction Teams) were stood up and LGP II was tasked with supporting the PRTs. Focus was on public finance, local government and city planning. LGP II led the process for the development of the Provincial Powers Act.

CPA 71	Provincial Powers Act ¹
<ol style="list-style-type: none"> 1. No power to raise and administer budget resources. 2. No direct oversight of the Ministerial offices. 3. Provincial employees were contracted by using administrative fee (4 percent of federal reconstruction funds) and were not civil servants. 	<ol style="list-style-type: none"> 1. Provinces have the power to enact all laws for development of the province. 2. Prepares the operational budget of the province. 3. Budget must be submitted to the Ministry of Finance to make sure it .

Budget Development Issue – We may need to help provisional governments with budgeting for staffing issues (their own, provincial staffing versus ministerial staffing).

¹ New Powers - Governor has power to prepare the budget. Governor is made executor of federal policies in the province. Oversee and inspect the Ministerial offices in the provinces. Appointment of civil servants (currently the governor’s staff are contracted) – new law allows for the establishment of provincial civil service. Direct authority to investigate crime.

Iraqi Poultry Production: A Market Possibility in a War Zone
Michael Maxey, USAID Rep., ePRT North Babil
June 24, 2008

The Inma paper, “Central Iraq Poultry (Broiler) Production: Problems and Prospects” prepared by Fanco Scotti, Edgar Arizo-Ninos and Tony Laos provides useful information in developing a viable poultry production program for Iraq. This summary and outline of a potential project is offered for discussion as part of the USAID Provincial Reconstruction Team Conference deliberations.

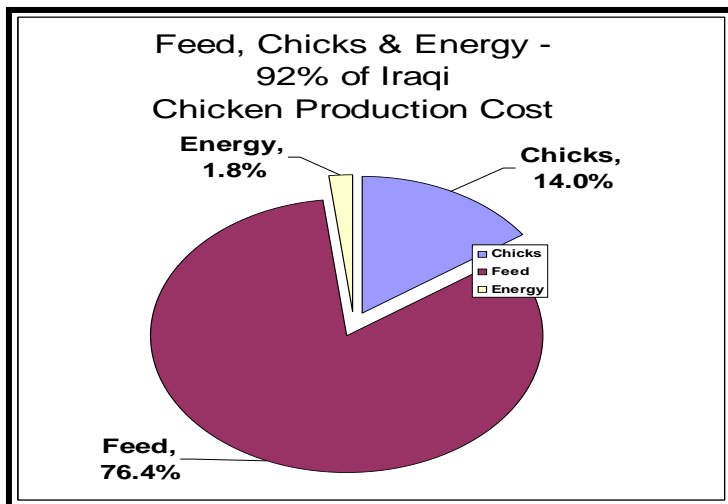
“Iraqi consumers have a strong preference for live or fresh chicken and are willing to pay a price premium of over 30 percent over the frozen equivalent.” June 2008 - Inma Report – “Central Iraq Poultry Production: Problems & Prospects”

Market Opportunity – According to Section III of the Inma paper, “Iraqi Current Poultry Value Chain” there is a viable market for live chickens in Iraq where consumers are willing to pay a price premium of over 30 percent over frozen imported Brazilian chicken. The value of this market is approximately US\$75 million.¹ While approximately 80 percent of the chicken market in Iraq consists of frozen imports there is, according to the Inma report, a consumer preference for live or fresh chicken. Overall profit potential could exceed US\$15 million in addition to the jobs generated by the labor intensive nature of the live market production and market mechanisms (i.e., lots of small traders).

Current Iraq “Live Chicken” Market Potential		
Wholesale Price	Production Cost	Profit Margin
\$2.50 - \$2.75/kg	\$1.99/kg	\$0.50 - \$0.75

Production Constraints

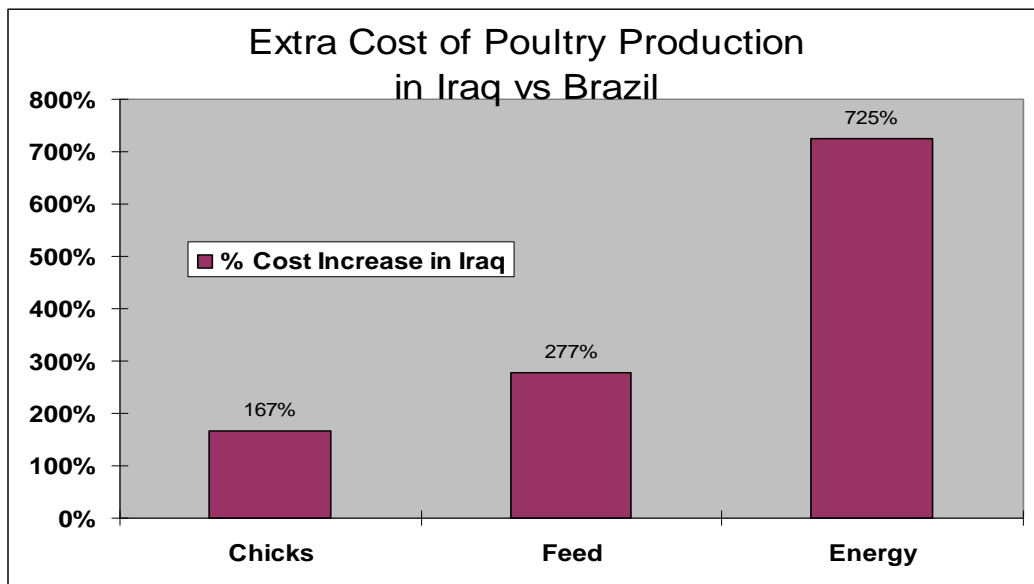
Traders currently pay between \$2.00 and \$2.50 per kg for live chicken. Production cost in Iraq are approximately \$2.00 per kg in the current market. Ninety-two percent of Iraqi chicken production costs are in feed (almost 75 percentage of the total cost of production is from feed



¹ Calculation is based on 25 million population consuming 6 kgs per capita for a total national consumption of 150 million kgs per year. According to the Inma study, 20 percent of this market is fresh/live poultry or 30 million kgs with an average selling price in the wholesale market of \$2.50 to \$2.75/kg per live chicken. Given the lack of cold chain infrastructure highlighted in the study, one assumes the majority of this market segment is live poultry. If that is the case, then this market segment would be approximately \$75 million (\$2.50 per kg times 30 million kgs of consumption).

costs). Other constraints such as lack of cold chain, centralized slaughter facilities, and market infrastructure are not critical to the live poultry segment of the market.

Address War Related Constraints - While its hard to determine which market constraints are war related and should be targets of US assistance to move Iraq down the continuum from a war zone to a market economy, there is useful information in the Inma report on cost differentials between Brazil and Iraq. Energy costs in Iraq are over 700 percent higher than Brazil, while feed costs were almost 300 percent more costly in Iraq. Finding a way to address feed costs (say by lowering those costs by 25 percent) could make the Iraqi live chicken market producer a potentially profitable venture even in the uncertain world we find in Iraq.



Proposal – A proposal can be developed for support for live chicken production for the Iraq market that consists of three partners:

- (1) Inma with feed production for the pilot “live” poultry enterprises;
- (2) Central Euphrates Valley Farmers Association with support from IRAP/QRF (\$500,000) to develop appropriate scale production operations to successfully compete in the “live” poultry market; and
- (3) US Military – CERP support to physical infrastructure for Central Euphrates Valley Farmers Market (cold storage, slaughter facilities, etc.) that would allow the evolution of poultry production to a broader market segment.

Also as part of this production and marketing initiative, ePRT North Babil would seek to provide working capital at fair market rates through the existing North Babil banking infrastructure for the farmers involved in live poultry production.

Brazil vs Iraq Poultry Production Costs

*Fixed Costs are essentially the same in both Brazil & Iraq. Variable costs are significantly different.

Items	<u>Cost per Chicken*</u>		<u>Extra Cost of Producing in Iraq</u>	<u>Percentage Increase in Cost of Production in Iraq</u>	<u>Percentage Cost of Overall Production Costs in Iraq</u>
	<u>Brazil</u>	<u>Iraq</u>			
Chicks	\$0.42	\$0.70	\$0.28	167%	14.0%
Feed	\$1.30	\$3.60	\$2.30	277%	76.4%
Energy	\$0.01	\$0.09	\$0.08	725%	1.8%

- Each chicken is 2.4 kgs.

Weekly Report
Michael Maxey
USAID Rep, ePRT North Babil
July 5, 2008

Activities during the week included: (1) follow up on Live Poultry Program and discussions with Borlaug Institute – Iraq Task Force; (2) meeting with Community Stabilization Program Field Manager Jane Thomson and an update on CSP actions in North Babil; (3) de-briefing by Borlaug Institute and identification of key areas for agricultural development; (4) development of concept for North Babil Seed Multiplication Program as IRAP proposal; (5) field trip with IRAP/DAI and Tijara staff to Iskandariya; and (6) summary of “Muqtada” by Patrick Cockburn.

Live Poultry Program – Brigade and ePRT North Babil leadership agreed that the development of a pilot Live Poultry Production and Marketing program for our area of operation would be an important initiative. A concept paper was developed for a program to target the \$75 million live poultry market in Iraq. Meetings are scheduled in IZ next week with Inma and PRT Baghdad personnel to design final IRAP proposal.

Community Stabilization Program Update – I met with CSP Field Coordinator Jane Thomson on June 28th and discussed CSP Programs in North Babil. Total program investments now exceed \$3.6 million.

Borlaug Institute De-brief – I attended the team’s briefing after completing one month in the North Babil area. A summary of my notes from the briefing are attached.

North Babil Seed Multiplication Program – Inma will provide 152.5 metric tons of cereal grains to ePRT North Babil for distribution under a development program designed by the team with local ag associations. I developed a draft IRAP proposal for implementing this program.

IRAP Field Trip & Discussion of Implementation Issues – I met with 4BCT staff to brief them on the IRAP program and discuss implementation issues. A MemCon of that meeting is attached. I organized a field visit and trip to Iskandariya for DAI senior management and Tijara program staff to assess the potential for increasing micro credit and business services in North Babil. With the DAI staff we discussed ways to improve IRAP implementation.

Book Summary – I read Patrick Cockburn’s “Muqtada: Muqtada Al-Sadr, the Shia Revival, and the Struggle for Iraq” – a summary of my notes is attached.

Next Week: I will be in the IZ for meetings with Inma and PRT Baghdad to move forward on ag issues and the development of North Babil Seed Multiplication Program and Live Poultry Program. I will be on consultations from July 11 – August 4, 2008.

Memorandum of Conversation
De-Briefing of Team Borlaug to 4th BCT, 3rd ID
June 30, 2008

I attended the de-briefing by Dr. Edwin Price and Dr. Glenn Shinn representing Team Borlaug. Overview of Borlaug Institute and its mission – "... employ agricultural science to feed the world's hungry." In addition to this we are also here seeking ways to give the Iraqis hope for the future. This was a total team effort of everyone involved in the fight here.

The way we work – 10 big issues are the focus: ag production, community leadership, economic prosperity, education, environmental sustainability, future view of local farmers, governance, receptivity to change, security and safety, and university/college development. The Team brought its on technical specialties to these issues – some specific expertise and some cross cutting specialties.

The Team's recommendations – 5 major recommendations and 6 tactical recommendations:

Major Recommendations

1. Water – half of crop land abandoned primarily due to lack of water. Canals need to be maintained, pumps put in place, water distribution systems improved, and management system developed. Use water saving technology.
2. Youth – Focus on leadership, entrepreneurship and self discovery. Form youth organizations through schools and ag associations.
3. Seed – Improve seed and brood stock – seed is saved up to 10 generations and loses quality. There is a great need for focus on vegetable seed viability. Enforce regulation on seed quality. Import better fish, poultry and cattle genetics.
4. Disease – Animal Husbandry – Many diseases here that cause serious problems for production and limits any export opportunities because of disease problems. There are many veterinarians – we need to empower them and link them back to the ag sector. We have to improve diagnostic laboratories for animals and plants.
5. Extension – Knowledge is only a critical factor for economic development if it is applied. Train and support extension agents, link them to university and ag ministry programs, develop extension programming, and use ag associations as a major vehicle for ag transformation. Focus on low energy, shallow well, drip irrigation --- to focus on ag cooperation, low energy, shallow well and drip irrigation. This is with Babil PRT and a QRF proposal is ready for submission.

Tactical Recommendations

Irrigation & Water Use – Use sprinkler and drip irrigation systems when appropriate, include the leadership of ag associations as farmer representatives in irrigation districts, and organize and enforce cleaning and maintenance of feeder and drainage canals to mitigate salinity of soils.

Youth Development – Youth fairs, youth clubs, implement school curriculum to focus on agriculture.

Cereal, Grain, and Row Crop Production – Introduce new germplasm. Pursue integrated production systems to reduce the need for fertilizers and pesticides. Use soil and tissue testing by certified labs to optimize inputs for production.¹

Horticulture – IPM (Integrated Pest Management) to control Dubus bug. Use contracts for value added commodities. Establish private spraying and crop protection services. Create a Date Marketing Board and develop a national Date Quality Certification Program. Focus on moving Central Euphrates Farmer’s Market. Further develop value chains suggested by local businessmen: tomato processing, date sugar, pickling vegetables, corn oil, etc.

Aquaculture – Improve carp broodstock for hybridization with locally adapted carp strains. Increase use of on-farm/off-farm inputs, develop small scale, multi-purpose feed mills, and site ponds on reclaimed land. Key point is to focus on licensing the fish farms we are dealing with.

Poultry – Encourage family-sized poultry flocks. There is also real potential for quail production. This is being done in Egypt. There is a potential for quail production here. Dr. Gary Briers mentioned the biological bank that the poultry can be in terms of relatively low level investments.

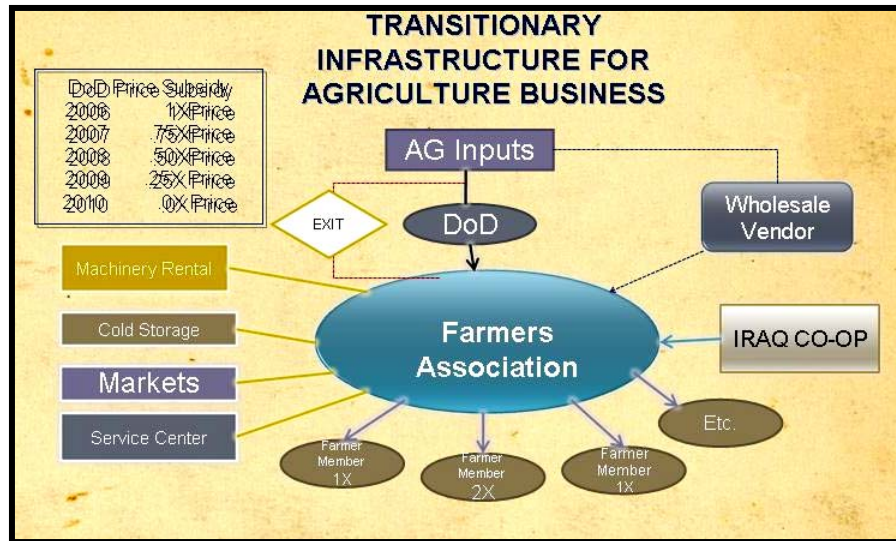
Livestock – Economics & financial mgt training is needed. Genetic improvement is needed. Milk collection and cooling facilities are needed – bulk collection from a region for a central processing unit would be key.

Animal Health – Focus on improving vet services and improving animal stock. Use mini=grants to facilitate purchase of necessary equipment and medication for veterinarians, using an established application format and review process.

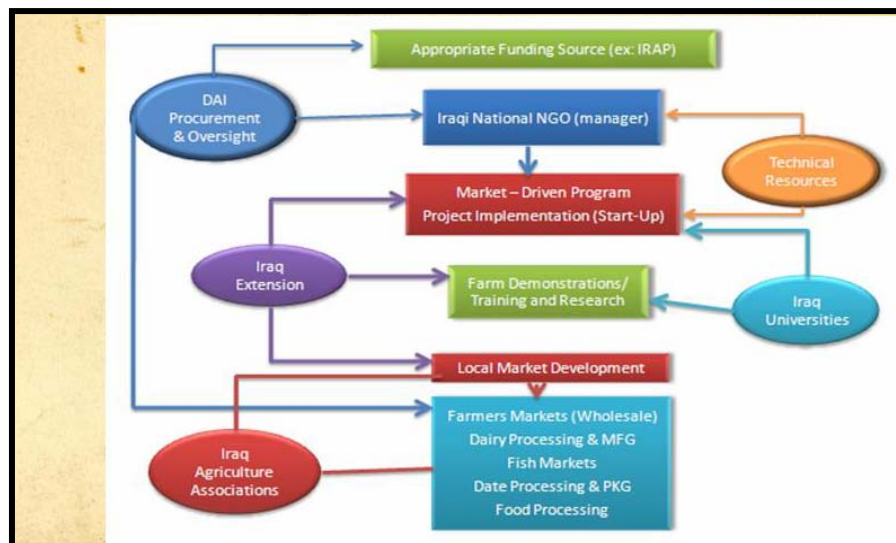
Agricultural Machinery – Need to focus on increasing access to PTO machinery, development of appropriate implements, and possibly provide “tool boxes” to graduate of technical training schools.

¹ What about soybeans? Production is about one half in tropical areas as in temperate areas. We could try it here but we could also look at other types of oil seed crops – canola is one example, peanut is another example, sunflower, cotton, etc.

Transitional Infrastructure for Agriculture Business



Sustainable Market – Driven Programs: Exit Strategy



Memorandum of Record
Meeting with 4th BCT 3rd ID Projects Staff
Discussion of USAID Programs Operating in the Brigade's Battle Space
and Ways to Improve Coordination and Implementation
Michael Maxey, USAID Rep., ePRT North Babil
June 30, 2008

A meeting was held with members of the Brigade Civil Affairs and S9 staff² to (1) provide an overview of USAID programs operating in our battle space³, (2) describe the potential for using IRAP (Iraq Rapid Action Program) funding for projects that can support counter insurgency initiatives, and (3) solicit input on how better to coordinate implementation of IRAP and other USAID activities. Attached is a description of USAID Programs, a listing of all IRAP projects approved across the 27 PRTs/ePRTs in Iraq, and a graphic depiction of the change in USAID activities in North Babil over the last four months.

I explained that the USAID program most readily available to support initiatives important to the Brigade is IRAP. Funded with QRF (Quick Response Funds), managed in the field by a private contractor, Development Alternatives Inc (DAI), with funding jointly programmed by State Department and USAID under the Embassy Technical Evaluation Committee (ETEC), IRAP can provide up to \$500,000 for a development activity in our battle space. IRAP is a fast track way to design and gain approval for relatively large programs. The attached summary of ETEC approved projects shows the types of programs that can be funded under IRAP. EPRT North Babil has gained approval of seven IRAP proposals. Two of which, Iskandariya Micro credit and Small Business Services, are proceeding at a rapid pace. The other programs are taking longer to implement.

I asked for suggestions on how to coordinate IRAP implementation and take action on issues that constrain implementation. The group suggested that we (1) create a group comprised of the S9 from each Battalion as the primary point of contact for DAI on all matters relating to IRAP implementation, (2) request DAI to provide an "action plan" for the implementation of each existing IRAP Program in our battle space that shows key actions, deadlines and defines roles/responsibilities, and (3) establish a monthly meeting with DAI to review IRAP implementation.

² Participants included LTC Barksdale, Major Brock, Major Switzer, Major Elnour, Major Dowling, Major Kerr, Cpt Scheeringa, Cpt Shannon, Cpt Morris, Major Lazarz, Major Brown, Lt. Mitchum, Lt. Hanley, Cpt Jones, and Cpt Luke Stewart.

³ I began the meeting with a description of USAID's history dating back to President Truman's inaugural address in 1948 and Point Four of that speech in which he outlined how the United States would share its technical expertise with the developing world to promote economic development. President Kennedy established the United States Agency as an independent agency in 1962 and USAID since 2003 has managed approximately \$10 billion a year in foreign aid around the world. USAID's current investments in Iraq amount to \$3.5 billion with approximately \$1.3 billion obligated but not yet expended. The primary programs in North Babil consist of the Community Stabilization Program (CSP), Community Action Program (CAP II), IRAP (Iraq Rapid Action Program), Inma (Ag Development Program), Tijara (Business Development Program).

Funding and Disbursement of USAID Programs

Michael Maxey, USAID Rep. - EPRT North Babil

michael.maxey@4bct3id.army.mil

June 2008

IRAP (Iraqi Rapid Action Program) – This is a Quick Response Fund program that finances development activities in excess of \$50,000. Funding decisions are decided by the US Embassy – Baghdad’s Office of Provincial Authority through ETEC (Embassy Technical Evaluation Committee). EPRT North Babil now has 7 IRAP (Iraqi Rapid Action Program) projects funded with over \$2.1 million in QRF (Quick Response Funding).

Basic School Supplies for Children – North Babil - \$200,000 to provide 20,000 children with a backpack and school supplies;

Basic School Supplies for Children – Northwest Wasit & Southern Baghdad - \$200,000 to provide 20,000 children with a backpack and school supplies.

Khidr Area Reconstruction - \$495,000 to provide 300 families with a basic re-building package (basic building supplies valued at \$3,300 for each family);

Golden Hills Reconstruction - \$495,000 to provide 300 families with a basic re-building package (basic building supplies valued at \$3,300 for each family);

Iskandariya Microfinance Program - \$500,000 to provide over 200 microcredit loans to area residents (maximum loan is \$2,500 for one year period at approximately 17 percent interest) based on solid business plan and viable economic activities;

Iskandariya Small Business Development Center – \$213,000 to provide business services and training to 555 residents in North Babil area. The Center will also assist in registering Non-Governmental Organizations and strengthening their ability to successfully implement private sector activities.

Seddah Radio Station - \$75,000 to establish public service radio station in Seddah Local Council building.

Total IRAP funding for all of Iraq is \$130 million. The program was initiated in September 2007 and will end in October 2009. Total disbursements as of March 31, 2008 were \$8.5 million.

CSP (Community Stabilization Program) – Total 2008 budget for CSP North Babil activities is \$7,974,827. Of this amount, \$3,575,941 is allocated in micro-enterprise grants (\$603,705), employment generation activities (\$1,133,181), infrastructure and essential services programs (\$1,839,055), and business training (\$10,000). Total CSP employment in North Babil is 4,051 short-term jobs, 190 long-term jobs with 98 total

business grants awarded to date valued at \$604,000. There are currently 1,237 Vocational Trainees in the CSP funded program in both Iskandariya VoTec and Mussayib Technical Institute with 30% of CSP VoTech graduates placed in either apprenticeship programs or long-term jobs. There are 17 engineering/infrastructure projects currently being implemented in North Babil valued at total of \$1.8 million. More than 2,500 youth are engaged in soccer tournaments in Mussayib and Mahawil Districts funded by CSP. Total CSP funding for all of Iraq is \$544 million. The program was initiated in May 2006 and will end in September 2009. Total disbursements as of March 31, 2008 were \$297 million.

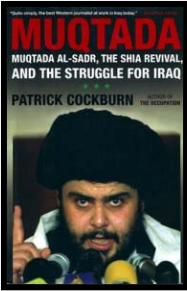
CAP II (Community Action Program II) – Investments for 2008 in North Babil are \$2,286,905 in 56 projects. The projects included: 8 health projects (\$392,071); 9 construction projects (\$617,703); 14 education programs (\$1,071,081); and 3 community projects (\$206,050). Total CAP II funding for all of Iraq is \$150 million. The program was initiated in October 2006 and will end in September 2008. Total disbursements as of March 31, 2008 were \$68 million.

Inma – Investments in 2008 amount to approximately \$1.5 million (fingerling distribution in Iskandariya area). Total Inma funding for all of Iraq is \$309 million. Total obligated funding as of March 31, 2008 was \$92.5 million. The program was initiated in May 2007 and will end in May 2010. Total disbursements as of March 31, 2008 were \$15.9 million.

Tijara – This program was the follow on to Izdihar and started in March 2008. There is no firm data on disbursements. Some technical assistance was provided to us by the Tijara staff in April 2008 on the Iskandariya Microfinance and Small Business Development Programs.

Local Governance Program II – Training programs continue in governance involving everything from “how to manage a local council” to budget planning and execution, transparency, communications, citizen outreach, etc. RTI’s technical assistance and training programs reached almost 1,500 participants last year in North Babil. These programs continue. Total funding of the program nationwide is \$352,400,000 Expenditures through March 2008 amount to \$205,243,531. The program began in May 2005 and will end in December 2008.

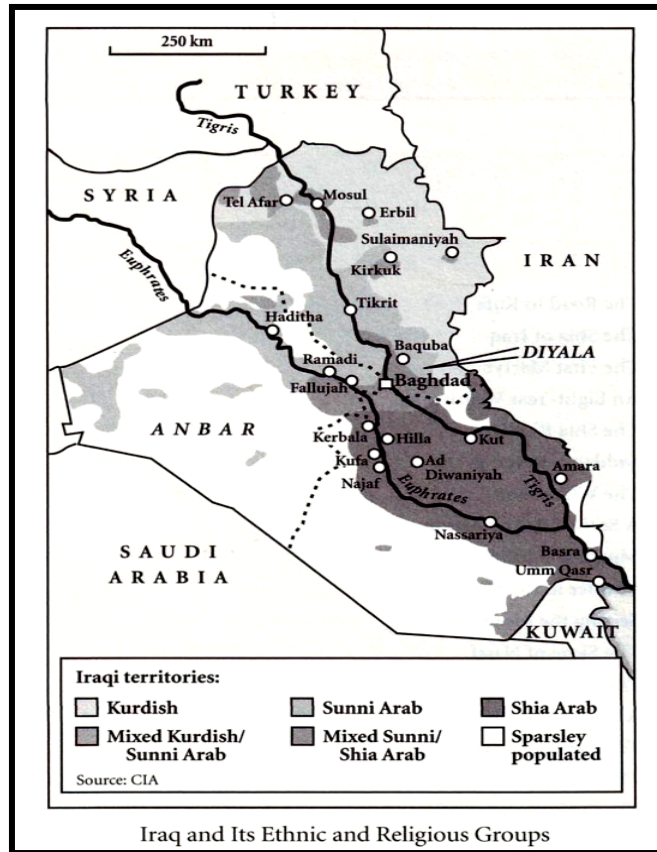
**“Muqtada: Muqtada Al-Sadr, the Shia Revival, and the Struggle for Iraq”
By Patrick Cockburn, Scribner, New York, NY 2008**



This book is an account of the emergence of Muqtada al-Sadr as a political leader in Iraq. It recounts the evolution of the Sadrist movement through three stages (1) peaceful resistance, (2) armed resistance, and (3) political resistance. The author provides the historical context for Shia Islam and the history of the modern Shia movement in Iraq. Cockburn says that understanding modern Iraq requires understanding the mind set of Muqtada al-Sadr and his followers who believe they are following in the footsteps of Imam Hussein and Abbas⁴ in resisting tyranny and remaining faithful to their concept of true Islam. He also insists that to understand the situation in Iraq one must understand the Shia community which comprises over sixty percent of the population. The book concludes that Muqtada has accepted a political course of elections which will inevitably be won by the Shia majority. This situation poses, according to Cockburn, the central dilemma of the United States in Iraq: The overthrow of Saddam Hussein resulting in elections in which Shia Islamic parties with links to Iran would win and establish a theocracy linked to Iran and Lebanon Shia. The potential instability this could produce in the Middle East is enormous with Sunni Arab states (Saudi Arabia, Jordan and Egypt) coming together against a new “Shia axis.”

The Shia population of Iraq is 16 million amounting to more than 60 percent of the total population. The majority of Shia live in southern Iraq. The shrine cities of Najaf, Kerbala and Kufa are the holiest sites for millions of Shia faithful world wide.

“Of course, Muqtada was the complete opposite to the type of Iraqi leader who proponents of the war in Washington had suggested would take over from Saddam Hussein. Instead of the smooth, dark-suited, English speaking exiles who the White House had hoped would turn Iraq into a ... US ally, Muqtada looked too much like a younger version of Ayatollah Khomeini.” Page 202



⁴ Imam Ali’s sons, Imam Hussein and Abbas, who were killed, slaughtered by a Sunni Umayyad dynasty led army in AD 680. Kerbala is home to their tombs and makes Kerbala the second greatest shrine. The great festivals and rituals of Shia Islam revolve around commemorating the tragedy of their deaths

The book begins with a description of Irish journalist Patrick Cockburn's journey in April 2004 to Najaf⁵ from Baghdad where he was stopped enroute by Mehdi Army (Muqtada militia). The trip was made during the pilgrimage by Shia faithful to the shrine of Iman Ali. He was going there for a meeting with Sheik qais al-Ghazali,⁶ spokesman for Muqtada al-Sadr. His group ran into the Mehdi Army made up of mainly of poor Shia from Sadr City⁷, the home of two million Shia who formed the core of Muqtada's movement. His followers see themselves not as a Shia militia defense force "...but a real army in the service of Islam and the most revered leader of the faithful on earth, Muqtada al-Sadr."

Cockburn cites the April 2003 pilgrimage of more than a million people to the shrine city of Kerbala sparked by Muqtada's first Friday sermon, in Kufa, his father's mosque, in which he called for Shia to walk to Kerbala as a sign of their faith. They walked for up to five days, sleeping in the fields, carrying green flags (the symbol for Imam Ali and sayyid families or those descended from Ali), black flags (a sign of mourning) or red flags (symbolizing the blood of the murdered Imam Hussein). All of this was important in that it demonstrated how important history and religious belief were to the 16 million Shia in Iraq. Their beliefs and traditions were linked to events that happened fourteen hundred years ago in the battle of Kerbala and the martyrdom of Imam Hussein and Abbas. The movement forward was toward empowerment of Shia that had its historical basis in three events: (1) forced conversion to Shi'ism of Iran by the Safavid dynasty; (2) the rise of a powerful Shia clergy; and (3) the conversion of southern Iraq tribes to Shi'ism in the eighteen and nineteenth centuries.

The book describes the Shiis' modern history in Iraq: (1) War with Iran; (2) Invasion of Kuwait and War with US; (3) Uprising of Shia after the first Gulf War; (4) Repression of Shia in the 1990s by Saddam Hussein; (5) Rise of Muqtada al-Sadr after the assassination of his father and brothers in 1999; (6) confrontation with US after the occupation during the siege of Najaf; and (7) transition of al-Sadr's strategy from open warfare against US toward political approach and efforts to gain control of Iraq's government through elections. The final conclusion of the author is: "The disintegration of Iraq has probably gone too far for the country to exist as anything more than a loose federation."

⁵ In AD 661, Imam Ali, the son-in-law and first cousin of the Prophet Mohammed, whose followers became the first Shia, was assassinated by a dissident Muslim named Ibn Muljam. Wounded in the head by Muljam's poisoned sword, it took Imam Ali two days to die. Upon his instructions, his followers placed his body on a white camel and buried him where the camel stopped. The spot was six miles south of Kufa. Imam Ali's gravesite became a shrine and the city of Najaf grew up around the shrine. It is the most holy site in Shia Islam, the home of its most revered leaders and the longed for destination of millions of pilgrims. Najaf as the primary shrine city of Shia Islam is sought as a burial spot for millions of Shia since tradition holds that those buried in Najaf's Wadi-al-Salaam (Valley of Peace) cemetery which stretches for over 12 square miles will go directly to paradise. As a city built on martyrdom, it was unlike Rome or Jerusalem in that the martyrdoms in Najaf continue to the present – Ayatollah Mohammed Baqir al-Sadr, a leading thinker of Shia Islam and opponent of Sadam was executed with his sister by the Baathist regime in 1980 (he became known as the first martyr – Sadr I). Mohammed Sadiq al-Sadr, Sadr I's son-in-law, built up the Sadrist movement until his assassination with two of his sons in 1999 (he became Sadr II). The surviving son, Muqtada al-Sadr now leads the Sadrist movement.

⁶ According to Cockburn, a sheikh is a cleric not descended from the prophet who wears a white turban; a sayyid (a descendant of the prophet) wears a black turban.

⁷ Sadr City was a great shanty town in east Baghdad that had once been called al-Thawra (the revolution), then Saddam City, and in 2003 had been renamed for Sadr City after Muqtada's father, Mohammed Sadiq al-Sadr who was assassinated with his two sons by Sadam Hussein's men in 1999.

Weekly Report
Michael Maxey
USAID Rep, ePRT North Babil
July 12, 2008

General David Petraeus made a surprise visit to the Brigade as part of his “departure” visits. I was asked to brief on the USAID program. See the attached Briefing Summary.

During my departure, I met Iraqi Air Force Commander in VIP lounge at BIAP. Interesting discussion on personal topics – very genial and open --- see attached MemCon.

Briefing for General David Petraeus
4th Brigade Combat Team, 3rd Infantry Division
Michael Maxey, USAID Rep., ePRT North Babil
July 6, 2008

General David Petraeus made an unscheduled visit to 4th BCT headquarters on Sunday, July 6th. 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.¹ 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 important the development side of our strategy is to ultimate success in Iraq.²

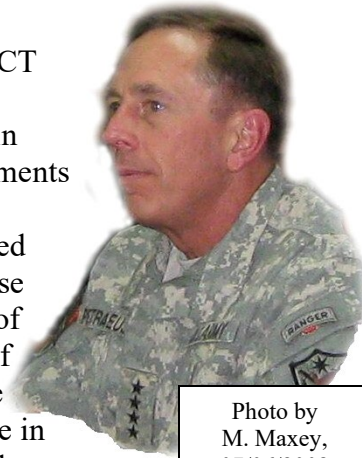


Photo by
M. Maxey,
07/06/2008

USAID Activities in North Babil	
USAID Programs – Feb. 2008 US\$2.6 million	USAID Programs – June 2008 US\$9.7 million
<p style="text-align: center;"><u>Economic Development</u></p> <p>Community Action Program (CAP) II – Small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p>IZDIHAR – 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;"><u>Governance</u></p> <p>Community Action Program (CAP) II – School, health clinics, and infrastructure improvement. \$1,923,000 invested (Oct. 2007 – May 2008) benefitting 34,105 people.</p> <p>Local Government Program (LGP) II – 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;"><u>Economic Development</u></p> <p>Community Action Program (CAP) II – Expand small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p>Community Stabilization Program – 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>IRAP (Iraqi Rapid Assistance Program) – Seven projects approved for \$2.1 million for business training, microfinance and marketing programs, school supplies, and reconstruction.</p> <p>INMA (Ag Production & Marketing Program) – 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;"><u>Governance</u></p> <p>Community Action Program (CAP) II – Expand school, health clinics, and infrastructure improvement. \$2.3 million invested through May 2008</p> <p>Local Government Program (LGP) II – 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>

¹ The metric for sustainability to 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 every initiative is “what is our exit strategy?”

² 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. He said our approach was critical to success in Iraq.

I finished the brief with four key lessons learned:

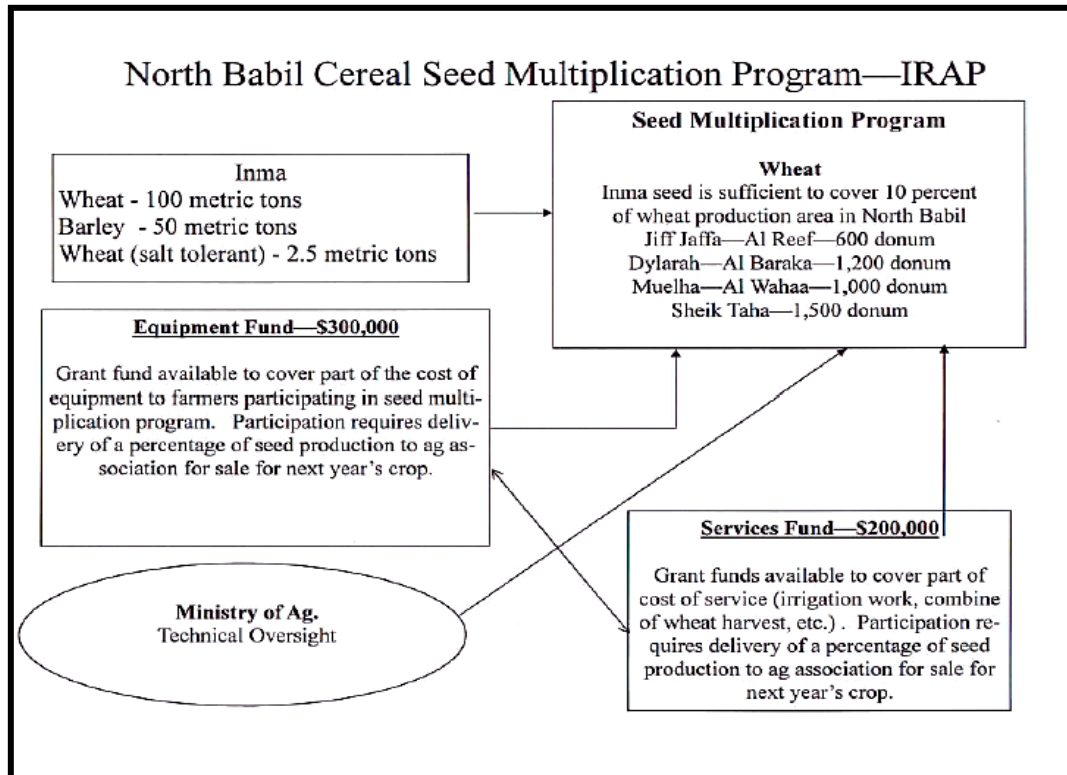
- (1) Bring Our Partners Into the Fight - Bringing our partners out to our battle space is key to helping them understand what we are trying to do and how they can help us. Scheduling a monthly AMR (Aviation Movement Request) from the Brigade to bring a variety of partners (USAID, OPA, implementing partners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



Tijara Credit & Small Business Development Specialist (John Salata, Donal Cotter, Ross Croulet); DAI/IRAP staff (Heidi Silvey, DAI Chief of Party; David Williams, Deputy COP, & Victor Tanner, Civil Society Advisor); Walter Yates III, OPA Desk Officer; and Steve Genson, QRF Manager, OPA

- (2) Leverage Development Resources for Great Impact – Using IRAP (Iraqi Rapid Assistance Program) to link different programs together is leveraging 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. By doing this, we are allowing 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 sustain as a income generator for their organizations.

We are also planning to use our IRAP funded small business service centers to train farmers in how to apply for ag loans under the Government of Iraq Prime Minister's 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 working 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 developing coordination mechanisms to reach down to the battalion level (where people better understand the battle space) to help us improve program design and implementation. We are incorporating S9 (plans) and CA (civil affairs) Teams for obtaining ideas on how to promote local development and to help coordinate implementation. I highlighted the example of a suggestion made a young S9 officer regarding a \$4.5 million water project in Wasit. We would not have been aware of the potential for this type of initiative if had not sought his input.

Memorandum of Information
General Kamal Abdulsattar Al-barzanjy, Iraqi Air Force Commander
Michael Maxey, USAID Rep. – ePRT North Babil
July 10, 2008

I met General Kamal and his Chief of Staff at the VIP Lounge at BIAP (Baghdad International Airport) while waiting to board the MilAir flight to Jordan.³ He explained that he was going to an air show in the United Kingdom, the Iraqi air force seeks to strengthen its capabilities, and he will look at Harrier jets. The General's Chief of Staff mentioned the price of oil at current record highs provides more resources for Iraq to become stronger. Clearly, there is the sense that the Iraqi military is trying to stand up and that we may be at a turning point. General Kamal seemed to be confident that the Iraq government is growing stronger. He also was very laudatory of General Petraeus and mentioned that he had known him during his previous tours in Iraq.⁴



Left to Right: General Kamal, Iraqi Air Force Commander; Michael Maxey, USAID Rep. ePRT North Babil; and Chief of Staff.

On a personal note, I shared photos of my family with General Kamal. He asked where my children were and how they were adjusting to my being Iraq. He told me that he understood the difficulty of being separated from your family. He said his daughter lives in Australia. He last saw her two years ago. I told him that I hoped one day we could all be together with our families. I told him I was encouraged by what I saw in North Babil – that things were moving forward. I also described activities in Wasit Province with a water management program to mitigate Sunni – Shia conflict caused by Al Qaeda of Iraq (AQI) when they selectively destroyed water infrastructure supplying water to Shia areas. General Kamal said that the Sunni - Shia relations were not bad in the past but that AQI had exploited religious differences to create problems. I commented that a farmer in Wasit recently told me that while he was a Sunni, his sister was married to a Shia and that before AQI came there had never been a problem. General Kamal closed out the discussion on Wasit by mentioning that he had hunted partridge (“taraj”) there in the past and he went to detail about how good the meat was – “... all white, and very tasty.” I

³ Contact information for General Kamal – kamal.abdulsattar@mod.iraqiaf.org – telephone – MCI 9143602690; Iraqna – 07901945525; DSN 8525164.

⁴ General Kamal mentioned that General Petraeus genuinely cared for people and that his openness and support was important to the Iraqi people. I told General Kamal that many people I knew had the same sense of General Petraeus as someone who was a strong commander but also someone who was concerned that people be able to take charge of their own future.

shared my story of hunting chukkar fowl in West Africa in my early days with USAID and as our MilAir flight boarded I wished General Kamal and his Chief of Staff a good trip. Prior to departing, we took the above photograph -- I agreed to send a copy to General Kamal. This was an interesting and enlightening encounter and strengthened my belief that progress is being made in Iraq.

Memorandum of Conversation
MND-C Civil Military Coordination Conference
August 11 – 13, 2008

Conference started off with a reception and remarks by Major General Oates, Commanding General of 10th Mountain Division, and Ambassador Crocker.

(Insert Summary of Comments)



The main conference kicked off with a briefing of the MND-C Campaign Plan. Operational environment was covered. Smuggling continues from Iran. Military will focus on stemming smuggling especially lethal material. Assassination campaign is expected as political season gets underway with elections in late 2008 at lower level than in previous years. Extremists will be more rural focus. IRAM (?) attacks have the potential for increasing in Baghdad area (this is the next “EFP” type weapon). AQI will continue to diminish in our area. Jash Al Madi will continue to operate but be more engaged in political process. Goal of MNF-I/USM-I intent is to provide a basic perimeter of security for Iraqi by working in partnership with Iraqi Security Forces to secure the population. End status vision, June 2009, ISF is professionalized, political processes are functioning (elections held), and GOI is enabled to provide security and essential services. Commander’s Intent – We wish to attain sustainable security by June 2009 to set conditions for political and economic progress in MND-C OE. Operation Blue Ridge Mountain will follow 3 lines of effort:

- (1) Professionalize the ISF.
- (2) Development Governance & Economic Development. 5 keys areas – (a) Potable Water & Irrigation, (b) Local & Provincial Electricity, (c) Ag Development, (d) Private Enterprise Expansion, and (e) Execute Program Management. Focus will be on “Programs” over individual projects.
- (3) Secure the Iraqi Population. Secure the border with Iran.



Partnership is focus and unifying framework for all operations to strengthen governance and overall Iraqi capacity to provide security, essential services, and economic development. By June 2009 – MNF 3 Brigade Combat Teams – North, Central & South with headquarters in Basra.

Paul Brinkley Presentation – As Under Secretary of Defense for Business Development since May 2006, Mr. Brinkley, leads Department of Defense efforts to promote business investments. This program started in 2006 as an effort to determine how to take advantage of the US monthly investment in Iraq of \$9.6 billion to create market forces for positive change. “Iraqi First Program” – 4,000 private Iraqi companies are involved in the program – they have been awarded US government contracts. No where is there a better example of what has happened other than the Iskandariya Industrial Complex. While this is a state owned entity, it represents the model for transiting to private companies. Dahmier Benz investment in the IIC is going to result in a private truck manufacturing facility. There is no better metric for stabilization of Iraq than Foreign Direct Investment --- last year there was \$500 million in FDI with this year projecting of FDI of more than \$1 billion. Potential for FDI in the near term exceeds \$75 billion. Local bank credit is limited because of macro economic policy so FDI remains critical. Ag sector is depressed due to open borders and flooding of market by Iranian produce. This is critical because farmers and the rural sector are the breeding ground for rebellion -- we need to focus on the ag sector.

Tom Donohue, Adelphi Investment Company – Partners have a combined investment capital of approximately \$25 billion. Paul Brinkley and Bob Love asked for Donohue’s help. He facilitated a meeting with the American Chamber of Commerce. There was strong support among the US business community to support our government’s efforts in Iraq. How to put more capital into Iraq? Capital is an abundant commodity. There is more capital around now than ever but



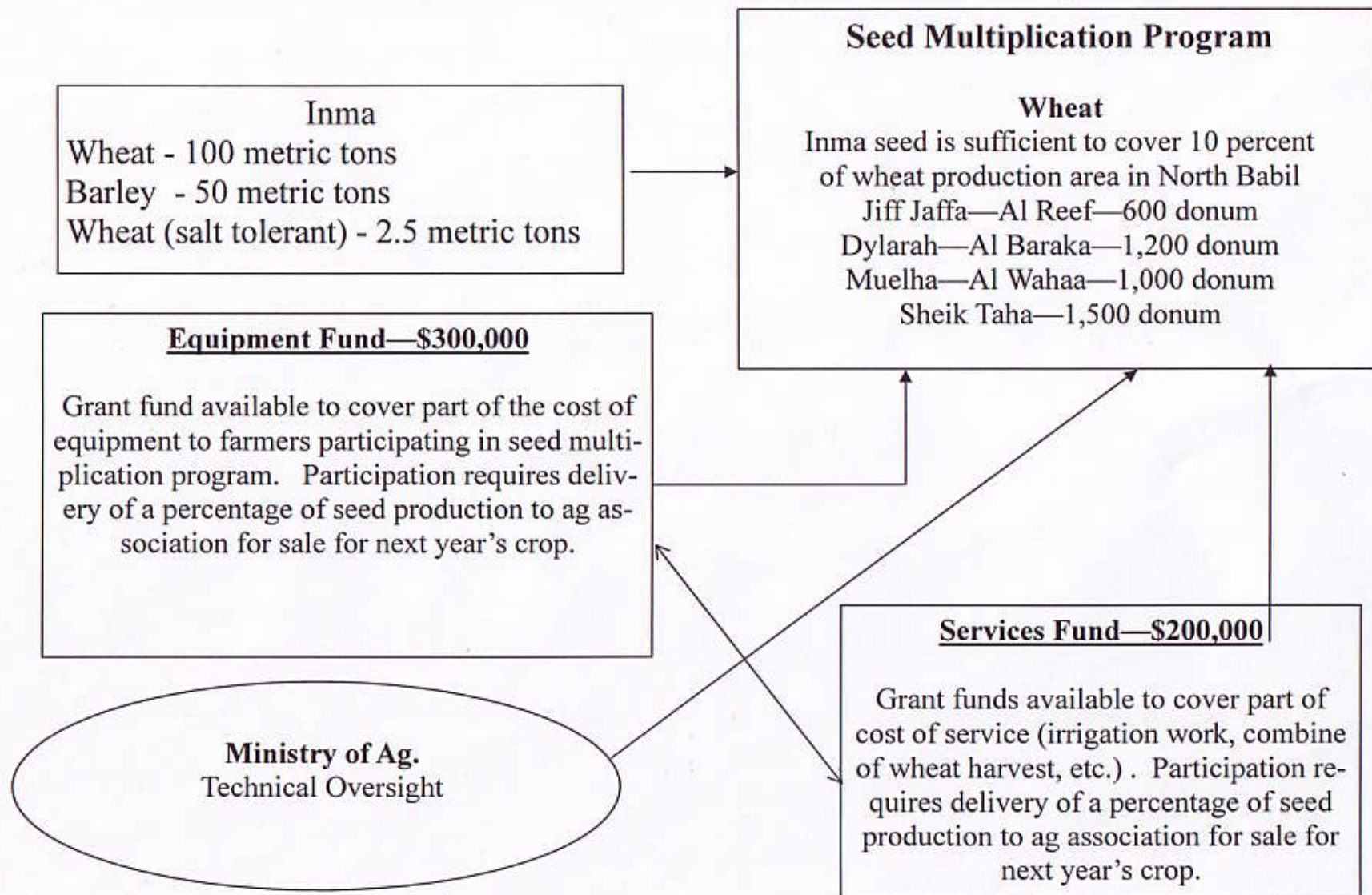
it is a fickle commodity and it is highly mobile. Three key themes: (1) Capital goes where there is clarity. – what do I own, what are the rules – Capital goes people know where capital can go and it can do; (2) Capital likes consistency – As long as everyone knows what will happen under a given situation in a consistent way, investors know how to operate – this is essential, enforcement of laws and government must be consistent; and (3) Capital likes candor – people have to be able to talk in an open way. Investors need a welcome sign and a level playing field. What is a level playing field? (1) sanctity of contracts, (2) recognition of the value of property, (3) intellectual property rights are protected, (4) process to air grievances, and (5) all investors treated the same. A fair return is essential for capital investment – slide shows risk vs investment – as risk goes down the level of investment goes up. Types of capital – intellectual, financial, activity (something actually is happening). Types of investments – resource investment (oil

sector), food investments, and strategic investments (mid-size companies looking for footholds in key markets). Financial investors – private equity and venture capitalists. Money people have their own niches. You have to market the investment to the right sources of capital. What can you do? Keep driving down the “risk premium” – make things more secure. Work with local governments to identify projects and partners. Good local partners are critical—to make a good investment, you need a good local partner. As you think about investments, you need to have a good local partner. Put an Iraqi between you and your activity. This is all about – the art of the possible, not the potential of the perfect. Make something happen now. If you find Iraqis that you trust with a product that has a market, then that’s a good start – bring those to investors.



Presentation of Joint Common Plans:

North Babil Cereal Seed Multiplication Program—IRAP



Proposal Number:	Draft 43 - 3338	Submitted:	07/17/08
Proposal Name:	North Babil Seed Multiplication Program	Grantee:	Dylarah - Al Barakah Ag Association, Sheik _____.
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9736 - Agriculture/Environment	Province:	Babil
Organization Type:	Business	Objective:	200 - Economic
Amount:	\$500,000.00	Period of Performance:	08/01/08 to 02/28/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Grantor:	DAI (Party responsible for grant disbursement/monitoring)	Action:	N/A
Director of Organization:	Sheik _____	Name of Signee:	Sheik _____
Location:	Dylarah	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a
Grantee Background:	<p>The Dylarah - Al Baraka Agricultural Association was established in _____ and was formerly recognized as a Non-Governmental Organization in 2008. The Association consists of _____ farmers cultivating over _____ donams (____ hectares) of crops. EPRT North Babil is working with the Dylarah - Al Baraka Ag Association as one of the lead organizations to be involved in the Central Euphrates Farmers Market project which will include the construction of a wholesale/retail market serving over 8,000 farmers.</p>		
<input checked="" type="checkbox"/>	Previous Funding		
Description of Previous Funding:	N/A		

Executive
Summary:

In an effort to create sustainable economic development programs, ePRT North Babil will support the establishment of a seed multiplication program to provide improved wheat and barley seed on a sustainable basis for the North Babil area.

In May, 2008, Inma (a \$304 million USAID funded agricultural development project) agreed to provide 150 metric tons of wheat and barley seed to the ePRT in order to pass it on to farmers in our area. After consultations with Inma, 4th Brigade Combat Team leadership, and DAI/IRAP agricultural staff, ePRT North Babil decided to use this donation of seed to establish a seed multiplication program that can supply all the cereal seed needs of our area of operation. The sale of improved wheat and barley seed under this program will provide a sustainable flow of income to the Dilyah - Baraka Agricultural Association and will serve to promote market-based commercialization mechanisms for ag production commodities.

The investment of \$500,000 under this program will provide equipment and services needed to successfully implement the seed multiplication program. Training in business services and financial management will be required of the managers of the Dyalah - Baraka Ag Association in order for them to establish the mechanisms required successfully manage a commercial seed production and marketing program and develop a sustainable flow on income from the sale of improved cereal seed.

Description/Purpose
:

A key area of concern in the local agricultural sector is access to improved seed varieties. Seed supply was identified by a field study of the Borlaug Institute - Iraq Task Force as a key constraint on production in North Babil. The Borlaug Team recommended that the ePRT North Babil find ways to provide sustainable seed production and marketing initiatives. Responding to this call for action, ePRT North Babil designed a seed multiplication program for implementation by the largest agricultural association in the area -- the Dilyah - Baraka Ag Association comprised of ___ members. This program will provide improved wheat and barley seed to the association for multiplication and sell to members of the various ag associations in North Babil. Inma, the USAID funded agricultural production and marketing program that is focused on promoting sustainable, commercial activities. A key commodity demanded by local producers and one that they have demonstrated a willingness to pay for is access to improved seed varieties. The North Babil Seed Multiplication Program aims to provide a needed

production input -- improved cereal seed -- on a sustainable basis.

In order to establish this program, ePRT North Babil will work with the Diyalah - Baraka Agricultural Association to obtain access to agricultural and production processing equipment needed to produce wheat and barley seed, and prepare it for sale as improved seed. Given that wheat and barley are self-pollinated cultivars, seed can be held generation to generation (up to 8 generations) without losing seed vigor or production capacity.

The program will provide (1) equipment (seed drill, cultivation equipment and seed cleaners via rental agreements), and (2) services (tractor and combine rental) to farmers who will produce wheat and barley seed on a contract basis for the ag association. The farmers will receive improved variety seed, access to cultivation and planting equipment, tractor and combine rental, and seed cleaning services in order to produce a high quality seed crop. One third of the production will be returned to the farmer for his use and/or sale on the local market. The remaining two-thirds will be retained by the ag association for sale in the North Babil area. The proceeds of these sales will be managed to provide financing for the next year's seed production program. The ag association's management and staff will undergo training at the ePRT North Babil financed business training program in Iskandariya prior to receiving support under this grant.

Project Justification: The agricultural sector in North Babil suffered severe damage during 2004 - 2007 due to Al Qaeda of Iraq induced violence. Ethnic divisions were aggravated, tribal conflict was promoted, and whole areas of North Babil were subjected to an indirect but in many cases effective ethnic cleansing. EPRT North Babil seeks to promote sustainable economic development by supporting agricultural development programs. These production systems have traditionally be comprised of both Sunni and Shi'a farmers. These farmers are now coming together in agricultural associations to provide their members with lower cost production inputs, increased market access, and a stronger voice in local, provincial and national government. A key area of concern in the local agricultural sector is access to improved seed varieties. Seed supply was identified by a field study of the Borlaug Institute - Iraq Task Force as a key constraint on production in North Babil. The Borlaug Team recommended that the ePRT North Babil find ways

to provide sustainable seed production and marketing initiatives.

Collaboration &
Coordination:

To be completed --

Other Funding:

Inma donation valued at ____

Financials:

To be completed ---

Budget Summary:

To be completed --

Submitted by:

Michael Maxey

Submitter

mmaxey@iraq.usaid.gov

Email:

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PRT Comments:

The investment of \$500,000 under this program will provide equipment and services needed to successfully implement the seed multiplication program. Training in business services and financial management will be required of the managers of the Dyalah - Baraka Ag Association in order for them to establish the mechanisms required successfully manage a commercial seed production and marketing program and develop a sustainable flow on income from the sale of improved cereal seed.

Briefing for General David Petraeus
 4th Brigade Combat Team, 3rd Infantry Division
 Michael Maxey, USAID Rep., ePRT North Babil
 July 6, 2008

General David Petraeus made an unscheduled visit to 4th BCT headquarters on Sunday, July 6th. 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.¹ 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 important the development side of our strategy is to ultimate success in Iraq.²

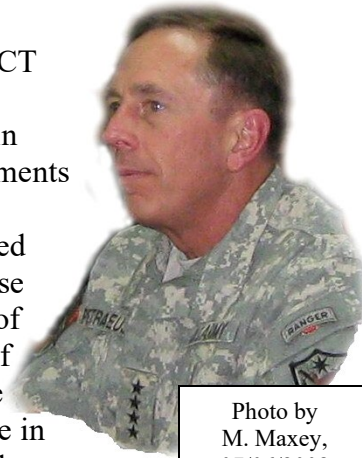


Photo by
 M. Maxey,
 07/06/2008

USAID Activities in North Babil	
USAID Programs – Feb. 2008 US\$2.6 million	USAID Programs – June 2008 US\$9.7 million
<p style="text-align: center;"><u>Economic Development</u></p> <p>Community Action Program (CAP) II – Small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p>IZDIHAR – 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;"><u>Governance</u></p> <p>Community Action Program (CAP) II – School, health clinics, and infrastructure improvement. \$1,923,000 invested (Oct. 2007 – May 2008) benefitting 34,105 people.</p> <p>Local Government Program (LGP) II – 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;"><u>Economic Development</u></p> <p>Community Action Program (CAP) II – Expand small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p>Community Stabilization Program – 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>IRAP (Iraqi Rapid Assistance Program) – Seven projects approved for \$2.1 million for business training, microfinance and marketing programs, school supplies, and reconstruction.</p> <p>INMA (Ag Production & Marketing Program) – 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;"><u>Governance</u></p> <p>Community Action Program (CAP) II – Expand school, health clinics, and infrastructure improvement. \$2.3 million invested through May 2008</p> <p>Local Government Program (LGP) II – 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>

¹ The metric for sustainability to 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 every initiative is “what is our exit strategy?”

² 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. He said our approach was critical to success in Iraq.

I finished the brief with four key lessons learned:

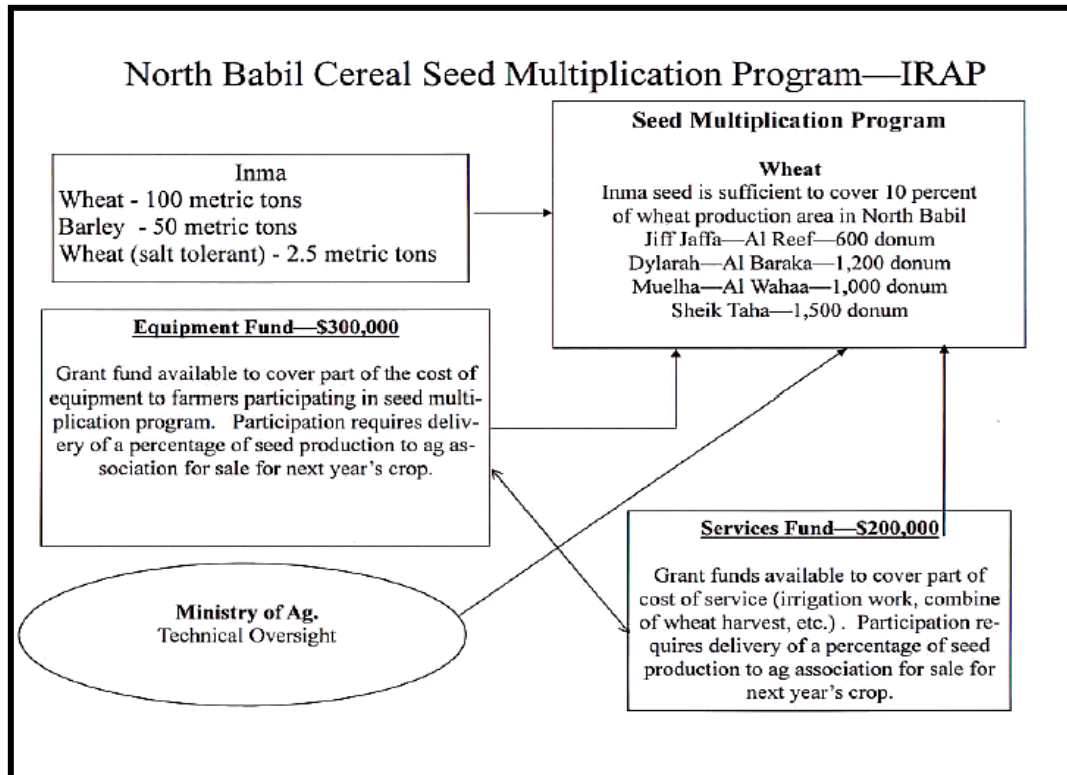
- (1) Bring Our Partners Into the Fight - Bringing our partners out to our battle space is key to helping them understand what we are trying to do and how they can help us. Scheduling a monthly AMR (Aviation Movement Request) from the Brigade to bring a variety of partners (USAID, OPA, implementing partners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



Tijara Credit & Small Business Development Specialist (John Salata, Donal Cotter, Ross Croulet); DAI/IRAP staff (Heidi Silvey, DAI Chief of Party; David Williams, Deputy COP, & Victor Tanner, Civil Society Advisor); Walter Yates III, OPA Desk Officer; and Steve Genson, QRF Manager, OPA

- (2) Leverage Development Resources for Great Impact – Using IRAP (Iraqi Rapid Assistance Program) to link different programs together is leveraging 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. By doing this, we are allowing 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 sustain as a income generator for their organizations.

We are also planning to use our IRAP funded small business service centers to train farmers in how to apply for ag loans under the Government of Iraq Prime Minister's 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 working 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 developing coordination mechanisms to reach down to the battalion level (where people better understand the battle space) to help us improve program design and implementation. We are incorporating S9 (plans) and CA (civil affairs) Teams for obtaining ideas on how to promote local development and to help coordinate implementation. I highlighted the example of a suggestion made a young S9 officer regarding a \$4.5 million water project in Wasit. We would not have been aware of the potential for this type of initiative if had not sought his input.

August 6, 2008

Returning to Iraq. Left last night. Annie, Dominique, Jackson and Justin saw me to the door as the taxi pulled up. Taxi driver to Dulles was a Russian immigrant. We talked about ice hockey. He told me of how he thought it was a miracle when he saw his first ice rink in the US. I told him about Jackson playing hockey. He mentioned how he was trying to coach his 8 year old son and how he sometimes how he had to scream at him and the child would cry.

“It doesn’t matter if he cries --- he has to learn how to play ice hockey.” Tough love.

When we got to Dulles, as he handed me my bags, the taxi driver grabbed my hand and said, “You come back to America. Safe. You come back to America.” I told him I would.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
August 16, 2008

10th Mountain Civil – Military Conference - Primary activities during the week included participating in a Civil Military Conference hosted by the 10th Mountain Division. Attached is a MemCon describing the conference and principal outcomes. One of the key recommendations was to focus on Water User Association formation as a way to strengthen grassroots civil society and conflict mitigation mechanisms and to improve agricultural productivity.

North Babil IRAP/QRF Program Review - While in the IZ, I met with Jon Wiebe, DAI/IRAP (Iraq Rapid Assistance Program) Sr. Program Manager, to review program activities: (1) Update on implementation status of the five approved IRAP/QRF activities valued at \$2.5 million; (2) Review of status of pending IRAP activities for Solar Lights, Water User Association, Women's Sewing Cooperative and Seddah City Microfinance – these projects are valued at approximately \$3.75 million; and (3) Ideas for new IRAP activities – Drip Irrigation and Farm Equipment Leasing valued at roughly \$1 million. Attached is a summary of the that meeting and copies of all active North Babil IRAP programs (11 programs totaling \$2,178,000).

Briefing on USAID Programs in North Babil - Provided initial USAID briefing to two new ePRT North Babil Team members: Michael Bevers, RTI – City Management/Governance expert; and Patrick Broyles – USDA Agricultural Advisor. Provided a general briefing on USAID programs in North Babil area including an overview of IRAP/QRF Program. Gave them a summary of IRAP proposals approved across Iraq (see attached summary) to provide an idea of the types of programs we can develop for North Babil under IRAP.

Water User Association Planning Meeting - Conducted briefing for 4BCT Projects staff as part of weekly Economics/Governance meeting. Met with Human Terrain Team to discuss there potential participation in assessing tribal areas that may be targeted for support to develop a Water User Association. A follow up meeting was held with Civil Affairs and Projects leadership of the 1 – 76 Battalion (see attached MemCon). Decision was made to take group out to Wasit Province to assess an existing Water User Association and determine feaability of strengthening it and/or replicating it in other parts of the province. The group will also assess a potential drip irrigation program for funding under IRAP.

Activities for Next Week – Interact with 4 BCT Projects and Civil Affairs staff to develop more activities for funding under IRAP. Finalize plans for trip to Wasit Province to assess Water User Association. Prepare an updated summary of all USAID activities in North Babil area. Submit at least one new program proposal to IRAP (Seddah Microfinance).

Memorandum of Conversation
MND-C Civil Military Coordination Conference
August 11 – 13, 2008

MND-C hosted a Civil Military Coordination Conference to advance the implementation of the Iraqi provincial development strategies and provide a forum for the exchange of ideas. Major General Oates, Commanding General of 10th Mountain Division, and Ambassador Ryan Crocker opened the conference with remarks highlighting



the progress made by the Government of Iraq in tripling their government expenditures to support improved essential services. Much remains to be done. Budget execution remains a key area of focus as does finding ways to help Iraqis take full control of their affairs. Ambassador Crocker stated that the forces in motion – political, social and economic – are going to determine the future of Iraq. The US has to be fully engaged and supporting the Government of Iraq in making sure these forces come together to create a strong and stable Iraq. This conference is an important step in that process as it helps us focus on partnering with the Iraqis to support their efforts to strengthen governance, improve essential services, and promote broad-based economic development.



The main conference kicked off with a briefing of the MND-C Campaign Plan. Operational environment was covered. Smuggling continues from Iran. Military will focus on stemming smuggling especially lethal material. Assassination campaign is expected as political season gets underway with elections in late 2008 at lower level than in previous years. Extremists will be more rural focus. IRAM attacks have the potential for increasing in Baghdad area (this is the next “EFP” type weapon). AQI will continue to diminish in our area. Jash Al

Madi will continue to operate but be more engaged in political process. Goal of MNF-I/USM-I intent is to provide a basic perimeter of security for Iraqi by working in partnership with Iraqi Security Forces to secure the population. End status vision, June 2009, ISF is professionalized, political processes are functioning (elections held), and GOI is enabled to provide security and essential services. Commander’s Intent – We wish to attain sustainable security by June 2009 to set conditions for political and economic progress in MND-COE.

Operation Blue Ridge Mountain will follow 3 lines of effort:

- (1) Professionalize the ISF.
- (2) Development Governance & Economic Development. 5 keys areas – (a) Potable Water & Irrigation, (b) Local & Provincial Electricity, (c) Ag Development, (d) Private Enterprise Expansion, and (e) Execute Program Management. Focus will be on “Programs” over individual projects.
- (3) Secure the Iraqi Population. Secure the border with Iran.

Partnership is focus and unifying framework for all operations to strengthen governance and overall Iraqi capacity to provide security, essential services, and economic development. By June 2009 – MNF 3 Brigade Combat Teams – North, Central & South with headquarters in Basra.

Paul Brinkley Presentation – As Under Secretary of Defense for Business Development since May 2006, Mr. Brinkley, leads Department of Defense efforts to promote business investments. This program started in 2006 as an effort to determine how to take advantage of the US monthly investment in Iraq of \$9.6 billion to create market forces for positive change. “Iraqi First Program” – 4,000 private Iraqi companies are involved in the program – they have been awarded US government contracts. Mr. Brinkley stated that no where is there a better example of what has happened other than the Iskandariya Industrial Complex. He said that while this is a state owned entity, it represents the model for transiting to private companies. Dahmier Benz investment in the IIC is going to result in a private truck manufacturing facility. The best metric, according to Brinkley, for stabilization of Iraq is Foreign Direct Investment (FDI) --- last year there was \$500 million in FDI with this year projecting of FDI of more than \$1 billion. Potential for FDI in the near term exceeds \$75 billion. Local bank credit is limited because of macro economic policy so FDI remains critical. Ag sector is depressed due to open borders and flooding of market by Iranian produce. This is critical because farmers and the rural sector are the breeding ground for rebellion --- we need to focus on the ag sector.

Tom Donohue, Adelphi Investment Company – Partners have a combined investment capital of approximately \$25 billion. Paul Brinkley and Bob Love asked for Donohue’s help. He facilitated a meeting with the American Chamber of Commerce. There was strong support among the US business community to support our government’s efforts in Iraq. How to put more capital into Iraq? Capital is an abundant commodity. There is more capital around now than ever but it is a fickle commodity and it is highly

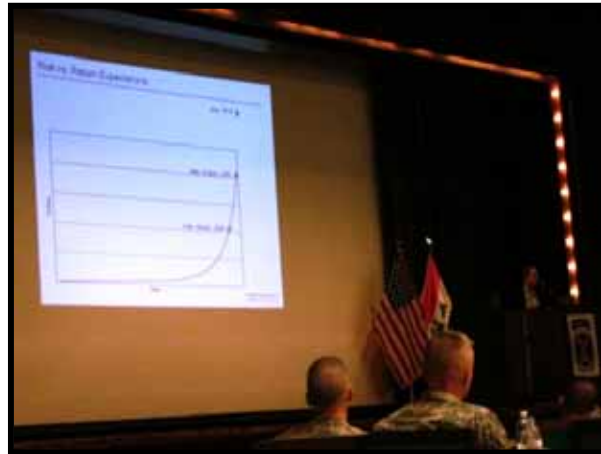


mobile.

Three key themes: (1) Capital goes where there is clarity. – what do I own, what are the rules – Capital goes where people know where capital can go and it can do; (2) Capital likes consistency – As long as everyone knows what will happen under a given situation in a consistent way, investors know how to operate – this is essential, enforcement of laws and government must be consistent; and (3) Capital likes candor – people have to be able to talk in an open way.

Investors need a welcome sign and a level playing field. What is a level playing field? (1) sanctity of contracts, (2) recognition of the value of property, (3) intellectual property rights are protected, (4) process to air grievances, and (5) all investors treated the same.

A fair return is essential for capital investment – slide shows risk vs investment – as risk goes down the level of investment goes up. Types of capital – intellectual, financial, activity (something actually is happening). Types of investments – resource investment (oil sector), food investments, and strategic investments (mid-size companies looking for footholds in key markets).



Financial investors – private equity and venture capitalists. Money people have their own niches. You have to market the investment to the right sources of capital. What can you do? Keep driving down the “risk premium” – make things more secure. Work with local governments to identify projects and partners. Good local partners are critical—to make a good investment, you need a good local partner. As you think about investments, you need to have a good local partner. Put an Iraqi between you and your activity. This is all about – the art of the possible, not the potential of the perfect. Make something happen now. If you find Iraqis that you trust with a product that has a market, then that’s a good start -- bring those to investors.



Presentation of Joint Common Plans: JCPs were presented by PRT representatives and issues were discussed. Col. Smith brought up the potential need to combine ePRT North Babil with PRT Babil. Other points were discussed as to how best use PRTs to strengthen local governments and promote economic.

Agricultural Sector Meeting

Representatives of State, USAID, USDA, Tijara, Inma, Team

USDA Representative Jonathan Gressel started off the session by citing two critical things noted by Col. Smith – (1) We are focused on developing programs not projects, and (2) We will design and implement programs that will continue for the long term not just short term. Also was noted the critical aspect of the rural sector in stemming potential for unrest by providing employment for rural poor. Gressel stated that the purpose of today's meeting is to develop actionable strategies for the ag sector.

Senior Deputy Minister of Agriculture – April 2004 has been in his position – SDM stated, “We want to cooperate with US today and in the future.” He noted that the ag sector is very important in Iraq – 17,000 years of agriculture here. Iraq is a primarily an ag country (it is most important after oil sector). We have to look to the future not the past. Ag is 30% of the workforce. But we have to be realistic – there are difficulties:

(1) land allocation is an issue – every year we lose ag land (100,000 donum per year) – we need to assess ag production area and make sure we maintain a production base;

(2) productivity is an issue – crop production level – ag productivity – is low. In the US 2,000 kgs per hectare production would translate into only 400 or 500 kgs per hectare in Iraq. Rice, corn and wheat prices are low. Iraq productivity is low and we have to address problems that constrain ag production. (SDM outlines a number of Iraqi crops and sectors that have productivity problems);

(3) access to water resources is an issue;

Prime Minister's Agricultural Initiative is part of overall ag sector plan for three year period. Funding is being provided – ag loans with 2% administrative fee, these loans are basically free. The SDM mentioned activities and plans in Kerbala, Wasit and Babil – he has a report that can be made available to everyone. He went on to discuss several issues. Water is a big issue – “We are in a drought and neighboring countries are not releasing water.” Water management continues to be a major issue. We limited rice production because of the lack of water. We need to talk about the need for fertilizer next year. We need to talk to the Minister of Trade about getting the amount of fertilizer that is needed for production next year. We will provide fertilizer as interest free loans at the direction of the Prime Minister. We also need to address animal feed issues. We are importing 400,000 metric tons of corn to support local feed industry. Well digging is an issue that we need to address. Ministry must approve well drilling. This is important – that we coordinate well drilling. We will give compensation to farmers affected by the drought – either by giving them fertilizer and equipment support. Mosul and Diyala are two area affected by the drought. For all our programs, the Director of General of Ag in the province is the Minister's representative. We don't want to look at the past. It's true that projects had problems (mentioned DAI project for olive production and processing –

problems that had with that). Ministry will be more careful in program development to ensure success.

Rep. of Minister of Water Resources – Soft loans have gone out to support assistance to Najaf. We are provided 10 million dinar for the area. We need help with large and small programs. We have the money but we don't have the technology. We need to develop drip irrigation and other technical areas.

Foreign Ag Service representative stated that we want to focus on finding ways to help. Let me start my remarks by explaining that you need to coordinate with the DG of Ag – he presented the DGs of ag that were attending - (Dr. Hamid – Ag. DG in Babil).

US MND-C Rep. – Irrigation presentation. Overview of how water distribution works in the MND-C area of operation. 7 major dams – 3 lakes – 50 large scale gates & regulators – 200 major pump stations – 1,000 pumps – 127,000 km of primary and secondary channels – irrigation is largest consumer of water. Ministry of Water Resources has water system mapped. Problems – system neglected for over 2 decades, elevated salt levels from runoff, maintenance problems, pump stations have exceeded design life, lack of electricity constrains system, no standardization of pump stations (equipment sources from India, China, Russia, etc.), severe design issues with channels – up to 50% of system do not get water in some areas. Inland farmers do not have dependable supply of water, inland farmers rely on ground water but this is unplanned, flood irrigation is too inefficient – we need to invest in drip and spray irrigation. IRRF (Iraq Reconstruction & Relief -- \$460 million in Min. of Water Resources – plus \$188 million in Prime Minister's Initiative. Water quality problems south of Baghdad (industrial runoff). For projects in MND-C Area of Operation through the PRTs and Civil Affairs team you should regularly meet with the DG of Water Resources in your area. Coordination is key. Investment is needed in new technology – drip irrigation.

Ministry of Water Resources – FAS Maged Hussein (husseinmm2@state.gov) spoke for rep for MOW (Mohammed Salas). 139 irrigation districts – don't propose changes to the system without discussing it with the Ministry of Water Resources. Water User Associations are important. We want to promote them. Japanese (JICA) has established a water user association in Kerbala. Priority Focus in MND-C should be (1) repair of pump stations and water distribution, (2) promote efficient use of water (drip irrigation), (3) promoting soil and water conservation activities, (4) organize farmers into water user associations. Prime Minister Initiative can provide support to water user associations.

Minister of Water Resources – Water system construction – you must go through the DG of water resources for any construction. If you don't you can run into problems.

Borlaug Team – Glenn Shinn (representing Ed Price - Team Borlaug) – we have Mark Smith (cold chain), Gary Brice (animal), Youth Ag person. We have near term targets of opportunity and some long term opportunities.

- (1) Improved seed stock is key. We have seen low quality seed being sold under false conditions. We have good seed coming in but it is stored improperly. Vegetables are key but also important is wheat. Dates are important. Najaf and Kerbala have research programs to re-establish date industry. Tissue culture can quickly accelerate the re-establishment of date industry in Iraq. Rice is another opportunity for bringing in good seed stock.
- (2) Misc. Issues - Water Resources are key. Soil testing is needed to understand what is needed. Access to fertilizer is limited. Costs are up – price levels need to be raised.
- (3) Extension is key. But training is needed. Also there needs to be more cooperation and coordination. We need coordination as much as possible.

DG of Minister of Ag in Najaf – Team Borlaug came to Najaf and they have great ideas. They proposed funding from the PRTs to support date production and other ideas. They also recommended establishing an agricultural council (Iraqi – American Ag Council). We have established a work team that is chaired by the Provincial Governor.

Dr. Fassil – There is a mechanism within the Ministry of Agriculture that must be respected for the introduction of new technologies including new fertilizers and other technologies. Regarding plant breeding – we have a plan in the Ministry of Agriculture to bring in improved seed stock. Proper use of water is also key to land management.

George Stickels – I serve as Ag Advisor on ePRT North Babil. This was the first place that Team Borlaug visited. The North Babil area has tremendous potential. In terms of production the area is one of the most important areas in Iraq. More than 40% of the arable land in North Babil remains unplanted due to degradation of the area from war, improper use, etc. For example, in the Jabella area we have a dairy that was very advanced but now has a very low capacity. Fish farming has potential and the PRT has worked in this area but more could be done. Poultry – there is potential, we only have 10% production capacity so far. Drip irrigation is important and we want to support activities in these areas. In marketing, we are going to support the development of a “farmers’ market” in North Babil.

Deputy Minister of Ag – Prohibit the Al Anbar wheat production due to genetic issues. We have regulations within Ministry. We are prohibiting the distribution of this wheat seed. Fertilizer is also key – we are only covering one third of the need. One ton is more than \$1,000. Ministry of Ag can only sell it to the farmer for a price that farmers can’t pay.

Robert Dose, Inma – Cold Chain – ePRT Baghdad 5 – Brian Conklin – Inma goal is to increase private sector employment and incomes by improving agribusiness value chain. Production (14 tons/ha tomatoes in Iraq vs 48 tons/ha in Jordan). Primary constraint is 40% to 50% post harvest loss. Cold chain is key to addressing this constraint. Rasheed Market South Baghdad and Janeen Mkt in Sadr City are two primary markets. Jordan is

shipping in produce with less than a 10% post harvest loss plus has a tremendous productivity advantage.

Brian Conklin – USAID Rep. Baghdad 5 – The focus needs to be on development programs, we need to move toward a longer term view. The value chain requires looking at the whole problem – electricity issues, cold chain issues, productivity issues, etc. You can't focus on just one part of the puzzle – you have to focus on getting all the pieces working in the right order. We worked with 900 farmers and 16 ag associations. We gave them higher quality seed via Inma and we saw great increase (tomato production went up 300% for example). We changed peoples' behavior (ex. We got good seed out and now the local ag input mkt supplies it). We need to have a long term view that covers multiple deployments. We are trying to link people into market channels.



Memorandum of Conversation
Meeting with Jon Wiebe, IRAP/DAI Senior Program Officer
Discussion of Pending IRAP Activities
Michael Maxey, USAID Rep. – ePRT North Babil
August 13, 2008

I met with Jon Wiebe, Senior Program Manager with DAI (Development Alternatives Inc.)/IRAP (Iraqi Rapid Assistance Program). IRAP manages a \$130 million QRF (Quick Response Fund) program to finance a variety of development activities. IRAP is managed at the ePRT level by the USAID Rep. (M. Maxey). Submission of proposals under IRAP are approved by the ePRT leadership and coordinated with 4th BCT 3rd ID personnel. The purpose of my meeting with Jon was to determine where we are in implementing approved projects, status of design of proposed activities, and ideas for new initiatives. Attached are copies of approved programs as well as proposals still in draft. The following is a summary of the status the ePRT North Babil IRAP activities.

Approved IRAP Projects

Reconstruction of Homes – Khidr & Golden Hills – These two programs funded at \$495,000 each were designed to provide relief to local residents whose homes were destroyed by Al Qaeda in Iraq. Reconstruction packages were designed to complement home reconstruction. A redesign of the program was required to meet USAID contracting requirements. The program now consists of three grants in the Khidr area and three grants in the Al Gharoni Tribal Area. Copies of the final approved IRAP proposals are attached. Local grant agreements are being signed this week and implementation will start in the near future. Any questions related to this activity should be directed to Jon Wiebe (jon_wiebe@dai.com) with a copy of your query to me (michael.maxey@4bct3id.army.mil).

Basic School Supplies – North Babil & Southern Baghdad/Northern Wasit – Two programs are approved and underway North Babil will provide \$200,000 in backpacks and school supplies to children while an additional \$200,000 is targeted for school supplies to students in Southern Baghdad and Northern Wasit. Copies of both proposals are attached. DAI has the information needed to start signing local grant agreements. Everything is on track for these programs to be implemented over the next month (school starts on Sept. 15th).

Seddah Radio Station – This program is funded at \$75,000. A grant agreement has been signed between DAI and the Iraqi grantee. Activities are underway. Equipment is being procured as is the radio station's main tower for broadcasting. The station will have an Internet café to provide income to sustain its operations. The procurement of Internet related equipment is being addressed by the 3 – 7 Battalion. MAJ Tony Comello is the primary point of contact for this activity. 1 – 7 Battalion Projects Officer, CPT Patterson, is also tracking this activity. A copy of the Seddah Radio Station proposal is attached.

Iskandariya Small Business Services Training – Program funded at \$213,000 and implementation is underway. Issues related to the renovation of upstairs portion of Iskandariya Nahia Council are resolved (ePRT North Babil will provide QRF to build partitions and take care of other issues identified by the Council). I contacted Dr. Asmaa. She is in Jordan with Mr. Kaiser until the end of August. We are planning to meet in early September to discuss training plans and make sure all issues are resolved. George Stickels, USDA Rep., has requested assistance from the SBDC to help complete the NGO registration of several Agricultural Associations. Funding was included in the program description to support NGO strengthening. We are going to discuss with Dr. Asmaa how to proceed in working with NGOs in our Area of Operation (including the Ag. Associations). A copy of the program description is attached.

Iskandariya Microfinance Program – This \$500,000 program is providing microcredit to families and small businesses in Iskandariya. Loans range in size from \$500 to \$2,500. Total loan capital available under the program is \$369,000. As of mid-July 12 loans had been made valued at \$20,500. The total loan capital is expected to be placed within the next three to four months. This program is well underway.

Pending Projects

New Jobs Now – I discussed this draft proposal to provide businesses access to banking services in the North Babil area. The program seeks to create 2,000 jobs with a two phase approach costing approximately \$2 million. The ePRT is now seeking CERP or other funding for this activity. We may revisit this proposal if the CERP funding is not available in the near term.

Seed Multiplication – The wheat and barley seed that was to have been donated by Inma is not going to be available due to certification issues with the Ministry of Agriculture. I discussed possible next steps with George Stickels and Pat Broyles regarding finding a way to set up an equipment leasing program and ag services (tractor rental and combine services). I will put together a revised approach and forward to the ePRT Ag Team for their consideration.

Solar Lights – ePRT North Babil staff are assessing the implementation of a solar light program as part of increasing security in the 4th Brigade Combat Team's area of operation. Initial indications are there are significant maintenance issues with solar light programs already attempted in Iraq.

Water User Association – Trip is being planned for the 27th of August to Wasit Province to assess existing water user association and determine if it can be a model for other areas of the province.

Women's Sewing Cooperative – I have the information on a proposed Sewing Cooperative in Seddah City. I will draft a proposal on using the information provided by MAJ Elvira Brown.

New Project Ideas

Drip Irrigation – Attached is concept developed by USDA Rep. George Stickels. A trip is planned to Wasit Area toward the end of August to develop a proposal.

Farm Equipment Leasing – I provided information on a previously funded IRAP equipment leasing program to our ePRT Ag Team. I will follow up with them to see if they want to develop a proposal for North Babil.

Award Number	Award Name	PRT	Award Amount
3575	Disabled Awareness Initiative	Babil PRT	\$197,550.00
3573	Rural School Bus Service	Babil PRT	\$62,900.00
3564	Anbar Roads and Bridges Capacity Building Project	Anbar PRT	\$108,245.00
3560	QRF#141 Support to the Muthanna Governorate Election Office (GEO)	Muthanna PRT	\$47,145.00
3550	Baghdad Law School Computer Training Labs	Baghdad PRT	\$163,102.00
3520	Salah ad Din School of Medicine Medical Skills Instructional Lab	Salah ad Din PRT	\$38,894.00
3513	Support to Dhi Qar Governorate Elections Office	Dhi Qar PRT	\$47,145.00
3506	Support to the Ninewa Governorate Election Office	Ninewa PRT	\$47,145.00
3501	Support to the Diwaniyah Governorate Election Office	Diwaniya PRT	\$47,145.00
3482	Afak Courthouse Project	Diwaniya PRT	\$100,365.00
3478	Al-Bashaer Loan and Operations Capital for Rasheed	Baghdad ePRT 1	\$250,000.00
3473	IRAP Election Offices	Kirkuk PRT	\$47,145.00
3447	Babil Directorate of Education Teacher Training Center – Capacity Building	Babil PRT	\$93,686.00
3446	Ramadi Small Business Development Center	Anbar ePRT 2 - Ramadi	\$137,450.00
3444	PROJECT Al Mustaqbal - The Future	Salah ad Din PRT	\$193,704.00
3442	Rural Water Project	Babil PRT	\$181,620.00
3440	Support to the Najaf Governorate Election Office	An Najaf PRT	\$47,145.00
3437	Support to the Babil Governorate Election Office	Babil PRT	\$47,145.00
3404	Al Aman Micro Mifinance Expansion - Haweeja	Kirkuk PRT	\$117,480.00
3403	Health Education Program (HEP)	Maysan PRT	\$169,058.00
3402	Support to the Maysan Governorate Election Office	Maysan PRT	\$51,865.00
3400	Khidr Economic Council Residential Rehabilitation (3)	Babil (North) ePRT	\$165,000.00
3399	Khidr Economic Council Residential Rehabilitation (2)	Babil (North) ePRT	\$165,000.00
3398	Khidr Economic Council Residential Rehabilitation (1)	Babil (North) ePRT	\$165,000.00
3396	Al Gharoni Tribal Area Residential Rehabilitation (3)	Babil (North) ePRT	\$165,000.00
3395	Al Gharoni Tribal Area Residential Rehabilitation (2)	Babil (North) ePRT	\$165,000.00
3394	Al Gharoni Tribal Area Residential Rehabilitation	Babil (North) ePRT	\$165,000.00
3389	Support to the Salah ad Din Governorate Election Office	Salah ad Din PRT	\$47,145.00
3384	Vocational Beekeeping Training Courses for Females Heads-of-Household	Erbil RRT	\$81,270.00
3362	Support the Wasit Governorate Election Office	Wasit PRT	\$47,145.00
3350	Support to the Karbala Governorate Election Office (GEO)	Karbala PRT	\$47,145.00
3343	Babil Prosthetics Program	Babil PRT	\$200,000.00
3342	Voter Registration Outreach	Baghdad PRT	\$66,355.00
3284	Quarish Road Project (Grant)	Babil PRT	\$186,000.00
3274	AIDED Business Development Center.	Wasit PRT	\$115,375.00
3263	Promotion of Civic Education for All 9th-Graders in Dohuk	Erbil RRT	\$73,588.00

3248	Community-Based Intervention for the Prevention of Violence Against Women	Erbil RRT	\$130,750.00
3231	Central Vet Lab Critical Equipment and Training Needs	Baghdad PRT	\$194,460.00
3229	Basra Budget execution support	Basrah PRT	\$200,000.00
3224	Voter Education Campaign for Voter Registration Update	Erbil RRT	\$74,770.00
3222	Sewing Training Courses for Women Anfal Survivors	Erbil RRT	\$78,400.00
3221	Animal Husbandry Economic Project for Anfal Women	Erbil RRT	\$66,200.00
3219	Beekeeping Training and Material Support in Erbil Province	Erbil RRT	\$84,600.00
3212	Babil Electrical Grid	Babil PRT	\$200,000.00
3211	Soil Fertility Testing Program	Kirkuk PRT	\$61,264.00
3201	Media Vocational Training for Young Women in Dohuk Governorate	Erbil RRT	\$31,340.00
3192	Hands-On Training of Pediatric Surgeons in Dohuk	Erbil RRT	\$490,460.00
3178	Renovation of Kurdistan Natinal Assembly Library	Erbil RRT	\$99,234.00
3081	Zor Fat Integrated Agriculture Development Project	Muthanna PRT	\$347,680.00
3064	Tarmiyah Newspaper "Amel Al Ouma" (Hope of the Nation)	Baghdad ePRT 5	\$242,200.00
3063	Al Taji Portable Radio Distribution	Baghdad ePRT 5	\$135,000.00
3008	Golden Hills Home Rehabilitation	Babil (North) ePRT	\$495,000.00
2992	Pomegranate Export Project Sulaimanyiah Province	Erbil RRT	\$496,000.00
2981	Basic School Supplies for Children	Babil (North) ePRT	\$200,000.00
2965	Hurriya Womens Sewing and Computer Training Center	Baghdad ePRT 6	\$92,657.00
2946	Ramadi Microfinance Agriculture Satellite Office	Anbar ePRT 2 - Ramadi	\$500,000.00
2904	Community Based Intervention for Prevention of Violence Against Women	Erbil RRT	\$77,500.00
2865	Al-Teeb Community Carpet Project	Maysan PRT	\$101,300.00
2848	Najaf Legal Services Project	An Najaf PRT	\$246,160.00
2825	Medical Textbooks	Salah ad Din PRT	\$147,190.00
2819	Seddah Radio Station	Babil (North) ePRT	\$75,000.00
2813	Hawr Rajab Private Vet Revitalization	Baghdad ePRT 7	\$37,626.00
2808	Al Daur Poultry Revitalization	Salah ad Din PRT	\$50,000.00
2807	Farm Animal Disease Training for Rural Women	Erbil RRT	\$32,415.00
2782	Al Mada'in Modern Irrigation Demonstration	Baghdad ePRT 8	\$81,000.00
2776	Loan Capital Targeting the Agricultural Sector in Central Iraq	Salah ad Din PRT	\$400,000.00
2775	NGO Society Support	Salah ad Din PRT	\$78,930.00
2754	Mobile Medical Clinics for Impoverished Rural Children	Erbil RRT	\$99,840.00
2743	Basic School Supplies for Children	Babil (North) ePRT	\$200,000.00
2738	Khidr Area Residential Rehabilitation	Babil (North) ePRT	\$495,000.00
2734	Sewing Training/Employment for Vulnerable Women	Erbil RRT	\$52,695.00
2720	The Baghdad League	Baghdad PRT	\$185,000.00
2702	Salah ad Din NGO Society Training Program	Salah ad Din PRT	\$41,300.00

2656	Ramadi Microfinance Recapitalization	Anbar ePRT 2 - Ramadi	\$500,000.00
2632	Support to the Dhi Qar Iraqi Businessmen's Union.	Dhi Qar PRT	\$100,880.00
2627	28-Wheelchairs	Ninewa PRT	\$478,129.00
2485	Conference on the Legal Profession in the Kurdistan Region	Erbil RRT	\$33,510.00
2476	Summer Youth Program in Abu Ghraib Qada	Baghdad ePRT 5	\$199,150.00
2475	Summer Youth Program in Tarmiyah Qada	Baghdad ePRT 5	\$199,150.00
2456	Aggression Replacement Training in Schools	Erbil RRT	\$84,500.00
2451	Summer Youth Program in Taji Qada	Baghdad ePRT 5	\$199,150.00
2436	Hydro-Geological Survey for Erbil Dahuk and Sulaymaniyah Governorates	Erbil RRT	\$199,645.00
2435	Urban Planning Capacity Building and Integrated Waste Management Master Plan	Erbil RRT	\$200,000.00
2434	Seedling Propagation and Plasticulture Demonstration Farm	Diyala PRT	\$97,845.00
2426	Hawr Rajab Sewing Co op	Baghdad ePRT 7	\$44,977.00
2384	Computer Internet and English Training for Youths	Erbil RRT	\$50,238.00
2380	Self Employment Training	Erbil RRT	\$41,191.00
2376	Protection shelter for the women who face violence	Kirkuk PRT	\$130,480.00
2345	Small Business Development Center (SBDC) - Iskandariya	Babil (North) ePRT	\$213,100.00
2342	Al Ghassaq (Hawr Rajab) Ice Factory	Baghdad ePRT 7	\$200,000.00
2274	Defending the Rights of Vulnerable Populations	Baghdad ePRT 2	\$43,500.00
2230	Operation Backpack-Fallujah	Anbar ePRT 3 - Al Asad	\$200,000.00
2229	Operation Backpack-Ramadi	Anbar ePRT 3 - Al Asad	\$200,000.00
2228	Operation Backpack-Kabahsah	Anbar ePRT 3 - Al Asad	\$200,000.00
2227	Operation Backpack-Furat	Anbar ePRT 3 - Al Asad	\$200,000.00
2226	Operation Backpack-Haqlaniyah	Anbar ePRT 3 - Al Asad	\$200,000.00
2225	Operation Backpack-Rawah	Anbar ePRT 3 - Al Asad	\$200,000.00
2224	Operation Backpack-Barwanah	Anbar ePRT 3 - Al Asad	\$200,000.00
2223	Operation Backpack-Baghdadi	Anbar ePRT 3 - Al Asad	\$200,000.00
2222	Operation Backpack-Rutbah	Anbar ePRT 3 - Al Asad	\$200,000.00
2221	Operation Backpack-Rumanah	Anbar ePRT 3 - Al Asad	\$200,000.00
2219	Operation Backpack-Ubaydi	Anbar ePRT 3 - Al Asad	\$200,000.00
2215	Operation Backpack-Al Qaim	Anbar ePRT 3 - Al Asad	\$200,000.00
2214	Operation Backpack-Anah	Anbar ePRT 3 - Al Asad	\$200,000.00
2213	Operation Backpack-Haditha	Anbar ePRT 3 - Al Asad	\$200,000.00
2207	Jamilla and Thawra one al Bashaer Micro Loans Capital Augmentation Program	Baghdad ePRT 3	\$314,796.00
2206	Adhamiyah Al Bashaer Loan Capital 08	Baghdad ePRT 3	\$214,796.00
2205	Operation Backpack-Hit	Anbar ePRT 3 - Al Asad	\$200,000.00
2185	Binook Al Bashear Micro Loan Office Operating Costs 2008-2009	Baghdad ePRT 3	\$64,796.00
2183	Adhamiyah Al Bashear Micro Loan Office Operating Costs 2008-2009	Baghdad ePRT 3	\$64,796.00

2182	Self Actualization and Alleviating Psychosocial Trauma in Young Children.	Baghdad ePRT 2	\$139,000.00
2161	Voluntary Home Visiting Services for Older People	Erbil RRT	\$185,056.00
2139	Organizational Strengthening” Training. Capacity Building towards management	Maysan PRT	\$59,455.00
2135	KRG Health Capacity Building Project:	Erbil RRT	\$200,054.00
2134	Amedy City Women's Shelter	Erbil RRT	\$150,655.00
2133	Al Takadum Micro Loans Capital Augmentation Program	Anbar ePRT 3 - Al Asad	\$110,000.00
2129	Provincial Planning and Mapping Training and Office	Maysan PRT	\$63,820.00
2094	Youth Soccer Tournament	Baghdad PRT	\$66,654.00
2090	rice Institution: Operating Costs and New Loan Capital for Kadamiyah Karkh a	Baghdad ePRT 6	\$500,000.00
2077	Al Bashaer Micro Loans Capital Augmentation Program	Baghdad ePRT 4	\$243,796.00
2067	Youth and Sport Newspaper	Baghdad PRT	\$112,975.00
2062	Hafia Street Clinic	Baghdad ePRT 9	\$49,975.00
2057	Husinaya Al Bashear Loan Office	Baghdad ePRT 3	\$500,000.00
2018	Baghdadi Area Electrical Transformers	Anbar ePRT 3 - Al Asad	\$157,951.00
1879	Iraq Microfinance Initiative - Iskandariya	Babil (North) ePRT	\$500,000.00
1869	Adwaniyah Sewing Co OP	Baghdad ePRT 7	\$50,000.00
1854	Al Mada'in Government Connectivity	Baghdad ePRT 8	\$169,350.00
1853	Adwaniyah Primary School	Baghdad ePRT 7	\$200,000.00
1852	men's Education and Empowerment at Eight Cultural Centers in Dohuk Governc	Erbil RRT	\$50,246.00
1820	and Tolerance Among the Youths of Basra to Help Strengthen National Recon	Basrah PRT	\$198,840.00
1789	Women and Technology	Maysan PRT	\$52,000.00
1730	Institution for Handicapped Children	Baghdad ePRT 2	\$178,250.00
1729	Teaching Tolerance	Erbil RRT	\$37,400.00
1727	Youth and Technology	Maysan PRT	\$40,000.00
1335	Al Qaim Meat Market Roof	Anbar ePRT 3 - Al Asad	\$184,900.00
1242	Basrah Business Directory	Basrah PRT	\$86,420.00
1217	Madai'n Agriculture Technology Expo	Baghdad ePRT 8	\$72,450.00
1214	Anbar Government Center Automation	Anbar PRT	\$200,000.00
1213	IRR Ramadi Rail Yard Grant	Anbar PRT	\$200,000.00
1211	Advancing the Rights of Women and Children in Zakho	Erbil RRT	\$26,606.00
1190	Wasit Cost of Capital Partial Reduction Pilot Program	Wasit PRT	\$100,000.00
1187	Iraq Microfinance Initiative – Wassit	Wasit PRT	\$500,000.00
1181	Building Environmental Awareness	Erbil RRT	\$41,620.00
1078	Operating funds for Al Bashaer MFI Wahdah branch	Baghdad ePRT 8	\$72,490.00
1062	Quarter of a Million Tree Campaign	Erbil RRT	\$70,140.00
1057	Dijla Satellite TV Programming	Baghdad PRT	\$200,000.00
1053	Diyala Province Expansion: Satellite Office Kifri	Diyala PRT	\$125,000.00

1052	Arab Jabour Water Purification Station	Baghdad ePRT 7	\$97,200.00
1050	Diyala Province Expansion: Satellite Office Baqubah	Diyala PRT	\$125,000.00
1045	IDPs Handicrafts Workshop	Basrah PRT	\$50,000.00
1040	Honey Hive Development	Kirkuk PRT	\$114,168.00
997	Utilizing Technology in the Business Community	Maysan PRT	\$40,000.00
991	al-Huda Culture & Development Newspaper	Maysan PRT	\$67,800.00
972	9 Nisan Market Renovation	Baghdad ePRT 2	\$205,940.00
969	Ameriyah Ferris Generator Purchase	Anbar ePRT 1 - Fallujah	\$190,000.00
968	Rasheed Social Services Initiative Phase 1	Baghdad ePRT 1	\$100,000.00
967	Increasing the Effectiveness of Agricultural Extension in Diyala Province	Diyala PRT	\$150,000.00
956	al-Karkh Appellate District Courthouse Renovation and Capability Enhancement	Baghdad PRT	\$199,670.00
955	Najaf Tourism Conference	An Najaf PRT	\$100,000.00
950	3 - Tal Afar Economic Development Program	Ninewa PRT	\$199,000.00
945	IP Operational Support Grant to the Nasiriyah Small Business Development Center	Dhi Qar PRT	\$191,000.00
942	Abdullah Pump Station # 2: Euphrates 4	Anbar ePRT 1 - Fallujah	\$150,100.00
941	Abdullah Pump Station # 1: Euphrates 3	Anbar ePRT 1 - Fallujah	\$150,100.00
936	Veterinary Clinical Competency Training (VCCT)	Kirkuk PRT	\$113,875.00
913	Ministry of Municipalities: Creating Citizen-Friendly Government Services	Erbil RRT	\$200,000.00
911	Kirkuk Yellow Pages and Business Directory	Kirkuk PRT	\$47,585.00
909	Rasheed District Computer-Community Centers	Baghdad ePRT 1	\$335,693.00
900	al-Sha'ab Courthouse Capability Enhancement	Baghdad PRT	\$64,500.00
898	al-Baya'a Investigative Court Capability Enhancement	Baghdad PRT	\$89,065.00
893	Baghdad Provincial Council Media Committee Briefing Room	Baghdad PRT	\$151,641.00
890	Income Generation for Woman in Basra Province	Basrah PRT	\$66,900.00
886	Health Awareness for Mothers of Under-Five Children	Basrah PRT	\$80,730.00
885	Health/ Income Generation (Women)/Training of Birth Attendants	Basrah PRT	\$93,298.00
883	Mahmudiyah Tribal Conf Follow-up Initiative	Baghdad ePRT 4	\$83,500.00
879	Textile Women's Income Generation Project	Erbil RRT	\$78,970.00
877	Women Business Opportunities Fund - Suleimaniyah	Erbil RRT	\$200,000.00
876	Women Business Opportunities Fund - Dohuk	Erbil RRT	\$200,000.00
875	Women Business Opportunities Fund	Erbil RRT	\$200,000.00
870	Small Business Research and Leadership Center	Baghdad PRT	\$197,557.00
863	Al Fallujah Portable Radio Distribution	Anbar ePRT 1 - Fallujah	\$200,000.00
862	Al Fallujah Public Radio Programming Support	Anbar ePRT 1 - Fallujah	\$121,140.00
850	Tourism Center in Najaf	An Najaf PRT	\$110,000.00
848	Iraqi Al-Aman Center \ Kirkuk Operational Capital Program	Kirkuk PRT	\$200,000.00
846	Operating Costs - Al Murshed Economic Development Center	Kirkuk PRT	\$146,400.00

845	Business and Professional Women	Kirkuk PRT	\$131,100.00
844	Geology Lab Equipment	Kirkuk PRT	\$190,000.00
843	Geology Lab Equipment: X-ray lab technology	Kirkuk PRT	\$60,000.00
836	Kirkuk Press Media Briefing Room	Kirkuk PRT	\$39,980.00
826	Agricultural Training Center	Kirkuk PRT	\$85,000.00
825	KGB Network Training Center	Kirkuk PRT	\$80,193.00
824	KGB Wireless Network Phase III	Kirkuk PRT	\$62,425.00
823	KGB Wireless Network Phase II	Kirkuk PRT	\$51,549.00
822	abilitation of the Irrigation System in the Rural Sub-district of Ameriyah: Euphrat	Anbar ePRT 1 - Fallujah	\$140,734.00
776	Start-up Loan Capital for Branch Office in Al Wahdah Nahiya Mada'in Qada	Baghdad ePRT 8	\$100,000.00
775	Al Qaim Equipment Rental	Anbar ePRT 3 - Al Asad	\$199,000.00
774	Education and Advice Center (Program Equipment Training and Evaluation)	Baghdad ePRT 1	\$355,415.00
754	al-Rusafa Appellate District Courthouse Capability Enhancement	Baghdad PRT	\$95,620.00
753	al-Karada Courthouse Capability Enhancement	Baghdad PRT	\$64,450.00
749	Siphon # 1 from the Euphrates River - Irrigate farm land: Euphrates #1	Anbar ePRT 1 - Fallujah	\$200,000.00
733	al-Baya'a Court of First Instance Capability Enhancement	Baghdad PRT	\$89,255.00
732	Al Bashaer Micro Loans Capital Augmentation Program	Baghdad ePRT 3	\$200,000.00
716	Integrated Beekeeping Project for Vulnerable Families	Erbil RRT	\$78,291.00
712	Independent Newspaper - Al-Ayam	Baghdad PRT	\$164,550.00
693	Water pump #1- site along the Euphrates River	Anbar ePRT 1 - Fallujah	\$150,100.00
692	Talib Siphon # 2: Euphrates 2	Anbar ePRT 1 - Fallujah	\$200,000.00
685	Market Revitalization Program - Mini-Mall	Anbar ePRT 1 - Fallujah	\$189,000.00
684	Market Revitalization Program - Mini-Mall	Anbar ePRT 1 - Fallujah	\$173,900.00
682	Equipment for Ashur-TV	Baghdad PRT	\$137,120.00
680	Vocational Training Courses for IDP Women	Erbil RRT	\$60,640.00
671	Independent Newspaper Support- Albilad Alyom	Baghdad PRT	\$244,350.00
670	Economic Self-Help Program Handicapped Small Business	Anbar PRT	\$66,500.00
669	Rasheed District Social Services Initiative	Baghdad ePRT 1	\$200,000.00
668	Public Affairs Outreach and Communications-Rasheed	Baghdad PRT	\$69,600.00
667	Rasheed District Business Information Center	Baghdad ePRT 1	\$41,340.00
661	Capacity Building Assistance-Private Bankers	Baghdad PRT	\$200,000.00
660	The Iraqi Beekeepers Association	Baghdad PRT	\$200,000.00
659	Civil Society Organization-Higher Education	Baghdad PRT	\$200,000.00
658	Basrah City Park	Basrah REO	\$48,000.00
656	Equipment and Furniture for Iraqi Bar Association	Baghdad PRT	\$173,750.00
			\$33,093,354.00

QRF Grant - Khidr Economic Council Residential Rehabilitation (1)

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number: TEC 45 - 3398	Submitted: 07/27/08
Proposal Name: Khidr Economic Council Residential Rehabilitation (1)	Individual/Organization: Sabah Khafaji, Iskandariya Local Council Leader
Award Type: QRF Grant	Submitting Office: Babil (North) ePRT
Theme: 9734 - Governance Issues	Province: Babil
Organization Type: Gov. Related	Objective: 500 - Community Building
Amount: \$165,000.00	Period of Performance: 08/15/08 to 10/15/08
Coordinates: ,	EPLS Vetting: <input checked="" type="checkbox"/>
Formulated By: PRT/ePRT	Recipient Type: GOV - Sub-Provincial
GOR Name: Michael Maxey	GOR Email: mmaxey@iraq.usaid.gov
Management Office: DAI	Action: Sent to DAI
Director of Organization: Sabah Khafaji, Iskandariya Local Council Leader	Name of Signee: Sabah Khafaji
Location: Khidr, Iskandariya, Babil	Telephone/Fax: n/a
Email: smkm_alkafaji@yahoo.com	Website: n/a

Grantee Background: The Iskandariya Nahia Local Council has proven to be a dynamic force in North Babil and with the strong leadership of Council President Sheik Sabah Khafaji, the Nahia has promoted economic development through the revitalization of the IskandariyaVoTech Center. The Council has provided support for improved essential services in the area and has led initiatives to address problems faced by communities they serve. The Council, partnered with the Khidr Economic Development Council and the Khidr Intertribal Council, has the experience and management expertise to coordinate the proposed initiative for the rehabilitation of homes in the Khidr area.

Previous Funding

Description of Previous Funding: USG has supported the Iskandariya Nahia Local Council with the financing of a building for the council's office in Iskandariya. Support has also been provided by USAID programs such as the Community Stabilization Program for employment generation activities in the Iskandariya area. Local Council members and staff have also been trained under Local Government Program II activities. Total amounts of funding exceed \$500,000 over the last five years.

Executive Summary: The Khidr Area Residential Rehabilitation Program provides packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.

The Khidr Residential Rehabilitation Program supports the Babel Provincial Development Strategy's goal of rebuilding communities to provide suitable housing for all (Objective No. 7). It also strengthens the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle of Khidr in December 2007, this program will now ensure that we win the peace.

A field trip to the Khidr area in March 2008 indicated that more than 150 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

Description/Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007 by Coalition Forces. Elements of the 4th Brigade Combat Team, 3^d Infantry Division at FOB Iskandariyah fought a month long battle against large AQI elements. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes, public buildings and religious sites (both Sunni and Shia) as reprisals to passive resistance and underlying support to CI by area residents.

An EPRT and /MNF (Multi-National Forces) group made a field trip to the area on March 3, 2008, to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has been partially mitigated through the efforts of the local leadership, GOI (emergency assistance received through the Min. of Migration) and Coalition Forces. One of commendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

Project Justification: The people of the Khidr area suffered through a 9 month occupation by AQI and, as an unfortunate outcome of their passive resistance, many lost their homes, material possessions and lives. The resulting disruption of this quiet agricultural area and displacement of residents has not torn this community apart. While the effects of AQI presence have been partially mitigated through the efforts of local council leadership, and funding by GOI and Coalition Forces, the majority of residents have optimistically returned and, brick by brick slowly continue to repair the fabric of their community. This proposal is not intended to rebuild the destroyed residences in-kind; it is intended to provide basic construction materials to support these residents' efforts to return to their properties, re-establish stable homes, put their lives back together and return to normalcy.

Collaboration & Coordination: This project provides basic building material for home construction in the Khidr area which in turn will provide shelter a key component of economic and social recovery. The overall coordination of this program by the Iskandariya Nahia Local Council, partnered with the Khidr Economic Development Council and the Khidr Intertribal Council, strengthens their legitimacy in North Babel and shows the commitment of the Iraq government to support communities that stand with the national government.

Other Funding: In-kind labor will be provided from the local community, transportation support and security by Coalition Forces, and technical services and support by Iskandariya VoTech Center on assembling the supplies for delivery and distribution to Khidr area.

Financials: The In-Kind grant mechanism will be used for this implementation. Financial reporting will be provided by the implementer (DAI). The local council will provide and validate the resident distribution and delivery list with Coalition Forces and ePRT North Babil. The final distribution and delivery date will be provided at the conclusion of the program.

Budget Summary: The cost of the program is \$165,000. This funding will finance 50 packages of construction material with each package costing \$3,300. One package will be provided to each family for their use in rebuilding their home.

A basic package will contain the following:

R Bar - 1.5 tons at \$800/ton for a total cost of \$1,200

Cement - 5 tons at \$250/ton for a total cost of \$1,250

Interior Doors - 5 at \$130/each for a total cost of \$650

Metal Entry Door - 1 at a cost of \$200

Total cost for each package is \$3,300 and with 50 packages, the total cost of the program is \$165,000

Submitted by: Howard Vanvranken

Submitter Email: Howard.Vanvranken@4BCT3ID.army.mil

ETEC Comments: 4 Aug. (SG): Approved in ETEC 45; revised proposal from ETEC 35 – 2738 Khidr Area Residential Rehab

WTEC Comments: Approved as three separate grants (originally was approved as 35-2738).

PRT Comments: This proposal is a resubmission of TEC 35-2738 which was previously approved by the ETEC. It is resubmitted at the recommendation of OPA and the ETEC to reduce the total amount of the grant to conform program limits.

The 4th Brigade Combat Team is the home of ePRT North Babil. The Area of Operation of the Brigade includes areas with significant destruction by Al Qaeda of Iraq. The extent of destruction in the Khidr area was comprehensive and systematic. A key part of our mission is to move back into these areas as they are secured and show the residents that the Iraqi government at the sub-provincial level can provide support for rebuilding their lives. This home rehabilitation program will help local residents start the process of rebuilding their community. This program will be coordinated by the local MNF-I.

QRF Grant - Khidr Economic Council Residential Rehabilitation (2)

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 45 - 3399	Submitted:	07/27/08
Proposal Name:	Khidr Economic Council Residential Rehabilitation (2)	Individual/Organization:	Jaffar Hussein, Khidr Economic Development Council
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$165,000.00	Period of Performance:	08/15/08 to 10/15/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Jaffar Hussein, Khidr Economic Development Council	Name of Signee:	Jaffar Hussein
Location:	Khidr, Iskandariya, Babil	Telephone/Fax:	0780 687 5849
Email:	n/a	Website:	n/a

Grantee Background: **The Iskandariya Nahia Local Council, Khidr Economic Development Council and the Khidr Intertribal Council are dynamic local institutions who have partnered to plan and manage the reconstruction of the Khidr area. Sheikh Hussein has proven to be a capable and honest leader in the reconstruction effort in Khidr. The Economic Development Council has provided planning support for the reconstruction of the area and is partnered with other area organizations to revitalize a community devastated by AQI. With the Iskandariya Nahia Local Council and the Khidr Intertribal Council, they have the experience and management expertise to coordinate the proposed initiative for the rehabilitation of homes in the Khidr area.**

Previous Funding

Description of Previous Funding: None.

Executive Summary: **The Khidr Area Residential Rehabilitation Program provides packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.**

The Khidr Residential Rehabilitation Program supports the Babel Provincial Development Strategy's goal of rebuilding communities to provide suitable housing for all (Objective No. 7). It also strengthens the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle of Khidr in December 2007, this program will now ensure that we win the peace.

A field trip to the Khidr area in March 2008 indicated that more than 150 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

Description/Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007 by Coalition Forces. Elements of the 4th Brigade Combat Team, 3rd Infantry Division at FOB Iskandariyah fought a month long battle against large AQI elements. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes, public buildings and religious sites (both Sunni and Shia) as reprisals to passive resistance and underlying support to CF by area residents.

An EPRT and /MNF (Multi-National Forces) group made a field trip to the area on March 3, 2008, to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has been partially mitigated through the efforts of the local leadership, GOI (emergency assistance received through the Min. of Migration) and Coalition Forces. One of commendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

Project Justification: The people of the Khidir area suffered through a 9 month occupation by AQI and, as an unfortunate outcome of their passive resistance, many lost their homes, material possessions and lives. The resulting disruption of this quiet agricultural area and displacement of its residents has not torn this community apart. While the effects of AQI presence have been partially mitigated through the efforts of local council leadership, and funding by GOI and Coalition Forces, the majority of residents have optimistically returned and, brick by brick slowly continue to repair the fabric of their community. This proposal is not intended to rebuild the destroyed residences in-kind. It is intended to provide basic construction materials to support these residents' efforts to return to their properties re-establish stable homes, put their lives back together and return to normalcy.

Collaboration & Coordination: This project provides basic building material for home construction in the Khidr area which in turn will provide shelter a key component of economic and social recovery. The overall coordination of this program by the Iskandariya Nahia Local Council, partnered with the Khidr Economic Development Council and the Khidr Intertribal Council, strengthens their legitimacy in North Babel and shows the commitment of the Iraq government to support communities that stand with the national government.

Other Funding: In-kind labor will be provided from the local community, transportation support and security by Coalition Forces, and technical services and support by Iskandariya VoTech Center on assembling the supplies for delivery and distribution to Khidr area.

Financials: The In-Kind grant mechanism will be used for this implementation. Financial reporting will be provided by the implementer (DAI). The local council will provide and validate the resident distribution and delivery list with Coalition Forces and ePRT North Babil. The final distribution and delivery date will be provided at the conclusion of the program.

Budget Summary: The overall cost of the program is \$165,000. This funding will finance 50 packages of construction material with each package costing \$3,300. One package will be provided to each family for their use in rebuilding their home.

A basic package will contain the following:

R Bar - 1.5 tons at \$800/ton for a total cost of \$1,200

Cement - 5 tons at \$250/ton for a total cost of \$1,250

Interior Doors - 5 at \$130/each for a total cost of \$650

Metal Entry Door - 1 at a cost of \$200

Total cost for each package is \$3,300 and with 50 packages, the total cost of the program is \$165,000

Submitted by: Howard Vanvranken

Submitter Email: Howard.Vanvranken@4BCT3ID.army.mil

ETEC Comments: 4 Aug. (SG): Approved in ETEC 45; revised proposal from TEC 35 – 2738 Khidr Area Residential Rehab

WTEC Comments: Approved as three separate grants (originally was approved as 35-2738).

PRT Comments: This proposal is a resubmission of TEC 35-2738 which was previously approved by the ETEC. It is resubmitted at the recommendation of OPA and the ETEC to reduce the total amount of the grant to conform program limits.

The 4th Brigade Combat Team is the home of ePRT North Babil. The Area of Operation of the Brigade includes areas with significant destruction by Al Qaeda of Iraq. The extent of destruction in the Khidr area was comprehensive and systematic. A key part of our job is to move back into these areas as they are secured and show the residents that the Iraqi government at the sub-provincial level can provide support for rebuilding their lives. This home rehabilitation program will help local residents start the process of rebuilding their community. This program will be coordinated by the local MNF-I.

QRF Grant - Khidr Economic Council Residential Rehabilitation (3)

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 45 - 3400	Submitted:	07/27/08
Proposal Name:	Khidr Economic Council Residential Rehabilitation (3)	Individual/Organization:	Sheikh Fadhil Ali Abtan, Khidr Intertribal Council
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$165,000.00	Period of Performance:	08/15/08 to 10/15/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Sheikh Fadhil Ali Abtan, Khidr Intertribal Council	Name of Signee:	Sheikh Fadhil Ali Abtan
Location:	Khidr, Iskandariya, Babil	Telephone/Fax:	0780 873 6496
Email:	n/a	Website:	n/a

Grantee Background: **The Iskandariya Nahia Local Council, Khidr Economic Development Council and the Khidr Intertribal Council are dynamic local institutions who have partnered to plan and manage the reconstruction of the Khidr area. Sheikh Hussein has proven to be a capable and honest leader in the reconstruction effort in Khidr. The Economic Development Council has provided planning support for the reconstruction of the area and is partnered with other area organizations to revitalize a community devastated by AQI. With the Iskandariya Nahia Local Council and the Khidr Economic Development Council, they have the experience and management expertise to coordinate the proposed initiative for the rehabilitation of homes in the Khidr area.**

Previous Funding

Description of Previous Funding: None.

Executive Summary: **The Khidr Area Residential Rehabilitation Program provides packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.**

The Khidr Residential Rehabilitation Program supports the Babel Provincial Development Strategy's goal of rebuilding communities to provide suitable housing for all (Objective No. 7). It also strengthens the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle of Khidr in December 2007, this program will now ensure that we win the peace.

A field trip to the Khidr area in March 2008 indicated that more than 150 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

Description/Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007 by Coalition Forces. Elements of the 4th Brigade Combat Team, 3rd Infantry Division at FOB Iskandariyah fought a month long battle against large AQI elements. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes, public buildings and religious sites (both Sunni and Shia) as reprisals to passive resistance and underlying support to CF by area residents.

An EPRT and /MNF (Multi-National Forces) group made a field trip to the area on March 3, 2008, to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has been partially mitigated through the efforts of the local leadership, GOI (emergency assistance received through the Min. of Migration) and Coalition Forces. One of commendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

Project Justification: The people of the Khidir area suffered through a 9 month occupation by AQI and, as an unfortunate outcome of their passive resistance, many lost their homes, material possessions and lives. The resulting disruption of this quiet agricultural area and displacement of its residents has not torn this community apart. While the effects of AQI presence have been partially mitigated through the efforts of local council leadership, and funding by GOI and Coalition Forces, the majority of residents have optimistically returned and, brick by brick slowly continue to repair the fabric of their community. This proposal is not intended to rebuild the destroyed residences in-kind. It is intended to provide basic construction materials to support these residents' efforts to return to their properties re-establish stable homes, put their lives back together and return to normalcy.

Collaboration & Coordination: This project provides basic building material for home construction in the Khidr area which in turn will provide shelter a key component of economic and social recovery. The overall coordination of this program by the Iskandariya Nahia Local Council, partnered with the Khidr Economic Development Council and the Khidr Intertribal Council, strengthens their legitimacy in North Babel and shows the commitment of the Iraq government to support communities that stand with the national government.

Other Funding: In-kind labor will be provided from the local community, transportation support and security by Coalition Forces, and technical services and support by Iskandariya VoTech Center on assembling the supplies for delivery and distribution to Khidr area.

Financials: The In-Kind grant mechanism will be used for this implementation. Financial reporting will be provided by the implementer (DAI). The local council will provide and validate the resident distribution and delivery list with Coalition Forces and ePRT North Babil. The final distribution and delivery date will be provided at the conclusion of the program.

Budget Summary: The cost of the program is \$165,000. This funding will finance 50 packages of construction material with each package costing \$3,300. One package will be provided to each family for their use in rebuilding their home.

A basic package will contain the following:

R Bar - 1.5 tons at \$800/ton for a total cost of \$1,200

Cement - 5 tons at \$250/ton for a total cost of \$1,250

Interior Doors - 5 at \$130/each for a total cost of \$650

Metal Entry Door - 1 at a cost of \$200

Total cost for each package is \$3,300 and with 50 packages, the total cost of the program is \$165,000

Submitted by: Howard Vanvranken

Submitter Email: Howard.Vanvranken@4BCT3ID.army.mil

ETEC Comments: 4 Aug. (SG): Approved in ETEC 45; revised proposal from TEC 35 – 2738 Khidr Area Residential Rehab

WTEC Comments: Approved as three separate grants (originally was approved as 35-2738).

PRT Comments: This proposal is a resubmission of TEC 35-2738 which was previously approved by the ETEC. It is resubmitted at the recommendation of OPA and the ETEC to reduce the total amount of the grant to conform program limits.

The 4th Brigade Combat Team is the home of ePRT North Babil. The Area of Operation of the Brigade includes areas with significant destruction by Al Qaeda of Iraq. The extent of destruction in the Khidr area was comprehensive and systematic. A key part of our job is to move back into these areas as they are secured and show the residents that the Iraqi government at the sub-provincial level can provide support for rebuilding their lives. This home rehabilitation program will help local residents start the process of rebuilding their community. This program will be coordinated by the local MNF-I.

QRF Grant - Al Gharoni Tribal Area Residential Rehabilitation

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 45 - 3394	Submitted:	07/27/08
Proposal Name:	Al Gharoni Tribal Area Residential Rehabilitation	Individual/Organization:	Amir Ali Mustafa Al Mamouri
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$165,000.00	Period of Performance:	08/15/08 to 10/15/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Amir Ali Mustafa Al Mamouri	Name of Signee:	Amir Ali Mustafa Al Mamouri
Location:	Golden Hills, Wasit	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a

Grantee Background: The Local Council in the Golden Hills area of Wasit is leading efforts to rebuild the area after devastating damage to local homes and infrastructure by Al Qaeda of Iraq. The Council has provided support for improved essential services in the area and has led initiatives to address problems faced by communities they serve. The Council, with support by MNF-I, can coordinate the proposed initiative for the rehabilitation of homes in the Golden Hills area. The Council will partner with local tribal-based community organizations in executing and managing this project.

Previous Funding

Description of Previous Funding: None.

Executive Summary: The Golden Hills Area Residential Rehabilitation Program provides packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.

The Golden Hills Residential Rehabilitation Program strengthens the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle in Wasit Province against Al Qaeda in December 2007, this program will now ensure that we win the peace.

A field trip to the Golden Hills area in May 2008 indicated that more than 300 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

This proposal will provide construction material to assist 50 families in rehabilitating their homes in the Golden Hills area

Description/Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes and public buildings (both Sunni and Shia) as reprisals for a lack of support by area residents.

An EPRT and /MNF (Multi-National Forces) group made a field trip to the area in May 2008 to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has only partially been mitigated through the efforts of the local leadership and Coalition Forces. One of the recommendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

The program will provide construction material for the rehabilitation of 50 homes in the Golden Hills area.

Project Justification: The people of the Golden Hills area suffered through an extended occupation by AQI and, as an unfortunate outcome of their passive resistance, many lost their homes, material possessions and lives. The resulting disruption of this quiet agricultural area and displacement of its residents has not torn this community apart. While the effects of AQI presence have been partially mitigated through the efforts of local council leadership, and funding by GOI and Coalition Forces, the majority of residents have optimistically returned and, brick by brick slowly continue to repair the fabric of their community. This proposal is not intended to rebuild the destroyed residences in-kind. It is intended to provide basic construction materials to support these residents' efforts to return to their properties re-establish stable homes, put their lives back together and return to normalcy.

Collaboration & Coordination: This project provides basic building material for home construction in the Golden Hills area which in turn will provide shelter a key component of economic and social recovery. The overall coordination of this program by the Local Council and community tribal-based organizations strengthens their legitimacy in Wasit Province and shows the commitment of the Iraq government to support communities that stand with the national government.

Other Funding: In-kind labor will be provided from the local community, transportation support and security by Coalition Forces, and DAI assembling the supplies for delivery and distribution to Golden Hills area.

Financials: The In-Kind grant mechanism will be used for this implementation. Financial reporting will be provided by the implementer (DAI). The local council will provide and validate the resident distribution and delivery list with Coalition Forces and ePRT North Babil. The final distribution and delivery date will be provided at the conclusion of the program.

Budget Summary: The overall cost of the program is \$495,000. This funding will finance 50 packages of construction material with each package costing \$3,300. One package will be provided to each family for their use in rebuilding their home. A basic package will contain the following:

R Bar - 1.5 tons at \$800/ton for a total cost of \$1,200;

Cement - 5 tons at \$250/ton for a total cost of \$1,250;

Interior Doors - 5 at \$130/each for a total cost of \$650;

Metal Entry Door - 1 at a cost of \$200.

Total cost for each package is \$3,300 and with 50 packages, the total cost of the

program is \$165,000

Submitted by: Howard Vanvranken

Submitter Email: Howard.Vanvranken@4BCT3ID.army.mil

ETEC Comments: 4 Aug. (SG): Approved in ETEC 45; revised proposal from TEC 39 – 3008 Golden Hills Home Rehab

WTEC Comments: Approved as three separate grants (originally was approved as 39-3008).

PRT Comments: This proposal is a resubmission of TEC 39-3008 which was previously approved by the ETEC. It is resubmitted at the recommendation of OPA and the ETEC to reduce the total amount of the grant to conform program limits.

The 4th Brigade Combat Team is the home of ePRT North Babil. The Area of Operation of the Brigade continues to expand and as we move into new areas we are finding the same type of destruction by Al Qaeda of Iraq that we saw in the Khidr area in February 2008. Northern Wasit was added to the Brigade's AO earlier this year. We made a preliminary trip there in March and more comprehensive trip with officials from US Embassy Baghdad in May 2008. The extent of destruction in the Golden Hills area of Wasit was comprehensive and systematic -- homes were inventoried by Al Qaeda (each house marked for discussion had a number written on its outer wall) and then destroyed. A key part of our job is to move back into these areas as they are secured and show the residents that the Iraqi government at the sub-provincial level can provide support for rebuilding their lives. This home rehabilitation program will help local residents start the process of rebuilding their community. As in Khidr, this program will be coordinated by the local MNF-I.

QRF Grant - Al Gharoni Tribal Area Residential Rehabilitation (2)

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 45 - 3395	Submitted:	07/27/08
Proposal Name:	Al Gharoni Tribal Area Residential Rehabilitation (2)	Individual/Organization:	Naji Daher Al Khazraji
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$165,000.00	Period of Performance:	08/15/08 to 10/15/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Naji Daher Hamadi Al Khazraji, Leader	Name of Signee:	Naji Daher Hamadi Al Khazraji
Location:	Golden Hills, Wasit	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a

Grantee Background: The Khazraji Tribal Community in the Golden Hills area of Wasit is working with the Local Council and other community groups to rebuild the area after devastating damage to local homes and infrastructure by Al Qaeda of Iraq. The Council has provided support for improved essential services in the area and has led initiatives to address problems faced by communities they serve. The Tribal Community and Local Council, with support by MNF-I, can coordinate the proposed initiative for the rehabilitation of homes in the Golden Hills area. The Tribal Community and Local Council will partner in executing and managing this project.

Previous Funding

Description of Previous Funding: None.

Executive Summary: The Golden Hills Area Residential Rehabilitation Programs provide packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.

The Golden Hills Residential Rehabilitation Programs strengthen the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle in Wasit Province against Al Qaeda in December 2007, this program will now ensure that we win the peace.

A field trip to the Golden Hills area in May 2008 indicated that more than 300 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

This proposal will provide construction material to assist 50 families in rehabilitating their home in the Golden Hills area

Description/Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes and public buildings (both Sunni and Shia) as reprisals for a lack of support by area residents.

An EPRT and /MNF (Multi-National Forces) group made a field trip to the area in May 2008 to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has only partially been mitigated through the efforts of the local leadership and Coalition Forces. One of recommendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

The program will provide construction material for the rehabilitation of 50 homes in the Golden Hills area.

Project Justification: The people of the Golden Hills area suffered through an extended occupation by AQI and, as an unfortunate outcome of their passive resistance, many lost their homes, material possessions and lives. The resulting disruption of this quiet agricultural area and displacement of its residents has not torn this community apart. While the effects of AQI presence have been partially mitigated through the efforts of local council leadership, and funding by GOI and Coalition Forces, the majority of residents have optimistically returned and, brick by brick slowly continue to repair the fabric of their community. This proposal is not intended to rebuild the destroyed residences in-kind. It is intended to provide basic construction materials to support these residents' efforts to return to their properties re-establish stable homes, put their lives back together and return to normalcy.

Collaboration & Coordination: This project provides basic building material for home construction in the Golden Hills area which in turn will provide shelter a key component of economic and social recovery. The overall coordination of this program by the Local Council and community tribal-based organizations strengthens their legitimacy in Wasit Province and shows the commitment of the Iraq government to support communities that stand with the national government.

Other Funding: In-kind labor will be provided from the local community, transportation support and security by Coalition Forces, and DAI assembling the supplies for delivery and distribution to Golden Hills area.

Financials: The In-Kind grant mechanism will be used for this implementation. Financial reporting will be provided by the implementer (DAI). The local council will provide and validate the resident distribution and delivery list with Coalition Forces and ePRT North Babil. The final distribution and delivery date will be provided at the conclusion of the program.

Budget Summary: The cost of the program is \$165,000. This funding will finance 50 packages of construction material with each package costing \$3,300. One package will be provided to each family for their use in rebuilding their home. A basic package will contain the following:

R Bar - 1.5 tons at \$800/ton for a total cost of \$1,200;

Cement - 5 tons at \$250/ton for a total cost of \$1,250;

Interior Doors - 5 at \$130/each for a total cost of \$650;

Metal Entry Door - 1 at a cost of \$200.

Total cost for each package is \$3,300 and with 50 packages, the total cost of the program is \$165,000

EETC Comments: 4 Aug. (SG): Approved in EETC 45; revised proposal from TEC 39 – 3008 Golden Hills Home Rehab

WTEC Comments: Approved as three separate grants (originally was approved as 39-3008).

PRT Comments: This proposal is a resubmission of TEC 39-3008 which was previously approved by the EETC. It is resubmitted at the recommendation of OPA and the EETC to reduce the total amount of the grant to conform program limits.

The 4th Brigade Combat Team is the home of ePRT North Babil. The Area of Operation of the Brigade continues to expand and as we move into new areas we are finding the same type of destruction by Al Qaeda of Iraq that we saw in the Khidr area in February 2008. Northern Wasit was added to the Brigade's AO earlier this year. We made a preliminary trip there in March and more comprehensive trip with officials from US Embassy Baghdad in May 2008. The extent of destruction in the Golden Hills area of Wasit was comprehensive and systematic -- homes were inventoried by Al Qaeda (each house marked for discussion had a number written on its outer wall) and then destroyed. A key part of our job is to move back into these areas as they are secured and show the residents that the Iraqi government at the sub-provincial level can provide support for rebuilding their lives. This home rehabilitation program will help local residents start the process of rebuilding their community. As in Khidr, this program will be coordinated by the local MNF-I.

QRF Grant - Al Ghoroni Tribal Area Residential Rehabilitation (3)

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 45 - 3396	Submitted:	07/27/08
Proposal Name:	Al Ghoroni Tribal Area Residential Rehabilitation (3)	Individual/Organization:	Nahid Abdul Razak Thabit Al Ghoroni
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$165,000.00	Period of Performance:	08/15/08 to 10/15/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Nahid Abdul Razak Thabit Al Ghoroni	Name of Signee:	Nahid Abdul Razak Thabit Al Ghoroni
Location:	Golden Hills, Wasit	Telephone/Fax:	0780 833 1434
Email:	n/a	Website:	n/a

Grantee Background: The Al Ghoroni Tribal Community in the Golden Hills area of Wasit is working with the Local Council and other community groups to rebuild the area after devastating damage to local homes and infrastructure by Al Qaeda of Iraq. The Council has provided support for improved essential services in the area and has led initiatives to address problems faced by communities they serve. The Tribal Community and Local Council, with support by MNF-I, can coordinate the proposed initiative for the rehabilitation of homes in the Golden Hills area. The Tribal Community and Local Council will partner in executing and managing this project.

Previous Funding

Description of Previous Funding: None.

Executive Summary: The Golden Hills Area Residential Rehabilitation Programs provide packages of construction material to residents whose homes were destroyed by Al Qaeda of Iraq. Each package is a limited amount of basic building supplies (valued at \$3,300 each) determined to be the most critical in complementing local material salvaged by residents from their destroyed homes. With these packages of building supplies residents will rebuild transitional shelter to cover their basic needs. This program aims to cover critical housing needs and is not designed to rebuild the communities completely.

The Golden Hills Residential Rehabilitation Programs strengthen the legitimacy of the Iraqi local government in an area that was until recently controlled by Al Qaeda of Iraq. Coalition forces won the battle in Wasit Province against Al Qaeda in December 2007, this program will now ensure that we win the peace.

A field trip to the Golden Hills area in May 2008 indicated that more than 300 homes had been destroyed by Al Qaeda of Iraq as they were driven out of the area by Coalition Forces. This was retribution for the community for a perceived lack of support during the battle. Clearly a message was being sent by Al Qaeda. Now we must help the Iraqi government send a different message --- one of hope and commitment that we will help those who stand for tolerance, justice and a better future for all Iraqis.

This proposal will provide construction material to assist 50 families in rehabilitating their home in the Golden Hills area

Description/Purpose: The purpose of this grant is to provide material support to identified local residences in order to assist the reconstruction of those homes destroyed by Al Qaeda of Iraq (AQI) during operations to secure the area in December 2007. As AQI retreated from this Sunni/Shia mixed area they indiscriminately destroyed homes and public buildings (both Sunni and Shia) as reprisals for a lack of support by area residents.

An EPRT and /MNF (Multi-National Forces) group made a field trip to the area in May 2008 to assess the damage and begin putting together a grant proposal to stabilize the area and promote social and economic development. The resulting displacement of local residents has only partially been mitigated through the efforts of the local leadership and Coalition Forces. One of recommendations from the field visit was to provide bulk material support to complement efforts of the local populace to rebuild their homes. A bill of quantities (BOQ) to rebuild the houses was generated, however the total amount was cost prohibitive under the range of IRAP. This proposal refines the original BOQ to provide key, bundled construction materials totaling \$3,300 to each identified residence.

The program will provide construction material for the rehabilitation of 50 homes in the Golden Hills area.

Project Justification: The people of the Golden Hills area suffered through an extended occupation by AQI and, as an unfortunate outcome of their passive resistance, many lost their homes, material possessions and lives. The resulting disruption of this quiet agricultural area and displacement of its residents has not torn this community apart. While the effects of AQI presence have been partially mitigated through the efforts of local council leadership, and funding by GOI and Coalition Forces, the majority of residents have optimistically returned and, brick by brick slowly continue to repair the fabric of their community. This proposal is not intended to rebuild the destroyed residences in-kind. It is intended to provide basic construction materials to support these residents' efforts to return to their properties re-establish stable homes, put their lives back together and return to normalcy.

Collaboration & Coordination: This project provides basic building material for home construction in the Golden Hills area which in turn will provide shelter a key component of economic and social recovery. The overall coordination of this program by the Local Council and community tribal-based organizations strengthens their legitimacy in Wasit Province and shows the commitment of the Iraq government to support communities that stand with the national government.

Other Funding: In-kind labor will be provided from the local community, transportation support and security by Coalition Forces, and DAI assembling the supplies for delivery and distribution to Golden Hills area.

Financials: The In-Kind grant mechanism will be used for this implementation. Financial reporting will be provided by the implementer (DAI). The local council will provide and validate the resident distribution and delivery list with Coalition Forces and ePRT North Babil. The final distribution and delivery date will be provided at the conclusion of the program.

Budget Summary: The cost of the program is \$165,000. This funding will finance 50 packages of construction material with each package costing \$3,300. One package will be provided to each family for their use in rebuilding their home. A basic package will contain the following:

R Bar - 1.5 tons at \$800/ton for a total cost of \$1,200;

Cement - 5 tons at \$250/ton for a total cost of \$1,250;

Interior Doors - 5 at \$130/each for a total cost of \$650;

Metal Entry Door - 1 at a cost of \$200.

Total cost for each package is \$3,300 and with 50 packages, the total cost of the program is \$165,000

ETEC Comments: 4 Aug. (SG): Approved in ETEC 45; revised proposal from TEC 39 – 3008 Golden Hills Home Rehab

WTEC Comments: Approved as three separate grants (originally was approved as 39-3008).

QRF Grant - Basic School Supplies for Children

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 35 - 2743	Submitted:	05/20/08
Proposal Name:	Basic School Supplies for Children	Individual/Organization:	Nahia Local Councils - North Babil
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9738 - Education	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$200,000.00	Period of Performance:	06/01/08 to 07/31/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Leader of Nahia Local Council	Name of Signee:	Leader of Nahia Local Council
Location:	Various Locations, North Babil	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a

Grantee Background: Grantees will be Nahia Local Councils in the North Babil area. A needs assessment conducted in conjunction with the Ministry of Education will identify the specific locations to be included in the program. The Nahia Local Councils selected to participate in the program will be grantees of the funding administered by DAI. The grantees will procure and distribute school supplies using local suppliers. The grantees will work in close coordination with the Ministry of Education and local Coalition Forces.

Previous Funding

Description of Previous Funding: Assistance provided to Nahia Local Councils will be assessed. Areas that have already received school supply support will not be included in this program. The target group for the School Supply Program are those primary school students in former conflict areas that were not been included in a prior assistance program under the Creative Associates RISE (Revitalization of Iraqi Schools and Strengthening of Education) or similar programs.

Executive Summary: The improved security situation in the northern part of Babil Province has encouraged children to return to school. In many cases, children are meeting in difficult conditions but across the area they and their parents have shown a strong desire to improve their lives. The expulsion of Al Qaeda of Iraq from this area and the ongoing community work with the large Shia population here makes this an ideal time to reach out the communities and help their children return to school. This program would address the acute shortage of basic school supplies for these children by providing a backpack containing school supplies. Initial estimates indicate that approximately 20,000 students need school supplies in North Babil and this program would supply each of them a backpack and minimum supply of school material.

Description/Purpose: North Babil is comprised of four major cities and 14 secondary cities. This area was insecure until only recently. Schools are now open and children are trying to learn. Visits by 4th Brigade Combat Team of the 3rd Infantry Division and members of the ePRT (Embedded Provincial Reconstruction Team) found that school supplies for basic learning are in short supply.

Children in North Babil are, in many cases, from families with little or no income due to the lack of steady income earning opportunities. These families are unable to provide these basic supplies to enable learning to take place. It is expected that the Iraq government will provide support for these families in 2009 and beyond. However, in order to take advantage of the current school year, ePRT North Babil is submitting a proposal requesting \$200,000 in funding to purchase 20,000 backpacks that include basic school supplies. A basic package of school

supplies will be purchased from local vendors for distribution by local government authorities to elementary school students in North Babil . The overall program will be coordinated by Coalition Forces with North Babil Nahia Local Councils, the Ministry of Education and Other Donors.

Project Justification: The School Supply Program will provide temporary assistance for this school year to primary school students located in areas that were not assisted under previous school supply programs. This is a support mechanism to help students return to school in areas that were insecure and underserved by Government of Iraq support for education. The Government of Iraq is expected to provide assistance for school supplies and other education sector support in the future.

Collaboration & Coordination: EPRT North Babil with assistance from PRT Babil will coordinate directly with the Ministry of Education to identify areas that because security issues were under-served in the past. A program will be developed that will link the Nahia Local Councils to the Ministry of Education to deliver school supplies to primary school children. The delivery of school supplies will be monitored by Coalition Forces in these areas in coordination with the Nahia Local Councils and the Ministry of Education. Coordination will also be undertaken with Other Donors providing support to primary education in these sectors.

Other Funding: The School Supply Program will complement ongoing programs contemplated by the Ministry of Education in North Babil. Total funding amounts and the contribution of different parties will be determined during the assessment of where school supply support is needed. The program will also coordinate its efforts with the Japanese International Cooperation Agency education activities in North Babil. (Note: There have been informal discussions and a tentative agreement for cooperation between EPRT North Babil and JICA in helping the Japanese identify and fund education projects in North Babil -- with each project limited to not more than \$75,000).

Financials: Financial reports will be provided by the Nahia Local Councils regarding the procurement and distribution of school supplies in each area chosen to participate in the program. These local programs will be monitored by DAI and coordinated with Coalition Forces in the area to ensure proper execution and oversight.

Budget Summary: Each package will cost approximately \$10 and will contain the following:

- Backpack (two shoulder straps with an internal capacity of between 20 and 25 liters)
- Calculator (approximately 10 cm x 10 cm in size with basic math functions)
- Four school lined copy (Compensation) books, lined, 150 pages each
- Packets of loose leaf paper, two or three hole punched, 200 sheets per packet
- Loose leaf notebook, 5cm back, two or three ringed, that will hold the paper from above
- Five ink pens, blue or black ink
- One box of eight Crayons
- Five pencils, number two with erasers
- Pencil Sharpener, small hand held
- Five Erasers
- Scissors, safety type without sharp tips
- Eight Markers, different colors
- Two sticks or bottles of school glue, non-toxic
- Metric Ruler, 30 cm
- Five Folders, two pockets, A4 size

There are an estimated 20,000 students that are in areas that were previously not served by school supply programs in the past due to Al Qaeda of Iraq and counter insurgency issues.

The total cost of the program will be \$200,000 (20,000 student back packs with supplies at \$10 per student).

Submitted by: Michael Maxey

Submitter Email: mmaxey@iraq.usaid.gov.

ETEC Comments: 5/26/08 (Approved) - Based on success of Anbar ePRT submission with similiar goals in post-AQI violent environment, ETEC is supportive of this effort. Appreciate effort reqd to get local city council involved. Presume municipal DG for Education will also be included?

PRT Comments: The attachment contains information on the development and justification of the School Supply Program including a Memorandum of Conversation with the former RISE Project manager, Robert Murphy, in which it was determined that North Babil was not included in previous "Operation Backpack" activities executed by Creative Associates in 2003 and 2004.

A meeting was also held with Ambassador Richard Saloom, Senior Advisor on Iraq at the Department of State. Amb. Saloom was the former head of the Iraq Reconstruction Office in Baghdad. He indicated his strong support for this "Operation Backpack" type program in areas that were previously not covered due to security issues.

QRF Grant - Basic School Supplies for Children

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 39 - 2981	Submitted:	06/14/08
Proposal Name:	Basic School Supplies for Children	Individual/Organization:	Nahia Local Councils – Southern Baghdad & Northern Wasit
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9738 - Education	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$200,000.00	Period of Performance:	07/15/08 to 08/15/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Leader of Nahia Local Councils in Southern Baghdad & Northern Wasit	Name of Signee:	Leaders of Nahia Local Councils
Location:	Various locations in Southern Baghdad & Northern Wasit	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a

Grantee Background: Grantees will be Nahia Local Councils in the Southern Baghdad & Northern Wasit area. A needs assessment conducted in conjunction with the Ministry of Education will identify the specific locations to be included in the program. The Nahia Local Councils selected to participate in the program will be grantees of the funding administered by DAI. The grantees will procure and distribute school supplies using local suppliers. The grantees will work in close coordination with the Ministry of Education and local Coalition Forces.

Previous Funding

Description of Previous Funding: Assistance provided to Nahia Local Councils will be assessed. Areas that have already received school supply support will not be included in this program. The target group for the School Supply Program are those primary school students in former conflict areas that were not been included in a prior assistance program under the Creative Associates RISE (Revitalization of Iraqi Schools and Strengthening of Education) or similar programs.

Executive Summary: The improved security situation in the northern part of Southern Baghdad & Northern Wasit Provinces has encouraged children to return to school. In many cases, children are meeting in difficult conditions but across the area they and their parents have shown a strong desire to improve their lives. The expulsion of Al Qaeda of Iraq from this area and the ongoing community work with the large Shia population here makes this an ideal time to reach out the communities and help their children return to school. This program would address the acute shortage of basic school supplies for these children by providing a backpack containing school supplies. Initial estimates indicate that approximately 20,000 students need school supplies in North Babil and this program would supply each of them a backpack and minimum supply of school material.

Description/Purpose: Southern Baghdad & Northern Wasit is comprised of two major cities and four secondary cities. This area was insecure until only recently. Schools are now open and children are trying to learn. Visits by 4th Brigade Combat Team of the 3rd Infantry Division and members of the ePRT (Embedded Provincial Reconstruction Team) found that school supplies for basic learning are in short supply.

Children in Southern Baghdad & Northern Wasit are, in many cases, from families with little or no income due to the lack of steady income earning opportunities. These families are unable to provide these basic supplies to enable learning to take place. It is expected that the Iraq government will provide support for these families in 2009 and beyond. However, in order to take advantage of the current school year, ePRT North Babil is submitting a proposal requesting \$200,000 in funding to purchase 20,000 backpacks that include basic school supplies. A basic package of school supplies will be purchased from local vendors for distribution by local government authorities to elementary school students in North Babil. The overall program will be coordinated by Coalition Forces with Southern Baghdad & Northern Wasit Nahia Local Councils, the Ministry of Education and Other Donors.

- Project Justification:** The School Supply Program will provide temporary assistance for this school year to primary school students located in areas that were not assisted under previous school supply programs. This is a support mechanism to help students return to school in areas that were insecure and underserved by Government of Iraq support for education. The Government of Iraq is expected to provide assistance for school supplies and other education sector support in the future.
- Collaboration & Coordination:** EPRT North Babil will coordinate directly with the Ministry of Education to identify areas that because security issues were under-served in the past. A program will be developed that will link the Nahia Local Councils to the Ministry of Education to deliver school supplies to primary school children. The delivery of school supplies will be monitored by Coalition Forces in these areas in coordination with the Nahia Local Councils and the Ministry of Education. Coordination will also be undertaken with Other Donors providing support to primary education in these sectors.
- Other Funding:** The School Supply Program will complement ongoing programs contemplated by the Ministry of Education in Southern Baghdad & Northern Wasit . Total funding amounts and the contribution of different parties will be determined during the assessment of where school supply support is needed. The program will also coordinate its efforts with the Japanese International Cooperation Agency education activities in Southern Baghdad & Northern Wasit. (Note: There have been informal discussions and a tentative agreement for cooperation between EPRT North Babil and JICA in helping the Japanese identify and fund education projects in Southern Baghdad & Northern Wasit -- with each project limited to not more than \$75,000).
- Financials:** Financial reports will be provided by the Nahia Local Councils regarding the procurement and distribution of school supplies in each area chosen to participate in the program. These local programs will be monitored by DAI and coordinated with Coalition Forces in the area to ensure proper execution and oversight.
- Budget Summary:** Each package will cost approximately \$10 and will contain the following:
- Backpack (two shoulder straps with an internal capacity of between 20 and 25 liters
 - Calculator (approximately 10 cm x 10 cm in size with basic math functions)
 - Four school lined copy (Compensation) books, lined, 150 pages each
 - Packets of loose leaf paper, two or three hole punched, 200 sheets per packet
 - Loose leaf notebook, 5cm back, two or three ringed, that will hold the paper from above
 - Five ink pens, blue or black ink
 - One box of eight Crayons
 - Five pencils, number two with erasers
 - Pencil Sharpener, small hand held
 - Five Erasers
 - Scissors, safety type without sharp tips
 - Eight Markers, different colors
 - Two sticks or bottles of school glue, non-toxic
 - Metric Ruler, 30 cm
 - Five Folders, two pockets, A4 size

There are an estimated 20,000 students that are in areas that were previously not served by school supply programs in the past due to Al Qaeda of Iraq and counter insurgency issues.

The total cost of the program will be \$200,000 (20,000 student back packs with supplies at \$10 per student).

Submitted by: Michael Maxey

Submitter Email: mmaxey@iraq.usaid.gov.

WTEC Comments: 6/25: WTEC notes that this appears to be better suited as a direct procurement, but will respect the PRT's judgement to do a grant. Please note that DAI gets 26% overhead for implementing this as a grant.

PRT Comments: This is a second phase of the school supplies program based on an assessment in the 4th Brigade Combat Team's Area of Operation. This area was extended earlier this year to Southern Baghdad and Northern Wasit. This school supply program is needed in this area which was previously held by Al Qaeda of Iraq.

QRF Grant - Seddah Radio Station

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 37 - 2819	Submitted:	05/31/08
Proposal Name:	Seddah Radio Station	Individual/Organization:	Seddah Nahia Council
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9734 - Governance Issues	Province:	Babil
Organization Type:	Gov. Related	Objective:	300 - Governance
Amount:	\$75,000.00	Period of Performance:	06/15/08 to 12/15/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Hidar Mohsen Ali Tnu, Seddah Nahia Council President	Name of Signee:	Hidar Mohsen Ali Tnu, Seddah Nahia Council President
Location:	Seddah, Babil	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a

Grantee Background: Hidar Mohsen Ali Tnu is President of the Seddah Nahia Council. He is a prominent local leader who is interested in providing cultural, security and entertainment information to the local populace in Seddah, Babil. Hidar Mohsen Ali Tnu is an important counterpart to Coalition Forces and our efforts to improve security in this area of Babil Province.

Previous Funding

Description of Previous Funding: n/a

Executive Summary: A critical aspect of strengthening local governance in North Babil is giving voice to the local governments to effectively communicate with their constituents in order to promote security, provide important information on programs to promote economic growth and to serve as a forum for citizen involvement in governance. EPRT North Babil believes that local radio stations controlled by Local Nahia Councils in key cities would meet this strategic need for increased involvement in governance issues by the populace. While at least three sites have been identified in North Babil, this proposal is to start with one site, Seddah, to use as a pilot effort for establishing a means for local government leaders to communicate and to receive feedback from residents. This proposal requests \$75,000 to establish the radio station within the Nahia Council building in Seddah -- the program will fund purchase of equipment and cover salaries of radio station staff for the first six months of it's operation. The grant agreement will require the development and approval of a sustainability plan within the first three months of operation. Monitoring of the radio station's operations will done by Coalition Forces through monthly reviews in coordination with DAI.

Description/Purpose: The purpose of this program is to support efforts of local government representatives and leaders to effectively communicate with the populace, promote security and economic growth in the region and receive feedback on the needs and desires of the people in the area. The objective will be accomplished by financing the establishment of an Iraqi public radio station in the city of Seddah . While the radio station is viewed as a public service, the agreement will require a sustainability strategy that includes a private ad revenue plan for obtaining the necessary financing to continue operations and/or a plan for Government of Iraq funding. The sustainability plan will be submitted and approved to DAI within three months of the initiation of services. The station will be overseen by the Seddah Nahia Council and will coordinate with Coalition Forces to ensure that the conditions and terms described in this agreement are met. The radio station will be located within the Seddah Nahia Government Building . The Seddah Nahia Council shall agree as a condition of this grant to cease station operations if the

terms of this agreement are breached.

1. The radio station will be an Iraqi owned and operated enterprise however DAI will structure the grant in such a way that Coalition Forces will have a monitoring and oversight role.
2. The total cost for this project is: \$74,065.15. All payments will be made in U.S. dollars. The costs for this project are detailed in the attached budget (see budget summary) and include the following: (i) Station operations and employee salaries - 6 months; (ii) Office furniture, automation, networking, etc; (iii) Station equipment; and (iv) Radio antenna tower.
3. The Seddah Nahia Council will agree to operate the radio station in a manner that is non-sectarian and without political or religious bias. Broadcasts will be content neutral, open minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and rule of law.

The Seddah radio station will conduct broadcast operations for a minimum of six hours a day, five days a week (see Appendix E of attached program proposal for a complete listing of proposed broadcast content). This broadcast period will be reviewed and discussed on a monthly basis with the Station Manager and government representative at the Performance Evaluation Meetings. All broadcast content will be non-sectarian and without political or religious bias. Broadcast content will be neutral, open-minded and fair to all segments of the population. Programming will actively promote reconciliation, conflict mitigation and the rule of law using a local Iraqi forum. Failure to abide by these restrictions may result in the termination of the grant for radio station operations. The grant agreement signed by the Seddah Nahia Council shall commit them to comply with broadcast content requirements contained in this proposal.

Project Justification: This program will support improved governance in Seddah, Babil, by promoting the following civil society objectives:

- a. Provide a conduit for the local government leaders to communicate to the population. Allow them to inform the people about government operations, projects, priorities and plans.
- b. Provide a means to broadcast public service announcements pertaining to public health and safety issues.
- c. Provide a format for Iraqi Security Forces or governmental agencies to address security concerns with the populace.
- d. Provide a means to announce employment or economic opportunities, educational programs and community events.
- e. Provide a broadcast forum to inform the local populace on local, provincial and national news and events.
- f. Provide a broadcast forum for local and regional businesses to advertise their products and services to the population.
- g. Become self-sustaining within six months after beginning operations.

Collaboration & Coordination: The Seddah Nahia Council shall reach out to local Non-Governmental Organizations (NGOs) and Government of Iraq (GOI) entities at the provincial and national level working in the Seddah area to gather and disseminate information on their programs (this will be done in a way that maintains security of personnel involved in the area) and explain how these programs are benefitting the area.

Other Funding: The Seddah Nahia Council will provide substantial in-kind support by providing office space for the establishment of the radio station. Prior to execution of a grant under this program, the Seddah Nahia Council will provide written authorization for use of its office space and facilities. This authorization will be in a form acceptable to DAI and Coalition Forces. No funding or installation of grant financed radio equipment or furniture will take place without this authorization of in-kind support for the program.

Financials: Financial reports will be prepared by the Radio Station Manager (Reaad Abd Al Sahib Mohammed) and submitted for review by the Seddah Nahia Council and submission to DAI under the terms of the grant agreement.

Budget Summary: See the attached budget summaries.

General budget categories are the following:

Radio Equipment - \$12,065

Office Equipment - \$10,200

Radio Tower - \$35,000

Salaries - \$16,800

Submitted by: Michael Maxey

Submitter Email: mmaxey@iraq.usaid.gov.

ETEC Comments: This proposal is pending for review by the Public Affairs office.

From: Crane, Calvin A (Baghdad)
Sent: Wednesday, June 18, 2008 2:11 PM
To: Larson, Kent (IRAQ/PRT)
Cc: Hardy, Levida X
Subject: RE: Seddah Radio Station

Kent,

I already let OPA (Vinay) know that I had no objection – cleared for PAS.

Best,

Calvin

WTEC Comments: MM, 7/8: Approved

PRT Comments: Meeting was held with Seddah Nahia Council leader on June 12, 2008, to follow up on concerns of ETEC regarding sustainability of the radio station. Local leaders agreed to sign a declaration of support indicating their commitment to finding the resources to continue station operation after the initial six months of support under the project. A Memorandum of Conversation summarizing the meeting was uploaded to the QRF database.

Michael Maxey

QRF Grant - Small Business Development Center (SBDC) - Iskandariya

ETEC: Approved - WTEC: Approved - RSO: Form Required

Proposal Number:	TEC 30 - 2345	Submitted:	04/14/08
Proposal Name:	Small Business Development Center (SBDC) - Iskandariya	Individual/Organization:	Babylon Center for Economic Development
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9741 - Business Dev	Province:	Babil
Organization Type:	NGO	Objective:	200 - Economic
Amount:	\$213,100.00	Period of Performance:	05/15/08 to 05/14/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	michael@iraq.usaid.gov; michael@maxey.info
Management Office:	DAI	Action:	Sent to DAI
Director of Organization:	Dr. Asmaa Mahdi Al-Hashimi, Chief of Babylon Center for Economic Development	Name of Signee:	Babylon Center for Economic Development
Location:	Hilla, Babil Province	Telephone/Fax:	00964-7702744085
Email:	asmaaahashmi@yahoo.com; asmaaahashmi@imfi.org	Website:	http://www.bced-iq.org/index.htm

Grantee Background:

The SBDC Hilla operates as a registered NGO, the Babylon Center for Economy Development (BCED), whose goal is to raise businessmen and businesswomen skills in Babil Province and other Provinces in the South Central region of Iraq, and to improve management skills in trade, industry, agriculture, tourism, service and other sectors for small and middle-size businesses. SBDC Hilla operates business, computer and other training and seminar programs, provides consultations and research services, and helps women and the young people achieve their full potential. The SBDC Hilla was created with the support of USAID funded IZDIHAR and it has been training Iraqis in Babil Province since November 2006.

Previous Funding

Description of Previous Funding: Since August 2007, business development training has been offered by the Small Business Development Center (SBDC) in Hilla in cooperation with the Iskandariya Nahia Council. For the last eight months, trainers from the SBDC Hilla traveled to Iskandariya and taught 15-20 students every other week in various aspects of business skills, financial planning, computer skills and software training. By the end of March 2008, the program had trained approximately 240 students. Local government representatives in North Babil expressed interest in expanding business training, promoting new business start-ups and expanding existing businesses, and promoting investment in the local economy. EPRT North Babil supports this local initiative to create a comprehensive business services center.*

* Preliminary discussions between EPRT staff and the Nahia council members resulted in agreement that the training program should evolve into a business development center that would offer training, financial and technical assistance to small business. A training facility has been completed in the Nahia council building and the Nahia council has agreed to provide an office for a branch of a Micro-Finance Institution. QRF funding (under the IRAP Program) was approved on March 10, 2008 to create the Micro-Finance Institution in Iskandariya to provide \$370,000 in small loans (\$500 to \$2,000).

Executive Summary:

This grant will fund the establishment of the Small Business Development Center (SBDC) Program in Iskandariya is to improve the business prospects for North Babil by supporting access to microfinance, providing training and business advisory services, and promoting private investment in the local economy. The grant will be made to the existing regional SBDC - Hilla to staff, train and build capacity for the Iskandariya SBDC to be sustainable within one year. This goal to support the growth of the existing small business training program in Iskandariya into a self sustaining SBDC will serve not only Iskandariya but the surrounding cities of Haswa, Musayyib and Seddah. The SBDC - Iskandariya will provide training and assistance to support small businesses to begin operation or for existing businesses to expand their operations by linking to services receiving training and direct support and by linking with other USAID partners for micro-finance, micro-grants, vo-tech training and long-term economic development support.

This proposal will provide a \$200,000 grant to SBDC - Hilla to staff, train and mentor a core cadre of business professional to become a SBDC in Iskandariya. SBDC - Hilla would be responsible for (1) training local staff to manage the center, (2) establishing operating procedures and linkages required for the center to be self sustaining by the end of the grant period (12 months), and (3) guiding center staff in completing all the requirements to register the Iskandariya SBDC as a national Non-Governmental (NGO).

Description/Purpose:	<p>The purpose of this project is to establish a functioning SBDC in Iskandariya. The IRAP funding will provide the first 12 months of operational budget support to the Iskandariya SBDC (through a grant to the Babylon Center for Economic Development) following the standard USAID IZDIHAR program guidelines for such support. With this QRF Grant support, the Iskandariya SBDC receive the administrative and mentoring support needed to be able to provide critically needed business services to the southern region business community in North Babil. More than 500 businessmen and women will be trained under this program during the year and will also receive a "one stop" shop approach for business planning, market development, and financing. If only 20 percent of these businesses were successful, it would mean an increase of more than 300 to 500 permanent jobs in the Iskandariya area. It is worth noting that the IZDIHAR model has proven itself effective in providing appropriate levels business skills to small businessmen across Iraq.</p> <p>The USAID IZDIHAR program has supported the establishment of 6 SBDCs around the country, most being located in the central of northern regions. The standard IZDIHAR SBDC package of office furniture and IT / computer equipment will be, as part of this proposal, be delivered and installed at the Iskandariya SBDC site. As per USAID IZDIHAR SBDC guidelines, the Iskandariya SBDC will offer two courses per month with a maximum of 15 participants per course for a total monthly output of 30. Keeping the number of participants to a maximum of 15 per course will ensure overall high quality of the course and allow the Trainers to provide more one-on-one support to individual participants. In addition to the 2 Trainers that make up the staff, all of the Iskandariya SBDC management staff will receive TOT training so that they could be the Trainers for specific course components such as the IT Manager for Day 4 and the Accountant for Day 3, etc.</p> <p>A voucher system will be used to select participants for the 2 "Core" business courses (1A and 1B) that the Iskandariya SBDC is required to conduct. A total of 360 numbered vouchers will be printed out and provided to provincial councils, local community organizations, and other entities via EPRT North Babil and Civil Affairs Teams associated with the 4th Brigade Combat Team of the 3rd Infantry Division of the United States Army. Each of the above groups can then distribute them to select participants throughout the North Babil area.</p> <p>The Iskandariya SBDC will develop a schedule for the "Core" business courses for the full year to include the tentative date of each of the 24 planned "Core" business course delivery dates. Candidates that have received a voucher to attend the "core" business course will be able to contact the Iskandariya SBDC and sign up for the scheduled course delivery date of their choice. It is anticipated that the Iskandariya SBDC "advanced" business courses and services will be offered for a small fee. The amount of the fee will be determined after a market assessment is completed by the SBDC. The SBDC will make full use of all appropriate and available marketing and sales techniques to advertise the availability of their business services and promote their use by the North Babil region business community.</p>
Project Justification:	<p>At the present time, there is no permanent business related organization or agency in the North Babil region, either government, NGO or private sector that provide the type of business services that will be offered by the Iskandariya SBDC. Based on months of EPRT North Babil staff observation and engagement with the business community it has become apparent that there is an overwhelming need for basic business development services in the area. The business services that will be provided by the Iskandariya SBDC will enhance the quantity and quality of business proposals by improving the overall business planning for existing businesses that wish to improve or expand their market base. New business start-ups and existing businesses will also benefit from improved "bankable" business plans and better business loan applications that will increase access to available credit programs. Together, new business start-ups and expanded existing businesses will provide for increased long-term employment opportunities, and lead to enhanced marketability for potential joint venture partnerships in the country and region. New markets for products and services, especially in the agro-business sector will be encouraged along with increased manufacturing of products in the south for internal consumption and export, all of which will be more likely to attract internal and external business investment. Enhanced political and social stability in North Babil region is much more likely in an environment of planned and organized business expansion that includes attracting regional and international investment.</p>
Collaboration & Coordination:	<p>EPRT North Babil has been working closely with the business community in the province for the past year and EPRT Joint Common Plan's Economic Development Strategy includes support in select areas with business development training being an essential component to the overall strategy. Linkages with other USAID business programs such as INMA Agro-business, PEG, will be strongly encouraged as will increased development and use of the internet. It is anticipated that the Iskandariya SBDC will develop its own separate website.</p>
Other Funding:	<p>Total cost of the program is \$232,000. EPRT North Babil met with local leaders in Iskandariya and obtained a verbal commitment that is being put into a "Letter of Commitment" document specifying that space will be provided in the Iskandariya Nahia Council building for training and business services functions of the Iskandariya SBDC. We are also programming a contribution by the SBDC itself as it begins generating income from training. Finally, we met with USAID funded Tijara staff and they have verbally committed to provide technical assistance to assess and advise the Iskandariya SBDC during the early stages of its operations.</p>
Financials:	<p>The implementing entity, Babylon Center for Economic Development, is an experience NGO with strong financial accounting systems and a verified reporting system. The Center's staff will prepare its financial reports.</p>

Budget Summary: EPRT North Babil IRAP Grant to the Iskandariya SBDC provides for significant cost-sharing as indicated below. This budget is based on the standard SBDC budget guideline from the USAID IZDIHAR program. EPRT North Babil is requesting \$200,000 USD from a total estimated budget of \$232,400, which is 87% of the proposed budget. The Iskandariya Nahia and the Iskandariya SBDC would be responsible for the remaining 13% of the cost-share budget balance of \$32,400 USD. Total staff cost is \$109,200 of which IRAP will contribute \$86,400, Iskandariya Nahia will contribute \$16,800 and the Iskandariya SBDC will provide \$6,000 (paid from course fees as the Center provides training during the year). Other Direct Costs are \$123,200 of which \$113,600 is covered by IRAP and the rest is provided by the Nahia (\$6,000) and the Iskandariya SBDC (\$3,600). Please see the detailed budget that is attached. Also see the complete proposal with notes on counterpart and budgeting for the year.

Submitted by: Michael Maxey

Submitter Email: mmaxey@iraq.usaid.gov.

EETEC Comments: 5/1/708 (Vinay Chawla) - Updated budget amount from \$200K to \$213.1K because budget was incorrectly listed in original proposal. Per DAI, budget adds up to \$213.1K.

WTEC Comments: MM - 4/23 - Approve for \$200K

MF - 5/19 - Approve updated budget of \$213.1k (grantee is an NGO and the project is non-construction).

PRT Comments: EPRT North Babil will forward to the ETEC Tijara's comments and their commitment to provide technical support to SBDC Iskandariya. We see this as a critical link for the continued support of the SBDC's activities in the area. We are also seeking a way to set up a coordination mechanism to link the SBDC Iskandariya into critical local issues like the interfacing with the VoTech Center which is currently training 800 students in a variety of trades and skills. Businesses can access these service to have their personnel trained but there needs to be a better outreach program. SBDC Iskandariya could play that role.

Proposal Number: TEC 24 - 1879
 Proposal Name: Iraq Microfinance Initiative - Iskandariya
 Award Type: QRF Grant
 Theme: 9741 - Business Dev
 Organization Type: NGO
 Amount: \$500,000.00

Submitted: 03/07/08
 Individual/Organization: Izdihara for Economic Development (IED)
 Submitting Office: Babil (North) ePRT
 Province: Babil
 Objective: 200 - Economic
 Period of Performance: 03/16/08 to 02/28/09

Coordinates: .

EPLS Vetting:

Formulated By: PRT/ePRT
 GOR Name: Michael Maxey
 Management Office: DAI
 Director of Organization: Arafat Dajani, Project Director
 Location: Iskandariya, Babil
 Email: dajani_arafat@yahoo.com
 Grantee Background:

Recipient Type: NGO - Local
 GOR Email: michael.maxey@4bct3id.army.mil
 Action: N/A
 Name of Signee: Arafat Dajani
 Telephone/Fax: Iraq: +964-7703622606
 Website:

Dr. Arafat Dajani, Project Director, has more than seventeen years of management experience, over thirteen of which have been in the area of international development. He has been working inside Iraq since 2003 with previous positions as Chief of Party for IRD's Iraq Humanitarian Assistance Program and as the Deputy Director for CHF's Iraq microfinance program. Dr. Dajani spent over seven years working for USAID's Cooperative Development Project where he supported fledgling cooperatives in the areas of business analysis and marketing. He has also worked for the Bank of Jordan, Land O'Lakes International Development, and for several private companies with in the middle east. He is proficient in the design, implementation and day-to-day management of complex donor funded programs. He speaks fluent English and Arabic.

Dr. Dajani is forming a local NGO, Izdihara for Economic Development (IED), based on his successful experience with Relief International (RI). RI began operations in southern Iraq in April 2003 and within one year had completed dozens of infrastructure rehabilitation projects in the educational, agricultural, municipal and water-supply sectors. Since then, RI's work in Iraq has expanded to include emergency aid, microfinance, conflict mitigation, legal aid, local NGO capacity building programs, and other community development activities. RI's Iraq team currently conducts activities in all 18 governorates and manages a diverse portfolio of grants valued at over \$30,000,000.

Izdihara for Economic Development (IED) has elected officers, approved by-laws and established a bank account. It has submitted the necessary application for registration as a local NGO. Registration is expected to be completed by the end of March 2008.

Previous Funding

Description of Previous Funding:

Select U.S. government funding in Iraq for Relief International (this is not funding that was provided to Izdihara for Economic Development but the management of these funding levels by Dr. Dajani in his work with Relief International, CHF and other organizations is indicative of his ability to manage relatively large projects)

Grant Name	Donor	Dates	Award	Objective(s)
Iraq Community-Based Conflict Mitigation (ICCM)	USAID	9/27/07 - 10/31/09	\$ 22,055,200	Seeks to reduce the threat of violent conflict and promote peaceful resolution of differences in Iraq through a community-based conflict mitigation strategy including (1) community conflict analyses and quick impact projects; (2) peace and conflict mitigation network building; and (3) youth peace-building initiatives.
Iraq Young Leaders Exchange Program (YLEP)	State Dept., Bureau of Education and Cultural Affairs	5/21/07 - 2/28/09	\$ 784,996	Promotes the long-term reconstruction of Iraq by developing the leadership skills of Iraqi youth by engaging them in civics training focused on conflict resolution. Two four-week exchanges to take place in the summer of 2008.
Iraq Microfinance	Izdihar (Louis Berger Group w/ funding from USAID)	2/9/06 - 3/31/08	\$ 5,599,919	Creation of an indigenous microfinance institution (MFI). Through this MFI, the program will provide small loans to specific target groups to serve a wide variety of clients, with a focus on low-income households and the otherwise disadvantaged.
Successful Reintegration, Employment and Education of Returnees and Displaced Persons in Iraq	State Dept., Bureau of Population, Refugees, and Migration	9/1/06 - 12/31/07	\$ 3,690,555	Construction of a vocational training center, construction of 6 schools, construction of 4 water treatment plants, provision of legal aid to returnees, empowerment of civil society, and funds for assisting returnees in community development programs.
Integrated Restoration and Enhancement of Services for Returnees in Missan and Basrah	State Dept., Bureau of Population, Refugees, and Migration	8/05 - 8/06	\$2,152,768	Construction of three schools, seven compact water treatment plants, NGO capacity-building programs, and Quick Impact Projects.
Restoring Education Services for Returnees and IDPs in Missan	State Dept., Bureau of Population, Refugees, and Migration	8/04 - 12/04	\$500,917	Constructed or rehabilitation of over 122 schools in Missan.

Executive Summary: Izdihara for Economic Development (IED) will provide a micro-financing mechanism for small businesses in the Iskandariya, North Babil area. Using a loan capital of almost \$370,000, IED will help revitalize small businesses, farming activities, and women owned businesses in order to promote diversity, economic growth, and more dynamic local commerce. Loans will be provided in amounts ranging from \$500 to \$2,500 for short periods of time at 12 percent interest rate. This micro-finance approach will be built on the successful model implemented throughout Iraq by Relief International (RI). RI will maintain an advisory role with IED during the one year life of its operations. Any outstanding loans at the end of the program period will be administered by RI or one of its partner organizations. The RI model has achieved almost 100 percent payback rates and it is expected that the reflows from the initial capitalization of IED will continue to finance micro-credits after the completion of the program in February 2009. This is a critical activity that dovetails with other USG funded initiatives in the Iskandariya area. IED will coordinate with the Votech Training Center, local fish farmers, and other businesses to find the most viable private sector initiatives for financing. The successful implementation of this microfinance program combined with job training, business skill development and mentoring services contemplated under other USG financed initiatives can set the stage for the development of a "business incubator" model for Iskandariya.

Description/Purpose:

In the spring of 2006, Relief International began a five-year endeavor to build a sustainable, independently operated microfinance institution (MFI). With the support of Izdihar, a USAID-funded project dedicated to promoting economic growth in Iraq, RI has since lent over \$3.8 million to over 3,000 clients spanning three governorates. This initiative is assisting in the restructuring of Iraq's economy, sparking wealth generation and employment, and providing a foundation for the development of a vibrant private sector unconnected with the corruption and inequity of Iraq's recent past.

With assistance from the U.S. Embassy, Relief International is establishing a local NGO, Izdihara for Economic Development (IED), in order to open a MFI branch in Iskandariya, Babil. The requested funding will cover the branch's operating expenses for one year and provide it with \$369,270 in loan capital. Like RI's MFI branches in Sulaymaniyah, Missan, Wassit, and Karbala, IED target beneficiaries will include any small business owner or entrepreneur, but loan officers will make a special effort to engage farmers, women (particularly widows and female heads-of-household) and IDPs. The Program will also coordinate with other USG financed initiatives related to business training and vocational education in seeking clients who have the most viable business proposals. It is anticipated that loan sizes will range from \$500 to \$2500 with repayment periods of six to twelve months. IED will start with only two loan officers and a small support staff in Iskandariya. After several months of lending, additional loan officers and staff may be hired to respond to market demand. Other financial products, such as home improvement loans, may also be offered in time.

As noted above, IED plans to begin its operations in Iskandariya with only two loan officers and a small support staff. The first six to eight weeks will be devoted to securing an office space, procuring furniture and supplies, and hiring and training local staff. These activities will be led by the microfinance program's Regional Director for the south in close coordination with the Project Director. During this time period, MF staff will also conduct an intensive community outreach effort by meeting with community leaders (including representatives from existing businesses, the government, NGOs, and religious organizations) to introduce them to key features of the loan program including its mission, basic eligibility requirements, the loan products offered, application, and selection process. This step is taken to build community support, which is critical to promoting the program and providing a general level of security for the program and its staff members.

Loan Officers at the Iskandariya branch will use a variety of methods to promote loan products including the distribution of brochures and posters and door-to-door marketing. Once it is determined that a potential client meets basic eligibility criteria and a background check is completed, Loan Officers will meet with potential clients in their homes or at their businesses where they will fill out a loan application together. During this meeting, the Loan Officer will collect the financial data needed to assess the applicant's repayment capacity. This assessment may also include talking to customers, landlords, and community representatives to determine the applicant's creditworthiness. Because RI wishes to reach the neediest clients, it is not necessary for an applicant to have collateral.

However, a guarantor – and, in some cases, two guarantors – must co-sign the loan contract to ensure that the loan will be repaid.

In an effort to minimize the risk of theft, IED will follow Relief International's procedure of writing checks to loan recipients rather than disbursing loans in cash. Loan recipients may then cash their checks at a local bank. Clients will also go to the bank to deposit their repayments. Presently, there is no grace period and repayments must begin the month after the loan is received.

IED will follow Relief International's guidelines in operating its Iraq microfinance program according to Islamic lending principles and subsequently charges a 12% administrative fee which is deducted from the loan check amount (i.e., a client who has been approved for a \$1000 loan will receive a check for \$880 as \$120 will have been deducted up front). RI staff regularly examines the program's fee structure and administrative requirements to determine if they are appropriate for the markets they serve.

Pending the availability of loan capital and additional operations funding, IED will evaluate whether the Iskandariya program should be expanded beyond two loan officers at the six-month mark.

Project Justification:

Iskandariya's economy has suffered tremendously in the past several years as a result of ongoing violence in the city. Fortunately, the recent improvement in security has created an environment in which commerce is slowly beginning to resume. However, access to work continues to be a major need of city residents including the thousands of IDPs who have settled there in recent years. Starting a microfinance program in Iskandariya will help residents in both the city and surrounding areas to create, rebuild, or expand businesses. This will contribute to the overall revitalization of the economy as new jobs are created and spending increases. As the economy of Iskandariya improves so will the social landscape in general. Schools, non-profit organizations, and other social institutions will develop as residents start to invest in the city and their future.

Collaboration & Coordination:

The IED Micro-finance program will, as mentioned in the Executive Summary, coordinate with business training services currently being provided through USG funding of a Small Business Development Center program in Iskandariya. The business training component will be expanded with additional USG funding and is expected to develop core curricula for business planning, financial management, computer skills and marketing. A business networking program is also envisioned that will link businesses to key markets. Starting small is the key to success in this approach and the IED micro-finance program will provide a small but highly targeted and effective financing mechanism.

Other Funding:

There is no other funding that directly supports the operation of IED, however, the program will collaborate closely with other USG funded programs. Also, RI will provide technical support and coordination as an in-kind contribution for which no "over head" will be charged. IED also plans to apply for funding from Tijara, Izdihar's successor after the termination of this grant.

Financials:

IED will work with RI to incorporate its methodology for financial reporting. Information about the program's activities will flow from the MFI's branches up to the main branch in Iskandariya on a daily basis. Each month, the MFI's Chief Accountant prepares a financial report for the program's primary donor, Izdihar, detailing the MFI's outreach and collection efforts for prior month. A lengthy report is also submitted to Izdihar on a quarterly basis which consists of: (1) a narrative prepared by RI's headquarters in coordination with the program's Project Director discussing the program's achievements and progress toward stated objectives; (2) a financial report prepared by field staff with oversight by RI's International Comptroller; and (3) a report detailing the program's performance and efficiency as defined by sustainability ratios standards used in the industry. Unless additional information is required by future donors, Relief International plans to continue its current reporting mechanism and IED reporting requirements will be incorporated into the RI financial reporting systems.

Budget Summary:

				Total
				\$130,730
				\$69,240
				\$68,280
	1.00	12%	\$8,500	\$12,240
	1.00	25%	\$1,700	\$5,100
	1.00	10%	\$1,300	\$1,560
	1.00	10%	\$250	\$300
	1.00	10%	\$1,900	\$2,280
	1.00	10%	\$1,300	\$1,560
	1.00	10%	\$800	\$960
	1.00	10%	\$1,800	\$2,160
	1.00	10%	\$1,300	\$1,560
	2.00	10%	\$400	\$960
	1.00	25%	\$600	\$1,800
	1.00	50%	\$900	\$5,400

Submitted by: Michael Maxey
 Submitted by: Michael Maxey
 Email: mmaxey@iraq.usaid.gov

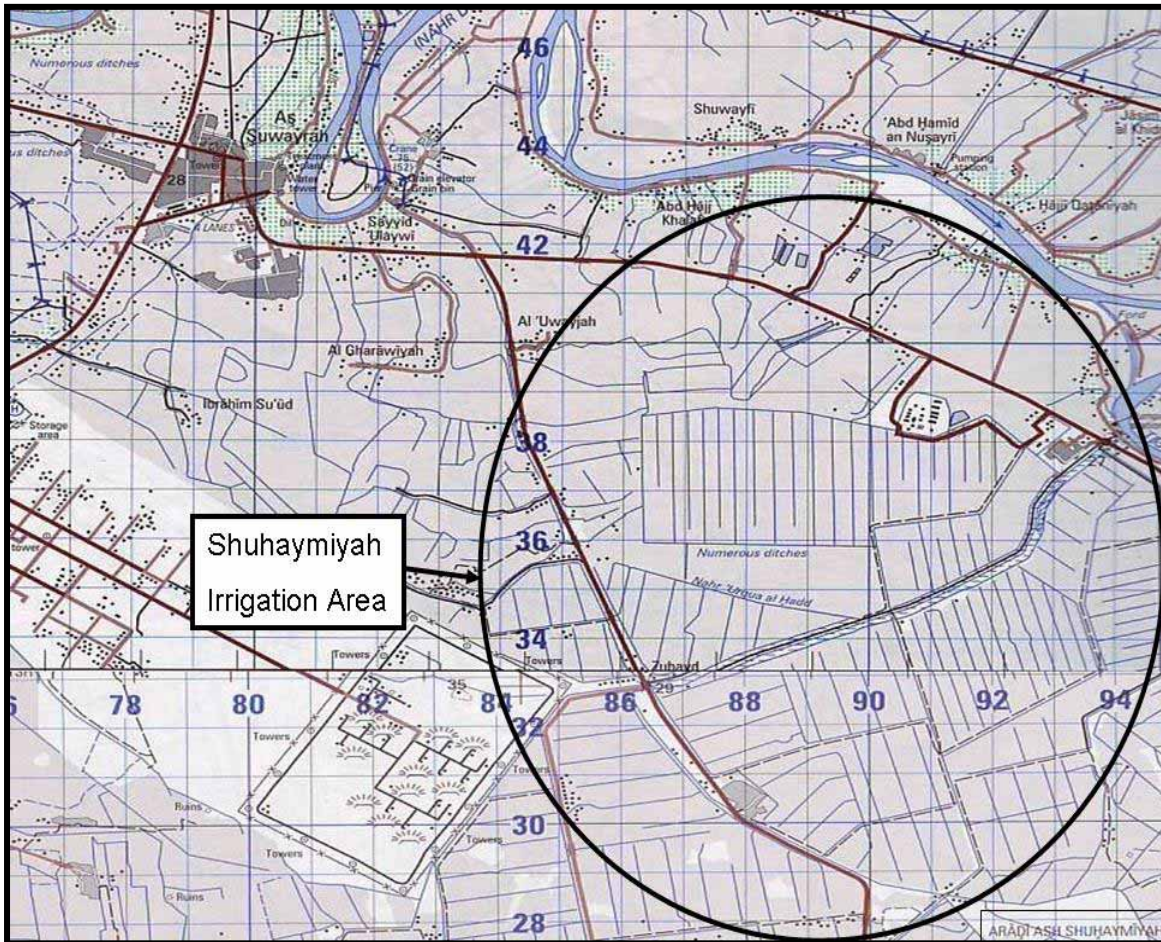
WTEC Laird Treiber: would suggest disapproving for the following reasons: this NGO has received an incredible amount of USG money for the 2007-9 timeframe to undertake a number of civil society projects. Not clear that it would have the absorptive capacity to also start a microfinance program. Also would wonder about the advisability of paying for startup costs, when existing NGO's like CHF are already conducting microfinance programs in the same areas. Ambassador Saloom: If there is an existing microfinance NGO in the area then I agree with Laird that it makes more sense to give it more capital rather than starting a new one. I know the neighborhood and it is a rough one so the need for microfinance is compelling. If this is the best NGO they could find that would work there and this is the quickest way to get this very useful program to these citizens, then I think we should support it. The fact that this group has received lots of other grant funds could be seen as a positive as well as the negative Laird notes above: they know our system and requirements.

Approved. MM 6/6/08

PRT This Proposal is being submitted by EPRT North Babil. Total budget is \$500,000 of which \$130,730 is for direct labor, fringe benefits, supplies/equipment, travel and other direct costs. The total loan capital for microcredit is \$369,270. Attached to the proposal is a detailed budget.

Memorandum of Conversation
Meeting with Civil Affairs & Projects Officer 1 – 76 Battalion, 4 BCT 3 ID
To Discuss Strengthening Water User Associations in Wasit Province
Michael Maxey, USAID Rep. – ePRT North Babil - August 15, 2008

A meeting was held to discuss the possibility of developing a proposal to submit to IRAP (Iraq Rapid Assistance Program) under its Civil Society Conflict Mitigation program to promote effective Water User Associations in Wasit Province. Disputes over access to water is one of the primary triggers of conflict in our Area of Operation and finding ways to bring Iraqis together, Shia and Sunni, to cooperatively manage water resources is seen as a key governance issue. Participants in the meeting agreed that a field trip should be made to Suwayrah – Shuhaymiyah area to assess an existing Water User Association there, determine if it needs assistance to become more effective, and seek ways to replicate its success in other areas of Wasit Province.¹



Wasit Province

¹ Participants included: ePRT North Babil – MAJ Kim Peeples, Deputy Team Leader; Michael Maxey, USAID Rep.; George Stickels, USDA Rep.; Michael Bevers, Sr. Governance Advisor. 1 – 76 Battalion - CPT Stephen Shannon, Civil Affairs Officer; CPT Levi Jones, Projects Officer. 4BCT 3ID Human Terrain Team - Mark Dawson, Anthropologist; Laurie Miller, Information Specialist.

CPT Stephen Shannon provided a summary of water management issues under the portion of Wasit Province that falls within the 1 – 76's battle space. He indicated that the Shuhaymiyah area has a functioning water user association. He recommended that we visit the association and its manager to assess how it is operating, determine if it warranted assistance, and discuss how we could support other areas to develop effective water user associations following the model underway in Shuhaymiyah. Apparently, the water association there is being managed by the City Manager of Shuhaymiyah. The association charges participating farmers \$1,210 per 40 donums for operation of the pump stations, maintenance of pumps and irrigation channels, and administration of the association. CPT Shannon indicated that the impact of an effective water user association can be seen in the increased area under crop cultivation. For example, arable land under cultivation in Wasit Province averages about 25 percent with one in four donums that are capable of sustaining crops actually being planted while the area being farmed in the Shuhaymiyah area is 50 percent.

The group agreed to schedule a field trip to Shuhaymiyah during the week of August 24th to assess the water user association there, determine if it needs assistance, and assess how its success could be replicated in other areas of Wasit Province.

CPT Levi Jones will make arrangements for travel and security to the area. Trip participants will include Pat Broyles, USDA Rep. ePRT North Babil; Michael Maxey, USAID Rep.; Michael Bevers, Sr. Governance Advisor; MAJ Kim Peeples, ePRT North Babil Deputy Team Leader; and personnel with the Human Terrain Team. Additionally, the team will request the participation of Maged Hussein, Water and Soil Ministerial Advisor with Foreign Agricultural Service at the US Embassy Baghdad. A DAI/IRAP representative will also be requested to accompany the group on the visit.

In addition to assessing the Shuhaymiyah Water User Association, the trip will visit potential drip irrigation sites for fruit and vegetable producers to the west of Suwayrah. USDA Rep. Pat Broyles will determine the sites that should be visited, identify key contacts, and communicate this information to CPT Levi Jones.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
August 23, 2008

Seddah City Micro Finance Proposal - Revised microfinance proposal valued at \$500,000 and submitted it to the IRAP database. This program will provide an additional \$366,000 in small scale credit resources for North Babil and builds upon the successful model created by Relief International and their local NGO IED (Izdihrona Economic Development). Attached is a copy of the final proposal.

Development of IRAP Proposals – Provided a list of draft IRAP proposals at ePRT North Babil staff meeting. Reviewed pending proposals with staff and identified key actions required to finalize proposals. See attached MemCon of meeting and notes for follow up actions on IRAP proposal. Attached is a draft honey production proposal for IRAP funding which seeks to increase incomes of vulnerable women in North Babil.

Field Visit to Iskandariya Hospital – Traveled to Iskandariya Hospital to assess potential IRAP projects in the health sector in North Babil. Attached is Trip Report and recommended next steps. Also attached is a draft proposal for potential Medical Library/Internet Learning Center.

Preparations for VIP Visit – Water User Association Assessment – Trip is scheduled on August 27th with US Embassy Agricultural Counselor and his senior staff to assess a water user association in Wasit Province. A second day of this planned trip will focus on assessing potential of drip irrigation. Goal is to develop an appropriate drip irrigation proposal for funding under IRAP.

Seed Multiplication Program – Developed a revised Seed Multiplication Program proposal for funding with IRAP (see attached draft proposal). This is a change in an earlier draft to make a simpler approach with more a larger number of ag associations. Also attached is copy of email message requesting assistance from Ag and Economic Growth staff in developing a final proposal.

Activities for Next Week – Finalize at least two proposals for submission for IRAP/QRF funding (beehive and seed multiplication). Participate in 2 day conference on SOIs and transition to new phase for this program hosted by 10th Mountain Division. Participate in field visit to water user association and drip irrigation sites.

QRF Grant - Iraq Microfinance Initiative - Seddah

ETEC: Submitted - WTEC: Submitted - RSO: Form Required

Proposal Number:	TEC 48 - 3401	Submitted:	07/27/08
Proposal Name:	Iraq Microfinance Initiative - Seddah	Individual/Organization:	Izdiharona for Economic Development (IED)
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9742 - Economic Dev	Province:	Babil
Organization Type:	NGO	Objective:	200 - Economic
Amount:	\$500,000.00	Period of Performance:	08/15/08 to 08/14/08
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	N/A
Director of Organization:	Arafdat Dajani, Project Director	Name of Signee:	Arafat Dajani
Location:	Seddah, Babil	Telephone/Fax:	964-770-362-2606
Email:	dajani_arafat@yahoo.com	Website:	n/a

Grantee Background: Dr. Arafat Dajani, Project Director, has extensive international development experience and managing humanitarian and microfinance programs in Iraq since 2003. He served as Chief of Party for IRD's (International Relief and Development) Iraq Humanitarian Assistance Program and as the Deputy Director for CHF's (Cooperative Housing Foundation) Iraq microfinance program. He has also worked for the Bank of Jordan, Land O'Lakes International Development, and for several private companies with in the middle east. He is proficient in the design, implementation and day-to-day management of complex donor funded programs. He speaks fluent English and Arabic. Earlier this year, Dr. Arafat Dajani managed the successful start up of an IRAP/QRF financed microfinance activity in Iskandariya.

Dr. Dajani is forming a local NGO, Izdiharona for Economic Development (IED), based on his successful experience with Relief International (RI). RI began operations in southern Iraq in April 2003 and within one year had completed dozens of infrastructure rehabilitation projects in the educational, agricultural, municipal and water-supply sectors. Since then, RI's work in Iraq has expanded to include emergency aid, microfinance, conflict mitigation, legal aid, local NGO capacity building programs, and other community development activities. RI's Iraq team currently conducts activities in all 18 governorates and manages a diverse portfolio of grants valued at over \$30,000,000.

Izdiharona for Economic Development (IED) has elected officers, approved by-laws and established a bank account. It is a registered local NGO.

Previous Funding

Description of Previous Funding: Izdiharona for Economic Development (IED) was awarded a \$500,000 grant for a microfinance program in Iskandariya earlier this year. That program is being successfully implemented.

Executive Summary: Izdiharona for Economic Development (IED) will provide a micro-financing mechanism for small businesses in the Seddah, North Babil area. Using a loan capital of almost \$366,866, IED will help revitalize small businesses, farming activities, and women owned businesses in order to promote diversity, economic growth, and more dynamic local commerce. Loans will be provided in amounts ranging from \$500 to \$2,500 for short periods of time at 14 percent interest rate equivalent. This micro-finance approach will be built on the successful model implemented throughout Iraq by Relief International (RI). RI will maintain an advisory role with IED during the one year life of its operations. Any outstanding loans at the end of the program period will be administered by RI or one of its partner organizations. The RI model has achieved almost 100 percent payback rates and it is expected that the reflows from the initial capitalization of IED will continue to finance micro-credits after the completion of the program in August, 2009. This is a critical activity that dovetails with other USG funded initiatives in the North Babil area. IED will coordinate with local farmers and businesses to find the most viable private sector initiatives for financing. The successful implementation of this microfinance program combined with job training, business skill development and mentoring services contemplated under other USG financed initiatives can set the stage for the development of a once depressed area of the mid-Euphrates River Valley.

Description/Purpose: In the spring of 2006, Relief International began a five-year endeavor to build a sustainable, independently operated microfinance institution (MFI). With the support of Izdihar, a USAID-funded project dedicated to promoting economic growth in Iraq, RI has since lent over \$3.8 million to over 3,000 clients spanning three governorates. This initiative is assisting in the restructuring of Iraq's economy, sparking wealth generation and employment, and providing a foundation for the development of a vibrant private sector unconnected with the corruption and inequity of Iraq's recent past.

With assistance from the U.S. Embassy, Relief International is establishing a local NGO, Izdiharona for Economic Development (IED), in order to open a MFI branch in Seddah, Babil. The requested funding will cover the branch's operating expenses for one year and provide it with \$366,866 in loan capital. Like RI's MFI branches in Iskandariya, Sulaymaniyah, Missan, Wassit, and Karbala, IED target beneficiaries will

include any small business owner or entrepreneur, but loan officers will make a special effort to engage farmers, women (particularly widows and female heads-of-household) and IDPs. The Program will also coordinate with other USG financed initiatives related to business training and vocational education in seeking clients who have the most viable business proposals. It is anticipated that loan sizes will range from \$500 to \$2500 with repayment periods of six to twelve months. IED will start with only two loan officers and a small support staff in Seddah. After several months of lending, additional loan officers and staff may be hired to respond to market demand. Other financial products, such as home improvement loans, may also be offered in time.

As noted above, IED plans to begin its operations in Seddah with only two loan officers and a small support staff. The first six to eight weeks will be devoted to securing an office space, procuring furniture and supplies, and hiring and training local staff. These activities will be led by the microfinance program's Regional Director for the south in close coordination with the Project Director. During this time period, MFI staff will also conduct an intensive community outreach effort by meeting with community leaders (including representatives from existing businesses, the government, NGOs, and religious organizations) to introduce them to key features of the loan program including its mission, basic eligibility requirements, the loan products offered, application, and selection process. This step is taken to build community support, which is critical to promoting the program and providing a general level of security for the program and its staff members.

Loan Officers at the Seddah branch will use a variety of methods to promote loan products including the distribution of brochures and posters and door-to-door marketing. Once it is determined that a potential client meets basic eligibility criteria and a background check is completed, Loan Officers will meet with potential clients in their homes or at their businesses where they will fill out a loan application together. During this meeting, the Loan Officer will collect the financial data needed to assess the applicant's repayment capacity. This assessment may also include talking to customers, landlords, and community representatives to determine the applicant's creditworthiness. Because RI wishes to reach the neediest clients, it is not necessary for an applicant to have collateral. However, a guarantor – and, in some cases, two guarantors – must co-sign the loan contract to ensure that the loan will be repaid.

In an effort to minimize the risk of theft, IED will follow Relief International's procedure of writing checks to loan recipients rather than disbursing loans in cash. Loan recipients may then cash their checks at a local bank. Clients will also go to the bank to deposit their repayments. Presently, there is no grace period and repayments must begin the month after the loan is received.

IED will follow Relief International's guidelines in operating its Iraq microfinance program according to Islamic lending principles and subsequently charges a 14% administrative fee which is deducted from the loan check amount (i.e., a client who has been approved for a \$1000 loan will receive a check for \$880 as \$120 will have been deducted up front). RI staff regularly examines the program's fee structure and administrative requirements to determine if they are appropriate for the markets they serve.

Pending the availability of loan capital and additional operations funding, IED will evaluate whether the Seddah program should be expanded beyond two loan officers at the six-month mark. IED has prepared and submitted a viability model and business plan to Tijara in support of this proposal. A copy of the viability model is attached to this document.

- Project Justification:** Seddah's economy has suffered tremendously in the past several years as a result of ongoing violence in the region. Fortunately, the recent improvement in security has created an environment in which commerce is slowly beginning to resume. However, access to capital continues to be a major issue for local entrepreneurs. Starting a microfinance program in Seddah will help residents in both the city and surrounding areas to create, rebuild, or expand businesses. This will contribute to the overall revitalization of the economy as new jobs are created and spending increases. As the economy of Seddah improves so will the social landscape in general. Schools, non-profit organizations, and other social institutions will develop as residents start to invest in the city and their future.
- Collaboration & Coordination:** The IED Micro-finance program will, as mentioned in the Executive Summary, coordinate with business training services currently being provided through USG funding of a Small Business Development Center program in Iskandariya. The local Nahia Council is an enthusiastic supporter of this proposal and has agreed to make available workspace free of cost in the council building for the use of IED under this program. Starting small is the key to success in this approach and the IED micro-finance program will provide a small but highly targeted and effective financing mechanism.
- Other Funding:** There is no other funding that directly supports the operation of IED, however, the program will collaborate closely with other USG funded programs. Also, RI will provide technical support and coordination as an in-kind contribution for which no "over head" will be charged. IED also plans to apply for funding from Tijara, Izdihar's successor after the termination of this grant.
- Financials:** IED will work with RI to incorporate its methodology for financial reporting. Information about the program's activities will flow from the MFI's branches up to the main branch on a daily basis. Each month, the MFI's Chief Accountant prepares a financial report for the program's primary donor, Tijara, detailing the MFI's outreach and collection efforts for prior month. A lengthy report is also submitted to Tijara on a quarterly basis which consists of: (1) a narrative prepared by RI's headquarters in coordination with the program's Project Director discussing the program's achievements and progress toward stated objectives; (2) a financial report prepared by field staff with oversight by RI's International Comptroller; and (3) a report detailing the program's performance and efficiency as defined by sustainability ratios standards used in the industry. Unless additional information is required by future donors, Relief International plans to continue its current reporting mechanism and IED reporting requirements will be incorporated into the RI financial reporting systems.

Budget Summary: The program budget is attached as an Excel file and consists of five categories:

(1) Direct Labor - Costs of staff and short-term technical assistance - \$102,924 - This funding will cover the costs of a Regional Coordinator (\$11,328), Accountant (\$8,496), Credit Assistant (\$7,080), Lending Supervisor (\$5,664), 3 Loan Officers (\$21,240), Office Manager (\$10,620); 2 Guards (\$8,496).

(2) Supplies and Equipment - Detailed list is included in attached budget file (\$10,550).

(3) Travel - Regional and Local Travel Costs (\$1,260).

(4) Other Direct Costs - \$18,400 - Communications (\$1,500), Office Supplies and Equipment (\$2,700), Vehicle Rental (\$9,600), Audit, Insurance and Banking Fees (\$4,600).

(5) Loan Capital - \$366,866.

See the attached budget file for more detail.

Submitted by: Howard Vanvranken

Submitter Email: Howard.Vanvranken@4BCT3ID.army.mil

PRT Comments: This is the second MFI (Micro Finance Institute) being established in North Babil under the IRAP/QRF Program. The same implementor, Izdiharona for Economic Development (IED), is being used to establish this second micro credit lending office. ePRT North Babil has seen good progress in micro lending by IED in Iskandariya under the first program that was established in June 2008. This second lending program will be established in Seddah City and will provide important support to local development activities in a primarily Shia area. The intent of this program is to promote economic development and demonstrate the broad-based reach of IRAP funded activities in both Sunni and Shia communities.

Memorandum of Conversation
ePRT North Babil Staff Meeting
August 19, 2008
Michael Maxey, USAID Rep.

Meeting was held with ePRT staff.¹ Deputy Team Leader Major Peeples chaired. USAID related activities were discussed per the attached “pending action” sheet.

Following decisions were made:

Seddah MicroFinance Proposal – Final draft was submitted to IRAP database. See attached copy. Economic Advisor Steve Wilson will coordinate implementation of this activity with IED (Arafat Dajani – danjani_arafat@yahoo.com).

Beehive and Sewing Cooperative Proposals – Major Elvira Brown presented proposals for IRAP/QRF funding: (1) Beehive proposal which will work with 50 families providing training and technical assistance program (I am going to share draft with Patrick Broyles and Steven Wilson); and (2) Sewing Cooperative which provides for renovation of a building owned by the Seddah Nahia Council. We agreed that Lee Duncan will review ownership/leasing issues of the building to ensure that it will be available for use by the sewing cooperative, and Steven will also go over the final proposal’s business and marketing aspects.

Water User Association/Drip Irrigation Field Trip – Planned trip is for August 27th (to see water user association) and will include the US Embassy Ag Counselor, Jonathan Gressel. The trip on August 28th will be to see potential drip irrigation site as recommended by George Stickels. Patrick Broyles will be on both these trips as will DAI staff managing the IRAP Program. We want to assess existing water user group and determine whether it can be replicated in other areas, and we want to develop a drip irrigation proposal for presentation to IRAP/QRF for funding.²

Hospital Proposal – Meeting is scheduled for August 20, 2008, at 1100 with MAJ Colin Edgerton, Head Surgeon, to discuss health sector issues in North Babil. We are also going to plan a trip to the Iskandariya Hospital.

Seed Multiplication Proposal – We discussed how to proceed in developing this program. I agreed to put something together and get it back to George and Patrick for their comments. We learned after the meeting that Inma was going to provide us wheat and barley seed in the amounts previously committed to by them (100 MT of wheat and 50 MT of barley).

¹ Major Kim Peeples, Deputy Team Leader; George Stickels, USDA Rep., Patrick Broyles, USDA Rep.; CPT Luke Stewart, Operations Officer; SFC Michael Nunnelee, Medical Officer; Steven Wilson, Economic Advisor; Lee Duncan, Rule of Law Advisor; and Michael Maxey, USAID Rep.

² Two primary contacts for drip irrigation proposal are (1) Sheik Hamza Hamdi-Hamza, Al Hurria Alwista, Tel. 0780-331-50955, and (2) Majid Khadimeal, Southern Diwaniyah, Tel. 0780-823-0411.

Michael Maxey
USAID Rep. - Pending Actions
August 19, 2008

1. Seddah MicroFinance Proposal – Final draft ready and will be submitted to IRAP database today . Total is \$500,000 which will provide \$366,00 in new loan capital. Anyone who wants a copy just let me know.
2. Beehive Proposal – Total proposal is for \$162,000 which will provide beehives, training and technical support to 50 families (primary target population are widows). Two geographic areas will be the focus of this program – Al Seddah and Jibala. The cost for each family is \$3,260. Proposal to IRAP will be finalized today and submitted tomorrow.
3. Sewing Cooperative Proposal – I will receive final package on this tomorrow from Major Brown. Total budget not determined yet. Expected to be around \$200,000 to refurbish sewing factory, provide training to women , and promote marketing of products. Grant will be with Seddah Nahia Council.
4. Water User Association – Trip is planned for next week to Wasit Province. Top USDA person is coming out (Jonathan Gressel) as is top US water advisor (Maged Hussein). We are aiming for going on the 27th. CPT Jones is supposed to give me a confirmation of trip details today. It will be a one day trip to visit water user association.
5. Drip Irrigation Proposal – George has put together the framework for a drip irrigation project funded under IRAP. A trip is tentatively planned for August 28th to the Suwaraya area and the two farm groups identified by George. I understand Pat Broyles will finalize the proposal based on the trip and discussions with farmers.
6. Hospital/Clinic Proposal – Meeting is scheduled with Medical Team tomorrow (MAJ Colin Edgerton) at 1100 to discuss possible medical proposal under IRAP. Visit is scheduled to Iskandariya Hospital on Thursday.
7. Seed Multiplication/Farmer Support Program – We need to determine what we are going to do in terms of support to farmer associations given the lack of seed that was to have come from Inma. I have a farm equipment leasing program description that was approved as an IRAP Project in Al-Qaim which might be applicable to North Babil.
8. USAID PRT Conference – I am planning to attend USAID PRT Conference (these are held quarterly) during the first week of September.

QRF Grant - Bee Keeping for Widows

ETEC: Submitted - WTEC: Submitted - RSO: Form Required

Proposal Number:	Draft 49 - 3655	Submitted:	08/24/08
Proposal Name:	Bee Keeping for Widows	Individual/Organization:	Babylon Center for Business Community Development
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9733 - Women's Programs	Province:	Babil
Organization Type:	NGO	Objective:	200 - Economic
Amount:	\$163,000.00	Period of Performance:	09/15/08 to 08/15/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	N/A
Director of Organization:	Salah H. Bahaya, Babylon Center for Business Community Dev.	Name of Signee:	Salah H. Bahaya
Location:	Al Seddah City, Babil & Jibalah, Babil	Telephone/Fax:	964-7601-00-0381; 07801003083; 07901232744
Email:	S_h_bahay@yahoo.com	Website:	http://www.bcbsd.org

Grantee Background: The Babylon Center for Business Community Development (BCBCD) is an Non-Governmental Organization that works with small and medium size businesses to enhance their abilities, promote new technologies and improve marketing. The BCBCD has extensive experience in working with small businesses in Babil Province. Training courses have been provided in bee keeping, date palm production and poultry production. Attached is an overview of their experience and two reference letters from PRT representatives.

Previous Funding

Description of Previous Funding: Various training and marketing events have been undertaken by BCBCD with support from PRT Babil. Total funding provided is estimated to be less than \$500,000.

Executive Summary: Business opportunities for women in Iraq are traditionally limited due to cultural constraints, skill levels, and lack of opportunity. One area that has proven successful for small scale business development with women, based on previous experience of BCBCD, is the implementation of bee keeping/honey production units managed as a family business. The economic potential for these enterprises is significant and they represent an effective way for disadvantaged women to earn income and gain a degree of economic security. This program will provide training, production material (bees, beehives and equipment), and marketing assistance for fifty women to establish honey production businesses (twenty-five in Seddah City and the other twenty-five in Jabella).

Description/Purpose: Based on the attached project description, the BCBCD will work with fifty families (primarily families headed by widows) to learn how to operate a beekeeping business, provide them with the equipment, bees, production and marketing assistance necessary to establish a successful business.

Each business unit will consist of ten hives capable of producing 15 to 20 kilograms per hive per season. The honey is sold in 800 ml jars and retails for \$20 per jar. Expected gross income is approximately \$200 per hive. Total income potential is \$2,000 to \$3,000 per year.

BCBCD will provide technical support and the materials required to establish each business. The families will be training in honey production techniques and assisted in marketing the honey. Technical support will consist of constant contact with the beekeepers involved in training. In addition to initial training there will be follow up consultations twice a month for the first quarter of honey production then once a quarter for the rest of the production year. There will also be a phone center available to provide technical assistance at any time when problems or questions come up.

Total cost for each family is \$3,260 which covers the cost of establishing honey production in

ten hives. The cost of implementing this program with fifty families is \$163,000.

Project Justification: This project will provide economic support and sustenance to disadvantaged women in the North Babil area. Additionally, it will provide a model for modern honey production and increase local crop pollination and production.

Collaboration & Coordination: The BCBCD will coordinate with the Ministry of Agriculture in Babil Province as it designs and implements this project.

Other Funding: All labor costs involved in the beekeeping and honey production enterprises will be provided by the families participating in the program. This contribution is estimated to be ????

Financials: BCBCD will prepare financial reports and track program expenditures.

Budget Summary: Total cost of this program is \$163,000 and will establish fifty beekeeping/honey production enterprises in North Babil (Seddah City and Jabella). Each business will be comprised of ten hives. The cost to establish a ten hive honey production business is \$3,260. Fifty businesses will be established primarily with disadvantaged women.

The cost of each business at \$3,260 covers the following inputs:

(List inputs for each business plus costs)

Submitted by: Michael Maxey

Submitter Email: mmaxey@iraq.usaid.gov.

Memorandum of Conversation
Meeting with Major Collin Edgerton, 2-502 Battalion Surgeon
Discussion of Assistance for Iskandariya Hospital
August 20, 2008

A meeting was held with Major Edgerton and Dr. Farhan Yousif, Medical BBA, to discuss possible assistance to the Iskandariya Hospital under IRAP. Participants in the meeting included ePRT North Babil Medical Officer SFC Michael Nunnelee,



Major Edgerton started off the meeting by going an agenda for the meeting, highlighting needs from an assessment of Iskandariya Hospital. Dr. Yousif provided an overview of issues that need to be discussed with the Directorate of Health. See the attached copies of the agenda, hospital assessment, and discussion points for Directorate of Health.

Major decisions that came out of the meeting were (1) we need to find way to gain more support for the Iskandariya Hospital and its three satellite clinics from the Iraqi government, (2) we need to get more information on Government of Iraq funding for the health sector, how the budget is allocated and disbursed, and (3) we need to find ways to bring in more NGO support where possible especially for emergency situations (disease epidemics, mass casualties, etc.).

Specific actions taken were to:

- Conduct a field visit to the Iskandariya Hospital to meet with its director, Dr. Nahedh Muhammed Jabr, to get his input on budget support, needs, and how best to strengthen links and support with Ministry of Health at the provincial level; and
- Draft a Task Order for RTI to provide basic information on Ministry of Health funding in Babil Province. How the budget process works, how much funding is provided to the health sector in North Babil, how does this compare to health financing in the rest of Iraq. Recommend a strategy for how we can help support Government of Iraq funding for health sector in North Babil. A draft of the RTI Task Order is attached.

8/20/2008

Who is Health REPR TAHE?
DG

8:00 AM
ARRIVE
BAR

MAJOR Colw Edgerton
DR. FARHAN YOUSIF

20AUG08 Iskandaryia Hospital Meeting Agenda

What are Iskandaryia Hospital Pass Blocks Are there?

A. Assessment of Iskandaryia Hospital:

- a. Insufficient expendable medical supply
- b. Need for several durable medical items
- c. Need for facility improvements (housing for female resident physician)
- d. Critical need for comprehensive emergency room upgrade

one Gen is get Iskandaryia Hospital 3 satellite Clinics to have support from Iraqi Govt

7:45

B. Proposed durable medical items

- a. Water purification machine
- b. Oxygen concentrator
- c. Industrial washer and dryer
- d. Ambulance
- e. Others per list provided by hospital director

2) second Gen

Medical Equipment Apposed

C. Proposed facility improvement

- a. Housing unit for female resident physician
- b. Replacement of air conditioning units in emergency room
- c. Medical library with internet access

* ASK RTI
BUDGET
Numbers? >
About

Task Order for RTI

D. Emergency room improvement

- a. Litters
- b. Autoclave
- c. Gurneys
- d. Portable monitors/defibrillators
- e. Portable ventilators

Task Order
RTI
Lamm

Trip Report
Iskandariya Hospital Visit
Michael Maxey, ePRT North Babil
August 21, 2008

I made a field trip with 2-502 Battalion Major Colin Edgerton and Medical Bi-Lingual and Bi-Cultural Advisor (BBA) Dr. Farhan Yousif to the Iskandariya Hospital. We met Dr. Nahedh Muhammed Jabr, Director of the hospital, who gave us an overview of the situation, identified key issues, and responded to questions. Dr. Nahedh later took us on a tour of the hospital.



L-R – Major Colin Edgerton, CPT Luke Stewart,
Michael Maxey, Dr. Farhan, Dr. Nahedh

Issues – Several issues were discussed – here is a summary of the discussion and the consensus reached on next steps to address outstanding problems.

Measles Outbreak - Dr. Nahedh highlighted his concern for an outbreak of measles among older residents in Iskandariya. Eight cases have been confirmed locally. He indicated that there is a greater danger of complications in when measles occurs in adults. Dr. Nahedh requested assistance in assessing this situation and responding to a potential outbreak in the general population. He indicated that when school started in mid-September there would be a greater chance of measles spreading. Major Edgerton indicated he would follow up with military colleagues and others¹ on the type of response that could be mounted. Actions discussed included: (1) contacting Director General of Health to determine GOI planned response; (2) work with GOI to establish and support epidemiology team review of situation in Iskandariya; and (3) support actions to determine overall scope of problem, identify unmet needs by GOI, and develop a strategy for supporting efforts to contain the outbreak.

¹ Potential partners in addressing an outbreak of measles might be local or international non-profit organizations. Dr. Farhan Yousif indicated he would get contact information on Red Crescent either in Al Hillah or Baghdad. We also discussed getting in touch with a non-profit that helped in the past with bombing victims, the “First Aid Organization”, Dr. Farhan was going to get information on this organization as well.

Medical Supplies – There is a 20 – 30 percent shortfall in medical supplies provided to Iskandariya Hospital. There is also a lack of equipment (see the attached assessments). We discussed setting up a meeting in Al Hillah with the Director General of Health to discuss allocation of resources to Iskandariya (it is unclear how allocation amounts are determined – the response to a query of whether this was a sectarian issue was “no”). We also discussed trying to find ways to create a pilot initiative with private pharmacies to better cooperate with the hospital to provide appropriate medicine at a reasonable price when there were shortfalls. Also discussed was the need for an updated medical library and adequate Internet access for medical information.

Follow-up Action – We agreed to put together a proposal for funding a medical library and Internet Center for medical information. Dr. Nahedh agreed to provide space for the library and Internet Center and to provide a letter of commitment for the continued funding of the Internet satellite subscription.



Room for Medical Library & Internet Center



Emergency Care Facility

Clinic Assessment

DTG of Report: 10FEB08
From: 1200
To: 1300

LINE 1: NAME OF UNIT CONDUCTING ASSESSMENT: 2-502 IN REGT (AASLT)

LINE 2: LOCAL NAME OF CLINIC: ISKANDARIYA HOSPITAL

LINE 3: CLINIC LOCATION:

- a. Lat / Lon: _____
- b. MGRS: _____
- c. Town name: ISKANDARIYA
- d. Address: _____

LINE 4: GENERAL INFORMATION

- a. Clinic Operating Hours: 0800-1500 GENERAL PRACTICE/ 24hr EMERGENCY CARE
- b. Clinic telephone #: 0780 143 5450

LINE 5: POINTS OF CONTACT

- a. Clinic POC: DR. NAHEDH MUHAMMED JABR
 - (1) Office telephone: 0780 143 5450
 - (2) Home telephone: N/A
 - (3) Cell phone:
 - (4) Pager: N/A
 - (5) Fax: N/A
 - (6) E-mail: NAHITH92@YAHOO.COM / AXHO-AXHO@YAHOO.COM
- b. Security POC
 - (1) Name: FPS (SIX ON HOSP. GROUNDS 24hrs)
 - (2) Office telephone: N/A

LINE 6: OVERALL CONDITION

- a. Building:
 - OVERALL CONDITION OF BUILDING IS GOOD. HOSPITAL GROUNDS APPEAR CLEAN. NO TRASH ON GROUNDS. WALLS PAINTED AND World Health Organization (WHO) POSTERS DISPLAYED.
- b. Roof:
 - SUFFICIENT. NO VISIBLE LEAKING OR CRACKING.
- c. Grounds:
 - HOSPITAL GROUNDS APPEAR CLEAN. NO VISIBLE TRASH OR DANGEROUS AREAS.
- d. Is there a road leading to the building? **YES**
 - (1) If so, what is the condition?
 - ROAD IS TRAVERSABLE BY TWO LANES OF TRAFFIC. DR. NAHEDH THANKED CF FOR THE BRIDGE LEADING TO THE HOSPITAL. HE STATED THAT CONDITIONS WERE VERY BAD AND HE INFORMS PEOPLE REGULARLY THAT CF BUILT THE BRIDGE.
 - (2) If so, is it adequate for the needs of the building? **YES**

LINE 7: POWER

- a. Electricity working: **YES (INTERMITTENTLY)**
 b. Type: **STANDARD 220**
 c. Amps:
 d. Adequate: **NO (POWER IS OFF NEARLY 18hrs PER DAY. POWER SHUT OFF TWICE DURING ASSESSMENT. THIS INFORMATION COINCIDES WITH REPORTS TAKEN FROM LOCAL CLINICS)**
 e. Generator source: **YES (THE HOSPITALS TWO GENERATORS WERE SUPPLIED BY CF IN 2004. GENERATORS ARE IN EXCELLENT CONDITION AND REPAIR CONTRACTS ARE IN PLACE. MoH SUPPLIES 10,000 LITERS OF FUEL PER MONTH TO HOSP. FOR GENERATOR SUPPLY. DR. NAHEDH REPORTS THAT SUPPLY IS INSUFFICIENT. HE STATES THE HOSPITAL REQUIRES BARE-MINIMUM 15,000 LITERS PER MONTH.**

LINE 8: COMMUNICATIONS

- a. Phone lines: **YES**
 b. Internet: **YES**
 b. Condition: **(BOTH PHONE AND INTERNET ARE CURRENTLY OPERATIONAL)**

LINE 9: WATER

- a. Is there a water system? **YES**
 (1) If so, is it operational? **YES**
 b. What is the source? **(CLINIC RELYS ON WATER SUPPLIED FROM CITY WATER PLANT. AN ALLOTTED AMOUNT OF POTABLE WATER IS SHIPPED FROM MUGAYIB. RESERVE WATER TANKS ARE AVAILABLE ON ROOF OF HOSPITAL; HOWEVER, CONTAINERS RUSTED AND PIPES ARE CORRODED. GRAVITY WATER SYSTEM IS INOP.)**
 c. Is the water potable? **NO**
 (1) If not, is there means available to treat it? **NO**
 d. Is the water flow rate / pressure adequate? **NO**

LINE 10: HEATING / AC

- a. Is there a heat source? **YES**
 (1) If so, is it operational? **YES**
 (2) If so, is it adequate for building size? **YES**
 b. Is there a cooling / A/C source? **YES**
 (1) If so, is it operational? **YES**
 (3) If so, is it adequate for building size? **YES**

LINE 11: SECURITY

- a. Is there IA/IP security on site? **YES (6 FPS ON GROUNDS 24hrs PER DAY)**
 b. What is response time to clinic?
 c. Have there been security issues or concerns? **YES (HOSPITALS GENERAL SURGEON WAS KILLED IN OCTOBER. HOSPITAL REPORTS NO LOOTING OR PETTY CRIME; MOSTLY FEARS OF EXTREMIST KILLINGS.)**
 d. Are there any protection measures in effect? **(FPS)**

LINE 12: CAPACITIES

- a. Building dimensions: **UNK**
 b. Number of floors: **1**
 c. Number of beds: **100 MAX PATIENT HOLD**

- d. Departments: (PED., GYN., SURGICAL., ANEST., ENT., GEN. PRAC., DEN., PHARM., X-RAY.)
- e. Physicians: 30
- f. Nurses: ~ 100
- g. Technicians: 30 LAB, 28X-RAY, 11ANEST. ASS., 6 PHARMASIST/ 8 ASS.

LINE 13: AMBULANCE SERVICE USED / RECOMMENDED

- a. Name: 4 AMBULANCES AVAILABLE: USED TO TRANSPORT PATIENTS TO HILLAH AND VARIOUS OTHER HOSPITALS.
- b. Telephone number: CIVILIANS CALL IPs; IPs CALL HOSPITAL VIA HAND-HELD RADIO
- c. Radio frequencies:
 (1) Primary: UNK
 (2) Secondary: UNK
- d. Call sign:
- e. Number of units: 4
- f. ACLS capable? NO
- g. Response time from city limits: LESS THAN 10 MINUTES TO CITY LIMITS

LINE 14: SERVICE AVAILABILITY

- a. Emergency Services: YES
 (1) Response time: LESS THAN 10 MINUTES
 (2) Average monthly patient load: UNK
- b. Is there an X-Ray machine? YES (TWO MACHINES AVAILABLE: BOTH INOP) DR. NAHEDH STATES THAT CLINIC NEEDS PORTABLE MACHINE. X-RAY ROOM IS LOCATED OFF HOSPITAL GROUNDS. CRITICAL TIME IS LOST WHEELING PATIENTS TO LEAD ROOM ACROSS THE STREET.)
 (1) If so, is there an operator / Technician? YES
 (2) If so, is it operational? NO
 (3) Response time: _____
 (4) Average monthly patient load: UNK
 (5) If not operational, what is the type and problem? MACHINE IS OLD; UNK PROBLEMS
- c. Is there an UltraSound available? YES
 (1) If so, is there an operator / Technician? YES
 (2) If so, is it operational? NO (COMPANY WHO SUPPLIED MACHINE WILL SEND TECHS TO SET-UP AND INSTRUCT TECHS ON ITS USE. NO DATE SET FOR COMPANY VISIT AT THIS TIME.)
 (3) Response time: _____
 (4) Average monthly patient load: _____
 (5) If not operational, what is the type and problem?
- d. Is there Dental Care available? YES
 (1) If so, is there dental equipment? YES
 (2) If so, is it operational? YES
 (3) Response time: _____
 (4) Average monthly patient load: (300-500 DENTAL PATIENTS PER MONTH: 2 DENTISTS AND 4 ASSISTANTS. DR. NAHEDH STATES THAT HOSP. NEEDS MORE DENTAL CLASS VIII. ALLOTTED AMOUNT IS INSUFFICIENT FOR HOSP. NEEDS)
 (5) If not operational, what is the type and problem?
- e. Is there a Radiologist? YES
 (1) Response time: _____
 (2) Average monthly patient load: _____

- f. Is there a Clinical Lab? **YES** (BIO CHEM, MICROBIO, NO SEROLOGY AVAIL.)
 (1) Response time: _____
 (2) Average monthly patient load: _____
- g. Is there refrigeration available? **YES** (BLOOD STORES LIMITED. ~ 14 PINTS OF BLOOD AVAIL. IF A PATIENT IS IN NEED OF BLOOD, PATIENTS RELATIVES WILL TRAVEL TO HILLAH AND DONATE FOR PATIENT.)
- h. Is there an OB/GYN available? **YES**
- i. Is there a Air Evacuation capability? **NO**
 (1) Response time: _____
 (2) Average monthly patient load: _____
- j. Is there a Ground Evacuation capability? **YES**
 (1) Response time: _____
 (2) Average monthly patient load: **UNK**
- k. Are there other specialties available? _____
- l. Is there an immunization program? **NO** (LOCAL CLINICS ARE RESPONSIBLE FOR ALL VACCINATIONS.)

LINE 15: MOST COMMON DISEASE DEMOGRAPHICS

- a. Types: (GASTROENTERITIS, TYPHOID FEVER, PNEUMONIA IN CHILDREN)
 b. Control Programs: (LOCAL CLINICS ARE RESPONSIBLE FOR VACCINATIONS AND ALSO GIVE DISEASE PREVENTION CLASSES.)

LINE 16: REFERRALS

- a. Types of cases referred to other hospitals: (SERIOUS INJURIES, MENINGITIS, MI, HEAD INJURIES)
- b. Referral hospital
 (1) Name: HILLAH, BAGHDAD
 (2) Location: HILLAH AND BAGHDAD
 (3) Telephone number: _____
 (4) POC: _____
 (5) Time/Distance to referral hospital: 40 MIN TO 1 HOUR

LINE 17: MEDICAL EQUIPMENT AND SUPPLIES

- a. Major medical equipment: (PREVIOUSLY STATED)
 (1) on-hand and operational
 (2) Needed: (PREVIOUSLY STATED)
 (3) Is there maintenance personnel or contracts in place? **YES / NO** (circle one)
- b. Major dental equipment:
 (1) on-hand and operational: (DENTAL CHAIR, VARIOUS SUPPLIES) HOSP. REPORTS DENTAL CLASS VIII SHORTAGE.)
 (2) Needed (DENTAL CLASS VIII)
 (3) Is there maintenance personnel or contracts in place? **YES / NO** (circle one)
- c. Testing equipment:
 (1) on-hand and operational: (SEE LABS)
 (2) Needed

- (3) Is there maintenance personnel or contracts in place? **YES / NO** (circle one)

d. Medical Supplies:

- (1) Is there a re-supply system in place and working? **YES** (ALL CLASS VIII ITEMS COME FROM MoH IN AN ALLOTMENT. HOSP. CAN ONLY REQUEST RE-SUPPLY DURING EXTREME SITUATIONS, I.E. DISEASE OUTBREAK. DR. NAHEDH REPORTS THAT SUPPLY IS DANGEROUSLY INADEQUATE. HOSPITAL USES FUNDS TO BUY OTC AND PRES. DRUGS ON LOCAL ECONOMY; AN INVOICE IS USED TO SUBMIT PAYMENT TO PHARMACY. MONEY COMES FROM MoH. IN MOST CASES PATIENTS ARE FORCED TO PAY FOR MEDICINE THEMSELVES ON LOCAL ECONOMY. DR N STATES THAT ONE CAN BUY WHATEVER HE WANTS FROM IRAQI PHARMACIES, HOWEVER MAY BE EXPENSIVE WHICH PREVENTS MOST FROM GETTING WHAT THEY NEED.)

LINE 18: MEDICATIONS

- a. On-hand: (VARIOUS OTC AND NARCOTICS)
b. Shortages: (VARIES) SEE WISH-LIST BELOW
c. Other supplies: N/A

LINE 19: TOP THREE THINGS WANTED FOR CLINIC:

- 1) FUEL FOR GENERATOR
- 2) AMBULANCE (CLINIC STATES THAT CURRENT NUMBER OF AMBULANCES IS INSUFFICIENT)
- 3) INDUSTRIAL WASHING MACHINES

ITEMS ALSO NEEDED:

- O-2 CONCENTRATOR (HOSP. O-2 SUPPLY ALWAYS LOW)
- ADDITIONAL LINE FOR EMERGENCY ELECTRICITY
- RESIDENCE FOR FEMALE DOCTORS
- INCINERATOR
- MEDICATIONS (SEE LIST BELOW)
- ID BADGES FOR STAFF AND AMBULANCE DRIVERS: (DURING HOLIDAYS AND CURFEW AMBULANCE DRIVERS ARE UNABLE TO GET TO SICK/ INJURED BECAUSE OF TRAVEL RESTRICTIONS. HOSPITAL REQUESTS THAT BADGES ARE MADE FOR OFFICIALS TO USE WHILE ON HOSPITAL BUSINESS.)
- SURGICAL MASKS
- SUTURES (ETHILON & NYLON)
- UMBILICAL CORD CLAMP

MEDICATIONS NEEDED:

- XYLOCAINE
- DIGOXIN
- TRAMADOL AMP
- ALBUTEROL SOL.
- ALBUMIN
- FUROSEMIDE AMP
- CEFTRIAZONE
- PAVULON
- SALMETEROL
- THIOPENTAL
- INSULIN (SHORT AND LONG ACTING)

Introduction:

As a matter of fact the visit to the local health officials face and the difficult health officials face and the professional medical supplies and health

**Military Medical Team Mission
For Kalsu**

If we like to build a developed and strong base for the future health services we have to think about the preparation of scientific, well trained and educated health professionals who will carry the responsibilities for the development of the health services. We have to arm those professionals with more recent and scientific information that collected and published all over the world with the availability of references and to encourage the opening of research centers in the medical fields and to fund those centers. We have to provide those professionals with all essential requirements and equipments they need.

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**Report for Iskandariya Hospital
& Tunis Primary Medical care center**

30th July 2008

By : Dr. Farhan Yousif

**By : Dr. Farhan Yousif
Medical BBA**

Introduction:

As a matter of fact the visit to the local hospitals give us an impression to what is going on the ground and to be face to face with the problems the health officials face and the difficult duties they performed under such shortage in the medical supplies and health professionals in different medical branches.

If we like to build a developed and strong base for the future health services we have to think about the preparation of scientific, well trained and educated health professionals who will carry the responsibilities for the development of the health services. We have to arm those professionals with more recent and scientific information that collected and published all over the world with the availability of references and to encourage the opening of research centers in the medical fields and to fund those centers. We have to provide those professionals with all essential requirements and equipments they need.

The preventive measures and prophylaxis against transmissible disease is essential for the developed health services so we have to concentrate on this issue otherwise there is a lot of waste of time and money and efforts. Give me clean water and all other life essentials to be healthy and then try to treat me when I am sick .There should be a balance between what you give and what you need, so give me what I need for the development of the health services and try to take from me what you want.

Iskandariya Hospital

- Location : Iskandariya
- Name of the clinic : Iskandria hospital
- Name of health official : Dr. Tahseen
- Contact no : 07801364066 , e-mail : axoh-axoh@yahoo.com

Building:

One floor and in a good condition

Staff of the hospital:

- Medicine specialist
- General Surgery 2
- Gyn. &Obs. 4
- Medicine registrar 1
- Surgery registrar 2
- Pediatric registrar 1
- House surgeon 1
- Doctors fulfilling grading requirements 4
- Pharmacists 12
- Anesthetist 2
- Dentist 2
- Lab. Assistant 30
- Nurses (male &female) 100
- Radiology

Capacities:

- Bed 100
- Departments : Pediatric , General surgery , Medicine , Gyn. & Obs. , Anesthesia ,
Emergency , Dental , Pharmacy , Radiology, ENT .
- Ambulance 2
- One floor hospital
- Out patient 8000 patients / month
- Inpatient 1800 patients/ month
- Emergency 1900 patients / month
- Dental Clinic 300-500 patients / month

Most common diseases:

- Hypertension
- CVD
- Gastroenteritis in children especially in summer time
- Typhoid
- The series diseases like Myocardial infarction, Head injuries, and Meningitis transfer to Hilla hospital the availability of Intensive care unit.

Laboratory:

- **Blood bank:** refrigerator working and there are six blood bags ready for use.
- **Bacteriology:** shortage in media for culture and sensitivity tests. I discussed that with the pharmacist in the medical supply warehouse in Central Babylon and he told me that the shortage is all over the country for the Media used for cultures and sensitivity. Bacteriology need to supply with centrifuge (having one not efficient) and an autoclave in the department.
- **Biochemistry:** Shortage in equipments like spectrophotometer (having an old one not efficient for the hospital work. There is no equipment for measuring the Sodium and Potassium in the blood as the staff said and they ask to provide one.

Pharmacy and Medications:

- Shortage in most of the medications especially the antibiotics (see the attached list from the hospital). I spoke to the pharmacist in Babylon and told me that he is ready to supply the hospital with medications. Dr. Tahseen informed for that.

Dental Clinic:

- Need new dental unit (chair with turbine) and the other dental instruments included with chair, because the old dental system was not efficient for work on the patients and it is of bad quality.

Emergency:

- Shortage in life saving equipments like monitors and defibrillator
- Shortage in surgical materials needed for treatment of mass casualties
- Need more ambulances for transportation of the series cases to the hospital or the series cases to Hilla teaching hospital.

Gyn. & Obst.:

- Need vacuum extractor for evacuation of the miscarriages present to the hospital. The doctors still use the curettes for that

Staff Members:

- Need more house officers (5-10) to cover the wards of different departments. There is only one house surgeon with 4 doctors for the fulfillment of grading requirements for the rural areas
- Renovation or an expansion of the resident female doctors house.
- Need to be familiar with program of case presentations and seminars for medical professionals
- Need to have teaching sessions for the staff members.

Other issues:

- The incinerator is very old as Dr. Tahseen said and need a new one with trained person to operate on it. They used kerosene for incineration of the hospital waste
- The commercial washing machine is not efficient for the hospital and need employees to work with it.
- The hospital needs an Oxygen concentrator with oxygen purity detector. The oxygen supply by a local contractor and some time delay for the orders affect the efficiency of the health services

Water supply:

- The potable water transferred by tankers to the tanks in the hospital.
- There is a shortage in potable water supply for the hospital
- There is unused water tower near the hospital. Why? No answer from the hospital officials.

Suggestions for developing services of the hospital:

1. To provide the hospital with all surgical and life saving equipments needed for the emergency department
2. To supply the hospital with more resident doctors (5-10)
3. To provide the hospital with modern laboratory equipments for the accurate diagnosis and managements
4. To provide the hospital with water treatment plant for clean water.
5. To provide the hospital with new dental chair and turbine to cover the dental patients by the dentists
6. To achieve meetings with the Babylon health directorate officials to discuss with them the future plan for development of the health services and how to overcome the difficulties
7. To be in contact with Iskandria council for the unused water tower near the hospital
8. Try to achieve more visits to the hospital and to meet the officials in each department for their needs and for any concerned issue they face in the hospital.
9. Try to renovate and support the public medical clinic and provide it with Medications.
10. To visit the resident female doctors house for the need of extension or renovation
11. To arrange consultants visits from Hilla teaching hospital to the other small hospitals for the managements of some series cases with training programs of the medical staff
12. To achieve meeting with the medical staff in the medical centers for their opinion and suggestion to develop the health services
13. To provide the Medical BBA with phone directory of the health services officials

Priorities:

1. Development of the Emergency department and the need for portable x-rays machine.
2. Provide the surgical equipments and medications needed in emergency department and the operating theatre.
3. Provide the potable water for the hospital

Tunis primary medical care center

- Location : Tunis Village
- Name of the clinic : Primary medical care center
- Name of health official : Medical assistant
- Contact no : No

- The building is in a good condition
- The nearest medical center is Al Nour for Mahawil district which is 20 km from this center

- The center cover 7 Villages : Altahria , Emuelha , Tunis , Al Bada'a , Al Azawia'a , Al Masoriya , Aggricultural Institute.

- The estimated population covered by the center is 15000 residents

- There are 4-5 schools in the area

- The clinic surrounded by 7000 residents

- The building have 6 rooms

- The building have been built in 2004 and renovated by American troops in 2008

- The outpatient visitor is 25 patients per day

- Every Sunday there is program of vaccination for children and pregnant women. About 50 patient each Sunday,

- The staff members working in the center is 10.

- There is a female doctors directed the center for the last 6 months and now she is in maternity vacation. The number of patient was 90 per day when there was a female doctor.

- Now the center runs by the medical assistant.

Important points:

- There is a shortage in all types of medications .As the staff said ,most of the medications runs in the first 10 days after the order
- There is a shortage in all surgical requirements needed (e.g. cotton , bandages , plasters , Syringes).
- The power generator in the center not working and need to be fixed.
- There are no ceiling fans in the rooms.
- The staff members sitting in one room near the A/C . I did not see any patient visiting the center during the mission which last for more than one hour.
- We noticed that the environment and some of the staff members having very strange behaviors and uncooperative with the mission medical team

Suggestions:

- To consider the center as main medical center because it meet the requirements and regulations of the ministry of health for the main medical center
- The center should be directed by physician
- To consider it as main medical center , extension of the building required
- To have a meeting with Babylon health officials to discuss the status of this medical center.
- To encourage the military troops to fix the generator because we promise for that and it is a matter of trust for the team by the staff members in the center
- To supply the center with water cooler for the patients and staff members

Priorities:

- Medication and surgical requirements supply
- Discussion with health officials the status of the center and to have a physician direct the center
- To fix the power generator

"Meeting with Babylon Health Directorate Officials"

Aims:

1. To achieve meeting with preventive program officials for their written present and future plan and their opinion and suggestion to develop the health services and the difficulties they face. If they have any Leaflets or Posters about common transmissible diseases to be distributed to the Medical Centers, the Community Centers and Schools.
2. To achieve meeting with Public health officials for their written present and future plan for the environmental health for Babylon and the difficulties they face.
3. Provide clean water for the rural areas residents. Discuss that with the health officials
4. Discuss the needs of *Iskandariya* Hospital with health officials according to the report and the needs for the last suicide bombing in the *Hateen* area.
5. Discuss the situation of *Tunis* medical centre according to the report.
6. Time table and place for the teaching sessions for north Babylon health officials especially the junior doctors.
7. To arrange consultants visits from Hilla teaching hospital to the other small hospitals for the managements of some series cases with training programs of the medical staff
8. To discuss the shortage in the Laboratory equipments discussed with Deputy General Director of Babylon Health Directorate and how to supply them:
 1. Centrifuges
 2. Micro-centrifuge for blood test (*PCV*)
 3. Laboratory water baths
 4. Spectrophotometer
 5. Laboratory ovens
 6. ? Hood instrument for blood analysis
9. To supply the hospitals (for the patients before or during admission to the hospitals), with brief information (Leaflets) about the procedures required to be done and the instructions the patient have to follow before and after the procedure (e.g. Colonoscopy, Sigmoidoscopy, Blood transfusion, Abdominal X-rays using a contrast material ...etc).
10. To encourage the Consultants in different Medical and Surgical department to publish a Leaflets for the admitted patients give simple idea about his/her disease with the advices for the discharged patient to take home.
11. The *Scania Burn Clinic*, directed by coalition forces have to transfer to the responsibility and the direction of Babylon Health Directorate or to Qadisiya Health Directorate. To be discussed.
12. Phone directory of the health officials of Babylon (Hospitals and Medical Centers officials).
13. To discussed with Deputy General Director of Babylon health directorate a list of the medical equipments given by Funding Grantor Countries and did not supply with the solutions and reagents needed to work with in different Departments.
14. Discuss with health officials the steps taken to control Measles out break in *Eskan* area.
15. To have a list and contacts of the International and National organizations that can participate in the health development like *WHO, UNICEF, Red Cross, Red Crescent & International Doctors Organizations*.
16. Discuss with Health Officials to arrange with Babylon Education Directorate training programs and lectures for the School teachers and Community members about common Infectious Diseases and the preventive measures applied to minimize the spread of the disease.

QRF Grant - Medical Library & Internet Center - Iskandariya

ETEC: Submitted - WTEC: N/A - RSO: N/A

Proposal Number:	Draft 49 - 3651	Submitted:	08/23/08
Proposal Name:	Medical Library & Internet Center - Iskandariya	Individual/Organization:	Dr. Nahedh Muhammed Jabr, Director - Iskandariya Hospital
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9737 - Health	Province:	Babil
Organization Type:	Gov. Related	Objective:	500 - Community Building
Amount:	\$50,000.00	Period of Performance:	09/15/08 to 08/15/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	GOV - Sub-Provincial
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	N/A
Director of Organization:	Dr. Nahedh Muhammed Jabr, Director of Iskandariya Hospital	Name of Signee:	Dr. Nahedh Muhammed Jabr
Location:	Iskandariya, Babil	Telephone/Fax:	0780-143-5450
Email:	nahith92@yahoo.com	Website:	n/a

Grantee Background: Iskandariya Hospital is part of the Ministry of Health hospital network for Babil Province. It consists of a main hospital with 100 bed capacity and three satellite clinics in the general area. Hospital staff treat more than 8,000 outpatients per month as well as 1,800 admissions. More than 1,900 patients are treated for emergency care at the hospital emergency care unit. Total staff exceeds more than 150 health professionals including two general surgeons, four gyn/obs, one house surgeon, two anesthetists, two dentists and twelve pharmacists.

Previous Funding

Description of Previous Funding: USAID financed Community Stabilization Program provided support for the emergency medical unit by refurbishing the building in 2004. Total estimated investment by the CAP Program was \$75,000.

Executive Summary: The Iskandariya Hospital is a first line defense for the health of more than 200,000 in the area. It is a first responder in emergency situations like two mass casualty suicide bombings this year during Shia pilgrimages. The dedicated staff of the hospital provide more than 10,000 patient consultations a month. In order to effectively diagnose and treat the myriad of patients that come to this health center, staff need access to the latest medical information on disease identification and treatment. In order to provide this information, this program will provide a comprehensive medical library and satellite Internet access to access the latest medical information. This program will provide a medical library and Internet access to the hospital's one hundred plus health professionals.

Description/Purpose: The purpose of this program is to provide medical information access to Iskandariya Hospital staff through an updated and comprehensive medical library and an Internet Center to provide state of the art medical information.

Basic supplies for operation of the Iskandariya Hospital are provided by the Directorate General of Health at the provincial level. This provides approximately 70 to 80 percent of drugs and administrative supplies necessary to operate the hospital. While this is inadequate it is covering the majority of health needs in the area. What is lacking and is not part of an overt strategy by the DG of Health is the ability to provide ongoing staff leaning and upgrading of skills. A medical library and Internet Center is needed to provided support for staff skill development.

This proposal will provide support for the renovation of a room allocated by the hospital to serve as the medical library and Internet Center. Once renovated, the room will be equipped with a

comprehensive and update library and a dedicated Internet connection via satellite uplink.

Project Justification: Support is needed to enhance skills and training of Iskandariya Hospital staff.

Collaboration & Coordination: ePRT North Babil staff will coordinate all actions related to this proposal with the DG of Health in Al Hillah. The hospital leadership is committed to maintaining the library, Internet equipment and paying the future subscription fee for Internet service via satellite.

The Iskandariya Hospital will provide office space to be utilized for the Medical Library and Internet Center. The Hospital will also staff the library and center to ensure its proper use and the protection of books and equipment.

Other Funding: Iskandariya Hospital is providing in-kind funding in the form of office space and staff management of the Medical Library and Internet Center.

Financials: Financial reports will be prepared by the Iskandariya Hospital administrative staff.

Budget Summary: Total cost of the program is \$50,000 and is comprise of the following components:

- (1) VSAT Hardware - \$2,600
- (2) VSAT Subscription - \$7,400
- (3) Office Space Renovation - \$10,000
- (4) Computer w/Monitors - \$5,000
- (5) Desks/Chairs (5) - \$750
- (5) Smart UPS for 220v - Surge Protectors - \$1,250
- (6) Generator & Fuel - \$4,500
- (7) Library Furniture - \$5,000
- (7) Medical Textbooks - \$12,500
- (8) Contingency - \$3,000

Submitted by: Michael Maxey

Submitter Email: mmaxey@iraq.usaid.gov.

Proposal Number:	Draft 43 - 3338	Submitted:	07/17/08
Proposal Name:	North Babil Seed Multiplication Program	Grantee:	Dylarah - Al Barakah Ag Association, Sheik _____.
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9736 - Agriculture/Environment	Province:	Babil
Organization Type:	Business	Objective:	200 - Economic
Amount:	\$500,000.00	Period of Performance:	08/01/08 to 02/28/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Grantor:	DAI (Party responsible for grant disbursement/monitoring)	Action:	N/A
Director of Organization:	Sheik _____	Name of Signee:	Sheik _____
Location:	Dylarah	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a
Grantee Background:	<p>The Dylarah - Al Baraka Agricultural Association was established in ____ and was formerly recognized as a Non-Governmental Organization in 2008. The Association consists of __ farmers cultivating over _____ donams (____ hectares) of crops. EPRT North Babil is working with the Dylarah - Al Baraka Ag Association as one of the lead organizations to be involved in the Central Euphrates Farmers Market project which will include the construction of a wholesale/retail market serving over 8,000 farmers.</p>		
<input checked="" type="checkbox"/>	Previous Funding		
Description of Previous Funding:	N/A		

Executive
Summary:

In an effort to create sustainable economic development programs, ePRT North Babil will support the establishment of a seed multiplication program to provide improved wheat and barley seed on a sustainable basis for the North Babil area.

In May, 2008, Inma (a \$304 million USAID funded agricultural development project) agreed to provide 150 metric tons of wheat and barley seed to the ePRT in order to pass it on to farmers in our area. After consultations with Inma, 4th Brigade Combat Team leadership, and DAI/IRAP agricultural staff, ePRT North Babil decided to use this donation of seed to establish a seed multiplication program that can supply all the cereal seed needs of our area of operation. The sale of improved wheat and barley seed under this program will provide a sustainable flow of income to the Dyalah - Baraka Agricultural Association and will serve to promote market-based commercialization mechanisms for ag production commodities.

The investment of \$500,000 under this program will provide equipment and services needed to successfully implement the seed multiplication program. Training in business services and financial management will be required of the managers of the Dyalah - Baraka Ag Association in order for them to establish the mechanisms required successfully manage a commercial seed production and marketing program and develop a sustainable flow on income from the sale of improved cereal seed.

Description/Purpose
:

A key area of concern in the local agricultural sector is access to improved seed varieties. Seed supply was identified by a field study of the Borlaug Institute - Iraq Task Force as a key constraint on production in North Babil. The Borlaug Team recommended that the ePRT North Babil find ways to provide sustainable seed production and marketing initiatives. Responding to this call for action, ePRT North Babil designed a seed multiplication program for implementation by the largest agricultural association in the area -- the Dyalah - Baraka Ag Association comprised of ___ members. This program will provide improved wheat and barley seed to the association for multiplication and sell to members of the various ag associations in North Babil. Inma, the USAID funded agricultural production and marketing program that is focused on promoting sustainable, commercial activities. A key commodity demanded by local producers and one that they have demonstrated a willingness to pay for is access to improved seed varieties. The North Babil Seed Multiplication Program aims to provide a needed

production input -- improved cereal seed -- on a sustainable basis.

In order to establish this program, ePRT North Babil will work with the Diyalah - Baraka Agricultural Association to obtain access to agricultural and production processing equipment needed to produce wheat and barley seed, and prepare it for sale as improved seed. Given that wheat and barley are self-pollinated cultivars, seed can be held generation to generation (up to 8 generations) without losing seed vigor or production capacity.

The program will provide (1) equipment (seed drill, cultivation equipment and seed cleaners via rental agreements), and (2) services (tractor and combine rental) to farmers who will produce wheat and barley seed on a contract basis for the ag association. The farmers will receive improved variety seed, access to cultivation and planting equipment, tractor and combine rental, and seed cleaning services in order to produce a high quality seed crop. One third of the production will be returned to the farmer for his use and/or sale on the local market. The remaining two-thirds will be retained by the ag association for sale in the North Babil area. The proceeds of these sales will be managed to provide financing for the next year's seed production program. The ag association's management and staff will undergo training at the ePRT North Babil financed business training program in Iskandariya prior to receiving support under this grant.

Project Justification: The agricultural sector in North Babil suffered severe damage during 2004 - 2007 due to Al Qaeda of Iraq induced violence. Ethnic divisions were aggravated, tribal conflict was promoted, and whole areas of North Babil were subjected to an indirect but in many cases effective ethnic cleansing. EPRT North Babil seeks to promote sustainable economic development by supporting agricultural development programs. These production systems have traditionally be comprised of both Sunni and Shi'a farmers. These farmers are now coming together in agricultural associations to provide their members with lower cost production inputs, increased market access, and a stronger voice in local, provincial and national government. A key area of concern in the local agricultural sector is access to improved seed varieties. Seed supply was identified by a field study of the Borlaug Institute - Iraq Task Force as a key constraint on production in North Babil. The Borlaug Team recommended that the ePRT North Babil find ways

to provide sustainable seed production and marketing initiatives.

Collaboration &
Coordination:

To be completed --

Other Funding:

Inma donation valued at ____

Financials:

To be completed ---

Budget Summary:

To be completed --

Submitted by:

Michael Maxey

Submitter

mmaxey@iraq.usaid.gov

Email:

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PRT Comments:

The investment of \$500,000 under this program will provide equipment and services needed to successfully implement the seed multiplication program. Training in business services and financial management will be required of the managers of the Dyalah - Baraka Ag Association in order for them to establish the mechanisms required successfully manage a commercial seed production and marketing program and develop a sustainable flow on income from the sale of improved cereal seed.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
August 30, 2008

Water User Association Pilot Program – Successful field trip made to Shumayniyah area to assess Water User Association. US Ag Counselor, Jonathan Gressel, participated in trip. Very impressive community organization and potential for local ownership and sustainable management of a 10,000 hectare plus irrigation system along with potable water to more than 40,000 local residents. Without outside assistance local council, ag association and field engineer for Minister of Water Resources built a rudimentary organization that is privately managing a major pump station, collecting water user fees, and providing water for agriculture and local inhabitants. Key is to make this sustainable. Program proposals is being developed to address key issues and create a model for replication throughout Iraq. US Ag Counselor is taking lead in coordinating this effort with the Ministry of Water Resources in order to garner GOI buy-in.

IRAP Proposals – Jon Wiebe and Karen Campbell, Senior Program and Grants Manager for DAI/IRAP, spent two days on a field trip to Wasit Province followed by a series of meeting with ePRT North Babil staff to provide design information on project ideas and to finalize IRAP proposals that have been developed over the last three weeks. Their support resulted in the finalization of three proposals and their submission to the Embassy Technical Evaluation Committee this week.

- Proposals finalized and submitted were: (1) Iskandariya Hospital Medical Library & Internet Center - \$75,000 – Strengthen Capacity of 100 Local Health Workers; (2) Iskandariya Hospital Emergency Room Support - \$200,000 – Equipment and Supplies for Emergency Needs; and (3) Honey Hive Production for Widows - \$163,000 – Income Generation for Families of 50 Widows.
- Proposals still in development are: (1) Seddah City Women’s Center Proposal – Women’s Center, Training and Income Generation; (2) Sister City Concept – Youth Outreach Program to Connect Communities in Iraq and US; (3) Wasit Drip Irrigation Concept – Model Vegetable and Tree Crops irrigation program..

Civil Military Operations Conference – I attended 2 day conference at Camp Victory focused on the transition from kinetic to civilian led (primarily Iraqi) reconstruction and development. Major General Lebefrve stated success depends on improving civil capacity to: (1) Enhance job creation, (2) Enable reconstruction initiatives, (3) Develop local business initiatives, and (4) Ensure alignment. Job creation is key.

Activities for Next Week – Attend Quarterly USAID PRT Conference in the IZ. Prepare proposal for support of Shumayniyah Water User Association. Work to finalize pending IRAP proposals. Work on ePRT North Babil planning process. Focus on impact assessment of ePRT led development efforts on COIN objectives.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
September 6, 2008

Water User Association Pilot Program – Met with Iraq Rapid Assistance Program (IRAP/QRF) program manager, Jon Wiebe, to discuss development of water user group in Shumayniyah. Also participating in the meeting was US Senior Water Advisor Maged Hussein. IRAP will develop a proposal for ePRT North Babil review for support to Shumayniyah Agricultural Association for establishment of water user group providing local ownership and sustainable management of a 10,000 hectare plus irrigation system along with potable water to more than 40,000 local residents. Proposal will be submitted to USAID under Civil Society Conflict Mitigation program that is part of IRAP. See attached Memorandum of Conversation of meeting with Jon Wiebe, Maged Hussein and Mark Mitchell.

USAID PRT Conference – Attended three day USAID PRT Conference in the International Zone. Covered a variety of topics including role of USAID on PRTs and ePRTS and how to enhance the impact of USAID contribution to the PRT's counter-insurgency and development mission. Discussions were held on program implementation, coordination with USAID programs for greater development impact, and future of USAID presence in PRTs. A video conference was held with Deputy Administrator of USAID, Jim Kunder. Presentation was made of draft ePRT North Babil logical framework and strategic approach to program implementation. My notes from the conference are attached.

IRAP Proposals – Proposal for Iskandariya Hospital Emergency Room Support - \$200,000 – Equipment and Supplies for Emergency Needs – was submitted and will be reviewed at the September 8th meeting of the Embassy Technical Evaluation Committee. Meeting was held with Jon Wiebe to discuss pending proposal and finalization of Women's Center for Seddah. Attached is a copy of the final proposal.

Meetings with US Institute of Peace(USIP) & USAID funded Relief International Iraq Community-based Conflict Mitigation (ICCM) – Met with representatives of USIP and ICCM and discussed potential funding for Women's Center program to provide health, livelihood, literacy, legal and youth group assistance to communities in North Babil.

Activities for Next Week – Finalize proposal for pilot water user association program in Shumayniyah area of Wasit Province under IRAP/Civil Society Conflict Mitigation. Finalize Seddah Women Center proposal under IRAP/QRF. Develop proposal for submission to Relief International ICCM for Women Center Program for Babil Province. Attend a PRT team building session to be held at FOB Kalsu during the week – one day program aimed at synchronizing efforts and strengthening team approach to social and economic development.

Memorandum of Conversation
Meeting with IRAP/DAI & USDA Representatives
to Discuss Shumayniyah Water User Association in Wasit Province
September 4, 2008

I met with representatives of DAI (Jon Wiebe and Odis Kendrick) and USDA (Maged Hussein and Mark Mitchell) to follow up on our trip to Shumayniyah, Wasit, last week. We agreed that the proposed program to support the Nahia Council, local agricultural association, and domestic water users was important and we discussed the next steps in moving forward.

Maged Hussein, Foreign Ag Service Senior Water Advisor, reported on his discussions with the Ministry of Water Resources: (1) there is interest at the Ministry in working with Shumayniyah in determining how to proceed in dealing with their local ownership and management of the pump station and irrigation system;¹ (2) the pump station equipment in Shumayniyah is owned by the local ag association; and (3) there is a legal framework for working with the Shumayniyah Ag Association to develop a Participatory Irrigation Management (PIM). Next steps (1) Maged will request a letter of support from the Ministry of Water Resources that at a minimum provides a “no objection” to proceeding in supporting the development of a PIM in Shumayniyah, and (2) USDA will discuss plan for PIM initiative with Japanese International Cooperation and Assistance (JICA) water user program in Kerbala and seek to coordinate efforts with Foreign Agriculture Organization (FAO) and its sustainable development focus. Mark Mitchell, USDA Senior Ag Ministry Advisor, discussed the need to coordinate activities planned under a PIM program with Ministry of Agriculture officials as well as with the Ministry of Water Resources.

Jon Wiebe and Odis Kenrick of IRAP (Iraq Rapid Assistance Program)/DAI outlined a two phase plan for support to Shumayniyah to establish a PIM. Jon said the first grant would focus on building capacity within the Shumayniyah Ag Association to get them registered as an Non-governmental Organization (NGO), help them develop the administrative and financial systems required to effectively manage a PIM, and to conduct the cost analysis required to ascertain the feasibility of user fee financing of the Shumayniyah PIM. This phase will also focus designing a functional mechanism under the Ag Association to provide a voice for domestic water users in the area (there are an estimated 40,000 domestic water users there). Finally, the first phase will provide three to four months operation and maintenance support for the Shumayniya pump station. A second phase would be implemented to provide capital investment and further organizational support. Total cost of this program is estimated to be \$1.5 million (\$500,000 for Phase I, and \$1,000,000 for Phase II).

¹ It should be noted that the Government of Iraq during the Saddam Hussein era turned over 10 major pump stations to local farm associations to manage. The agricultural association in Shumayniyah was one of the the groups to receive ownership of a major pump station on the Tigris River. The Ministry of Water Resources is now considering taking back the ownership of these pump stations. The proposed support for a water user association in Shumayniyah could be a model for creating an effective partnership between the GOI and local water users.

Memorandum of Conversation
USAID PRT/ePRT Representative Conference
USAID Compound, International Zone, Baghdad, Iraq
September 2 – 5, 2008

The quarterly meeting of USAID PRT Representatives focused on administrative issues, networking, senior level guidance on PRT issues, interaction with USAID project management,¹ procurement and contract management issues, and interaction with USAID leadership in Washington DC. Attached is a copy of the conference agenda.



PRT Conference – USAID Mission Deputy Director addressing PRT & ePRT Representatives. See photo below of all PRT Representatives.



¹ Briefings and discussions were provided on the following USAID projects (1) Tatweer, (2) Community Stabilization Program, (3) Inma, (4) Local Government Strengthening, (5) Community Action Program, (6) Tijara, (7) IFES, (8) ICCM (Conflict Management), (9) OFDA – Office for Foreign Disaster Assistance, (10) IRAP – Iraqi Rapid Assistance Program.

Briefing by DCM – Key issues:

- Strategic Forces Agreement – This agreement was to have been negotiated by June. Goal is now to have final, signed agreement by end of year. Current agreement will expire by end of year. Parties are close to agreement. Wordsmithing is underway. Difficult process. One outcome of process is loss of immunity for contractors which will create issues that have to be resolved.
- Move Out of Palace – GOI wants the Palace back. This will happen by end of year. Negotiations on how and what is involved. Plans being made to move people out – to new Embassy building, military to Camp Victory and other moves.
- Future of PRTs – Future will depend on (1) funding from Congress, (2) military situation – can't have PRTs without military support, and (3) Iraqi – what do the Iraqis want? All of these will come together to determine how the future of PRTs will play out.
- Consuls – To be decided. This will be negotiated. No decisions yet.
- Elections – Still do not have an elections law. Uncertain that elections will be held by the end of the year. Kirkurk is still the major issue.

Are there issues from the field? (Open to questions from the PRTs)

- What about branding? How do we approach this as we have an improving situation in the field. This is a difficult question. Evolving. Role has been and continues to be one of supporting local government legitimacy.

OAA – Erin McKee & Mark Driver – Overview of procurement rules. Ways to avoid trouble. Avoid “clientitis” – putting the client’s (contractor and grantee) interest ahead of the US Government. Need to keep procurement information confidential. You can not accept gifts from “prohibited” sources – that is any company doing business with US government. Sensitive non-public information is proprietary contractor information,² classified information, programming, planning and budgeting information, internal agency information, source selection information and informal information likely to create an unfair competitive advantage. Source selection and information disclosure is key --- only Contracting Official can discuss information directly with potential contractor. Penalty for misconduct: (1) violation of rules can result in a letter to an employee’s personnel file; (2) violation of civil law can result court action; and (3) violation of criminal law can result in jail time. Unauthorized commitment – is when a USAID official who does not have the authority to do so, acts in a way that leads a recipient or potential recipient acting in good faith to believe that USAID has committed

² Legal definition of “proprietary information” is anything that provide information on strategy, processes, procedures, ideas --- the gambit of intellectual property.

to make a specific award, change the amount of an existing award, or revise an existing award budget, program description or any of the terms and conditions of the award.

Question: Can we get copy of contract scope of work and schedule of the contractors and grantees in our area? Response from Erin: Yes, we can give you a copy of the contract and schedule for each entity working in your area.

Tatweer – This program is focused on training of public sector in basic governance and administrative skills aimed at building the capacity of the Government of Iraq. Tatweer offers three levels of courses: (1) Competency; (2) Advanced; and (3) Training of the Trainers. Now a great deal of the training is doing by Ministry employees who were originally trained under Tatweer.³ Questions: Do you execute assessments of ministerial performance by province, identifying constraints, and recommending actions to address those constraints? Response: We are not looking at specific budget execution issues --- this may be part of a new contract amendment. Question: What is the “so what” from training? Response: Our goal is to increase the overall capacity of public ministries. We have indicators to measure impact.

Community Stabilization Program – Short summary of the program was provided followed by a Question and Answer session. New Focused Stabilization Program Office staff were introduced: Jennifer Tikio, Deputy Office Director; Robert Kennington is Program Officer. Geoff will come back as Office Director for another year. CSP and all of the USAID Baghdad program will be evolving. Budget levels are uncertain. Votech is an area where we will be transitioning from CSP to Government of Iraq support across Iraq. JTERP (Joint Technical Education and Re-training Program) is suspended nationwide. Votech support by CSP is going to phase out. You should engage your IRD counterpart in your area on what the plans for an annual work plan for next year. Who sets the budget by ePRT/PRT area --- Wendy Thurgood is the new budget officer for IRD. There is no set way to provide budget numbers by PRT or ePRT areas for next year. There will be an additional \$100 million in FY 2008 and potentially another \$35 million in “bridge” funds for FY 2009. The idea is that CSP will be ending in 2009. In terms of actions on any Votech transition by IRD depends on the development and approval of the next year’s budget (the Year Three budget). USAID’s Focused Stabilization Office has requested IRD to withhold comment on its Votech transition plans until the USAID Cognizant Technology Office (Focused Stabilization Office). CSP Work Plans by area are already being developed now – the new work plan year starts October 1. EPRTs and PRTs should be engaged now on what CSP will be doing in your area in 2009. USAID Baghdad wants to see a move away from CIES toward Youth activities, training and business grants.

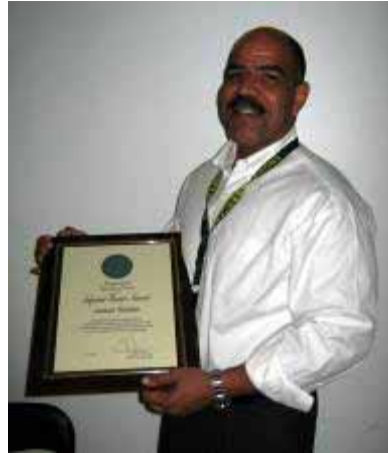
USAID Awards Ceremony – An awards ceremony was held for USAID employees leaving post as well as new arrivals. Former ePRT North Babil USAID Representative

³ Presentation did not outline a specific strategy for assessing ministerial performance at the province level. Program seems to provide training on an ad hoc basis. There was no strategy presented that indicated how resources were allocated for specific training initiatives --- the “so what” question is still open – training is done and people are listed as trained. There is a follow up on training via a post training survey for three months.

Lewis Tatem was given a State Department Superior Honor Award for his service in North Babil.



Certificate of Appreciation
for Mustapha El Hamouzi, PRT Office



Lewis Tatem
State Dept. Superior Honor Award



Denise Herbol given a gift by Iraqi women sewing group
from ePRT Baghdad 7 – brought by Bruce Bailey.

Various Briefings on USAID Projects – Inma – Tony Laos, Robert Dose, Dwight Steen provided a briefing to the PRT group. Good discussion. We need to look at how PRTs can engage Inma. Inma needs to commit to provide services. Tijara – Discussion of micro credit, business services. Ready to help PRTs and ePRTs. Technical assistance support. Developing overall credit policy. IFES – Election support is continuing. New election law will probably not happen. Elections will probably be held under the old law and will take place in late December 2008. ICCM – Overview of program from Relief International Chief of Party, Tamara Hackett, on role of Iraq Community-based Conflict Mitigation program.

OPA Brief – Phyllis Powers – “Future of PRTs” – Three things are key (1) GOI – sovereignty issues may come into play, (2) Funding – Transition plan has been submitted to Congress – no one knows funding levels – this will clearly impact size, location, strategy of PRTs, and (3) Security – discussion are ongoing with US military regarding where troops will be and how security will be provided to PRTs and ePRTs. Elections are going to be key. If there are peaceful provincial elections later this year that will be big. Final transition is to a USAID development program for Iraq. This is an undefined process – bottom line, this is a changing environment and we will know more as events unfold. PRTs will end but assistance to Iraq will continue. One possible approach in short run is to move toward “Iraqi” participation on PRTs.



Phyllis Power, OPA Director briefing PRT Reps.

USAID Role on PRTs/ePRTs – Attached “Logical Framework” for ePRT North Babil was discussed as one way the role of the USAID Rep on an ePRT is evolving into a programmatic function involved in helping the team develop a strategic focus for investing funds and leveraging overall impact. Idea was to have an open discussion on how USAID Reps are working and how we can add more value to PRT’s overall effort. One thing highlighted was that as our team moved toward strategy development it helped focus different members of team on impact of their actions on other sectors, provided opportunities for synergy and leveraged impact across sectors (e.g., education/votech training feeding into business development), and starting giving people a sense of macro vision of what the team is trying to accomplish. A side benefit was that it tends to reduce the one off approach where the team is constantly tasked to do stand alone activities – the question starts to become what do we prioritize in terms of time and funding.

Maturity Model – Metrics for determining how PRTs and ePRTs are doing in the areas of governance, political development, political reconstruction, economic development, and rule of law. This is a qualitative approach not a quantitative approach. Assist governments to develop, promote the development of an engaged local population and effective political parties, assist conflicting parties to resolve their differences, help private sector and governments to develop and implement economic development strategies, and improved quality of justice. Levels of achievement for each area is: Beginning, Developing, Sustainable, Performing and Self-Reliant (see attached slides from OPA presentation). Joint PRT Steering Group - has a big role in assessing the information and recommending level of “maturity” – JPSG has OPA rep, USAID

Director, Corps leadership, etc., -- this is a high level policy group. JPWG – Joint PRT Working Group – does the technical and implementation work.

IRAP Briefing – Jon Wiebe and Jackie Duclos briefed on how IRAP is working. There are currently \$35 million in IRAP/QRF projects approved. Points to remember: (1) Design – Get DAI in the mix early on design of proposed activities, make sure you have clear objective and deliverables, also include reporting requirements; (2) Approval – ETEC (Embassy Technical Evaluation Committee) is taking a harder look at the proposals coming in from PRTs and they are looking for sustainability, Iraqi ownership, and impact on your strategy and the provincial development strategy; (3) Implementation – timeline depends upon a number of factors that we can track with the ePRT or PRT as a program unfolds. DAI says “Way Ahead” is to start looking at the timeline for the program – drop dead date for a grant under IRAP is August 31, 2009 – plan now to get your proposals within the time frame of the program. Jon highlighted the need to more quickly develop proposals and cited ePRT North Babil as an example for other PRTs to follow in terms of using previously approved proposals as a guide to developing and gaining approval of new initiatives under IRAP.



USAID PRT Reps bonding.

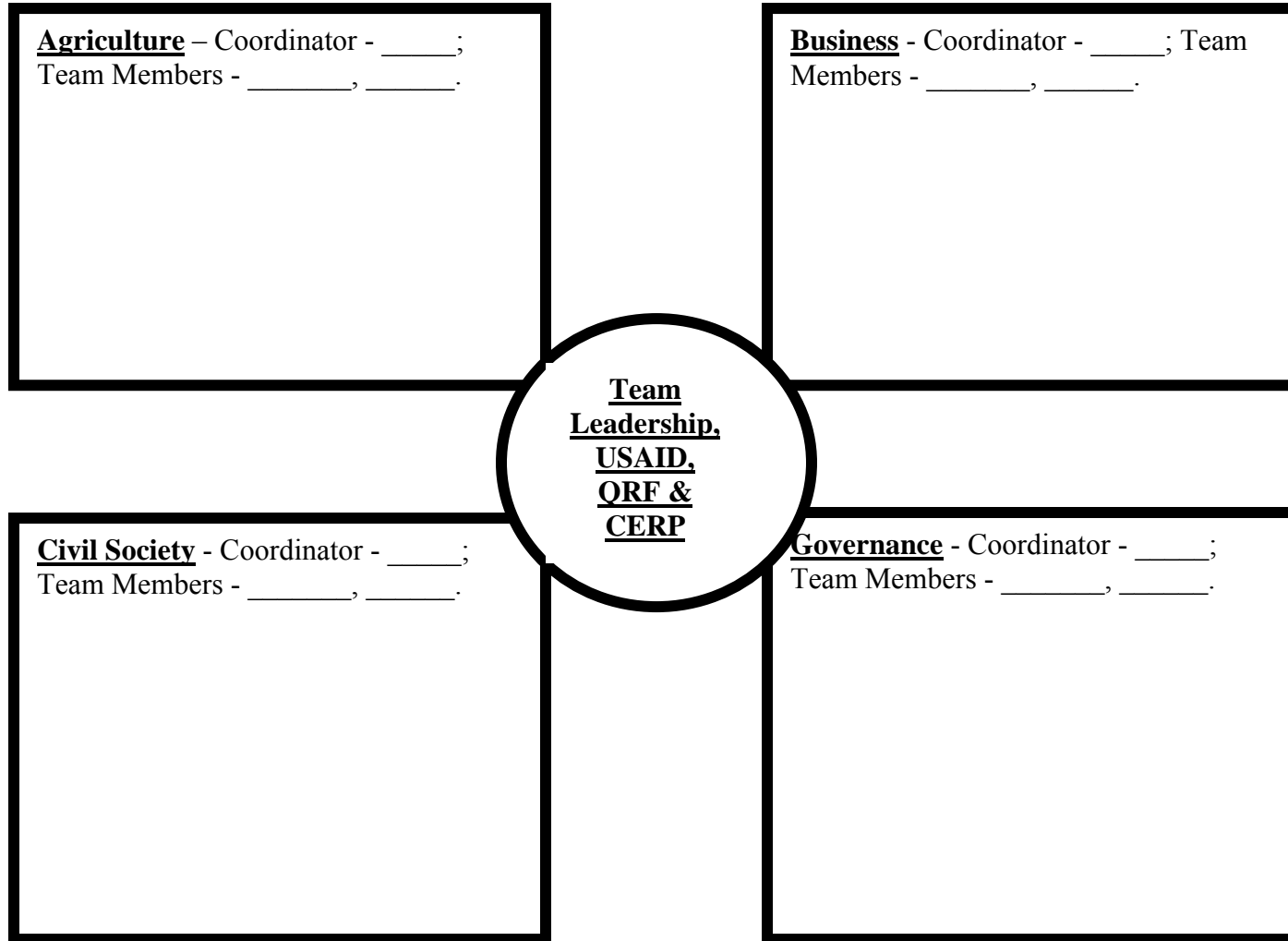
ePRT North Babil Logical Framework

<p>Goal</p>	<p>Stable and secure Iraq providing opportunities for broad-based economic growth resulting in significant reduction in poverty of the urban and rural poor.</p>	<p>Promoting Iraqi government capacity to provide essential services, security, and broad-based economic opportunity is based on improving civil capacity. This is the Core focus --- civil capacity integration.”⁴ Key Tasks – (1) Enhance job creation, (2) Enable battle space reconstruction initiatives – need to understand everybody’s roles, (3) Develop local business initiatives, (4) Ensure alignment. Job creation is key (see text box). Reconstruction – key is to work with USAID & OPA and coordinate. Business development – micro-loans are key, getting creative ideas at the PRT level is very important. MND/C needs to establish closer working relationship with OPA/PRTs and provide feedback to OPA for changes in the PRTs. Coordinating with USAID is critical. Source: MND-I Civil Military Operations Conference, August 25 - 26, 2008</p>
<p>Purpose</p>	<p>Government of Iraq providing security and essential services to citizens which in turns sets the conditions for economic growth and sustainable job creation led by private sector forces.</p>	<p>Goal of MNF-I/USM-I intent is to provide a basic perimeter of security for Iraqi by working in partnership with Iraqi Security Forces to secure the population. End status vision, June 2009, ISF is professionalized, political processes are functioning (elections held), and GOI is enabled to provide security and essential services. Commander’s Intent – We wish to attain sustainable security by June 2009 to set conditions for political and economic progress in MND-COE. Source: MND-C Civil Military Coordination Conference, August 13 – 15, 2008</p>



⁴ Major General Lebefrve: “We are moving on the military side from kinetic and to capacity building. This is a key focus for us. I’m going to present my assessment from 60 days experience. I view the world as the following: “In partnership with OPA, we will plan, coordinate, integrate, and synchronize the delivery of Corps focused Civil Military Effect in order to maintain and advance security.” Security is moving ahead. Iraqis are standing up. Summary of --- Security, ISF and Civil Capacity. Purpose: Sustain security gains to counter the threat posed by unemployed military aged males achieved largely through the continued focus on implementation of MSC initiatives and programs. What is the result? How do our activities affect employment? How do we create more jobs. MG Lefebvre worked with USAID on tsunami relief and he was very impressed with USAID’s response.”

<p><u>Objective:</u> Support GOI in promoting stability, effective social services, and sustainable, market driven economic activities in key sectors of Babil Province: agriculture, business and social sectors.</p>		<p><u>Measure of Success:</u></p> <p><u>Agriculture</u> – ↑ Access to Technology, Production Credit & Markets -- ↑ incomes</p> <p><u>Business</u> – ↑ Business Services, Access to Credit & Capacity Building -- ↑ incomes</p> <p><u>Social</u> – Improved Health, Education & Family Conditions -- ↑ social indicators</p>	
<p>Outputs</p>	<p>Agriculture</p>	<p># of farmers with access to effective business services and production support; % increase in area planted to annual crops; % increase in sales of ag products; % increase in farmer</p>	<p># new business starts; % increase in access to credit; improved access to markets.</p>
	<p>Business</p>	<p>% increase in school attendance; % decrease in child mortality; % increase in women's literacy.</p>	
	<p>Social</p>	<p>% increase in budget execution; % increase in financial support by Provincial Govt to key sectors – agriculture, education and health.</p>	
	<p>Governance</p>		
<p>Inputs & Activities*</p> <p>*(see attached page for description of activities)</p>	<p>Agriculture</p>	<p>Construction of Value Chain Infrastructure; Provision of Production & Marketing Assistance; Support to GOI to increase support to farmers.</p>	<p>Provision of business training & micro-credit; Establish effective credit mechanisms;</p>
	<p>Business</p>	<p>Women Literacy Program; Support to GOI to Increase Support to Health and Education; Establish Youth Programs.</p>	
	<p>Social</p>	<p>Support to increase GOI budget execution; Local Govt. Strengthening Program; Outreach and Social Networking Program.</p>	
	<p>Governance</p>		

Activities & Inputs for ePRT North Babil Responsible Personnel



Maturity Model



PRT Lines of Action

Governance

- Assist in the development of sub-national governments that are self-sufficient, transparent, accountable, and capable of identifying, prioritizing, and servicing the needs of their citizens.

Political Development

- Promote the development of an engaged local population and effective political parties, institutions, representatives, and officials that respect rights of individuals and groups; promote pluralism; and peacefully transfer power.

Reconciliation

- Assist conflicting parties to resolve their differences by engaging in direct and peaceful dialogue to identify and pursue shared aims and interests.

Economic

- Help sub-national governments and the private sector to establish and implement broad-based and comprehensive economic development strategies that promote equitable and sustainable growth.

Rule of Law

- Enhance the quality of justice enjoyed by the populace by improving the accountability, effectiveness, and consistency of services administered by policing, corrections, judicial and other legal institutions.

Levels of Maturity

- **Beginning.** Security impedes leadership and service delivery, decision-making is reactionary, no discernable direction, lack of management and control, personal power supersedes institutional authority, province government elected - struggling to function
- **Developing.** Security negatively affects leadership and service delivery, some improvement, understand need for planning, service provision is limited and not executed by responsible body
- **Sustainable.** Based on previous results with institutional responses. Able to recognize and copy best practice, sharing information across areas, consulting widely, some transparent government
- **Performing.** Locally manageable security condition, predictable behaviours, initiative driving results, inward investment, some organic business development, basic services generally met
- **Self-Reliance.** Permissive environment, continuous improvement, internal checks and controls, political accountability, transparent justice. Basic services provided regularly and allow economic function

USAID PRT/ePRT Representatives Conference
(September 2-5, 2008)

Tuesday, 2 September

- 13:00 -14:00** AEF preparation- bid cycle assignment process- **Denise Herbol**
- 14:00- 15:30** EXO and FMO Tool Box- Support issues
Leads: **Doug Arbuckle and Syed Ali**
- 1830 - 20:00** **Reception/ Social** (Under the Palms- USAID Compound) - Hosted by Mission Director

Wednesday, 3 September – Hammurabi Conference Room

- 08:30-9:00** Opening remarks by **DCM Patricia Butenis**
- 09:00-9:30** Welcome Conference participants by Mission Director **Christopher D. Crowley**
- 09:30-10:30** Discussion with OAA- USAID Assistance and Acquisition instruments- definition and implementation- Branding/Marking policies- Partner's security policies-New Agency policy/guidance on CIV-MIL cooperation 22 CFR 228 – Restricted and Ineligible commodities- Unauthorized Commitments- Unauthorized Augmentations.
Leads: **Erin McKee & Mark Driver**
- 10:30-11:00** **Group Photo and Coffee Break**
- 11:00-11:30** **Award Ceremony**
- 11:30-12:30** Q&A with Tatweer
Moderator: **Tatweer CTO**
- 12:30-13:30** **Lunch**
- 13:30- 14:30** Q&A with CSP
Moderator: **CSP CTO**
- 14:30-15:00** **Break**

15:00-16:30

Group Discussion: Role of PRT/e-PRT representatives as activity managers- Communication and coordination among USAID Reps, CTOs and implementing partners' COPs- How to work in a true partnership to reach goals.
Moderator: Jeff Ashley and Geoff Minott

16:30-17:00

Wrap-up and conclusions Day 1

Thursday, 4 September – Hammurabi Conference Room

08:30-9:30

Q&A with Inma COP
Moderator: Inma CTO

9:30-10:30

Q&A with Tijara COP

10:30-11:00

Coffee Break

11:00- 12:00

Panel discussion: Micro-Finance way forward in support of individual borrowers and SMEs- progress made so far and challenges identified ahead. What advice, guidance, and/or support would USAID offer to other USG agencies and GOI to meet micro-finance goals. With the participation of Mission Director.
Moderator: EG Office /Tijara COP

12:00-13:00

Lunch

13:00-14:00

Q&A with LGP COP
Moderator: LGP CTO

14:00-15:00

Q&A with CAP COP
Moderator: CAP CTO

15:00-15:30

Coffee Break

15:30- 16:00

Wrap up and Conclusions Day 2

- 16:00-17:00** **VTC with Jim Kunder** Discussion on
Assignment process with HR Washington-
Lead: **Keri Lowry**
- 17:00- 18:00** **VTC with HR** to discuss Assignment process
Lead: **Bill Carter**

Friday, 5 September – Hammurabi Conference Room

- 08:30- 09:00** Q&A with IFES COP
Moderator: **IFES CTO**
- 09:00-09:30** Q&A with ICCM COP
Moderator: **ICCM CTO**
- 09:30 – 10:00** **Remarks by OPA Director Phyllis Powers**
- 10:00- 10:45** PRT Maturity Model Assessment
Lead: **Brian Jalbert**
- 10:45 - 11:00** **Coffee Break**
- 11:00-11:30** Q&A with IRAP COP
Moderator: **IRAP CTO**
- 11:30-12:00** Q&A with OFDA
Moderator: **OFDA CTO**
- 12:00-13:00** **Lunch**
- 13:00 - 14:30** Panel discussion: Way forward for PRTs and
role of USAID as a lead development agency
Programmatic successes and issues
Moderator: **Mike Maxey and Odis Kendrick**
- 14:30 – 15:00** **Coffee Break**
- 15:00- 15:30** Development, Outreach and Communication:
Success stories from the field- PRTs: Telling
our story
Lead: **Lori Severens**

15:30-16:30

PRO- Tool Box: web portal/monitoring
evaluation/budgeting
Leads: **Marcia/Marunga/Akemi**

16:30- 17:00

RIG Office: Roles and responsibilities
Lead: **Gerry Custer**

17:00 – 18:00

Wrap up day 3, Do-Outs and closing remarks
Christopher D. Crowley, Mission Director

DAI IRAP CSCM

GRANT PROPOSAL/APPLICATION FORM

The Application Can Be Submitted in English or Local Language

Please type or print

Name of the project: WOMEN'S ACTIVITY CENTER

Name of the organization (in original language):

Address: SEDDAH WOMENS CENTER GRID COORDINATES 38S MB 31665 19097,
BABIL PROVINCE

Phone and fax numbers; e-mail address:

CELL PHONE: 07808178728/ 07809975300

EMAIL: TULLY_MOON2000@YAHOO.COM

Project Director/ Organization Representative (name, title):

MS. MAQBOULA FAHAD SAKHI, PRESIDENT

Background of the Project Director (please state the representative's title and background): Maqboula Fahad Sakhi is a female from a well known family in Seddah; she is a director of a school in Seddah. She is taking part of the upcoming elections for the provincial council.

Background on the organization (please attach a copy of the registration papers, if available): The Seddah Women's Association is a civil society organization (CSO) focusing on alleviating the effects of poverty and oppression of women through a mixture of direct service provision and rights based citizenship empowerment activities.

Any previous U.S. Government funding: None

Project dates: 6 Month Duration 1 October 2008 – 30 March 2009

Amount requested (in US \$): \$198,900.00

Project purpose and description: (do not exceed 2 paragraphs)

This grant will address one of the underlying causes of tension and conflict in Iraq, mainly that of unemployment, by strengthening the management capacity of Seddah Women's Association to: (1) Design employment-related and other types of projects targeting priority needs of women and vulnerable groups (e.g. widows and orphans); (2) Implement activities; and (3) Monitor and evaluate their effectiveness. Specifically, this grant will provide technical assistance and equipment to Seddah Women's Association to implement a commercial sewing apprenticeship program that will result in employment of approximately fifty (50) women and orphans in Seddah, one of the poorer Nahias in North Babylon governorate with one of the highest rates of unemployment. The apprenticeship program will provide the means by which unemployed women (widows, heads of household) and orphans will gain critical commercial sewing skills that can lead to permanent employment with the Seddah Sewing Factory located adjacent to the Association. The Seddah sewing factory currently has production contracts with GOI and also plans to introduce a line of low cost clothing for people living in rural areas that will be produced through the apprenticeship program. The Seddah Women's Association has verbal support from the governor and provincial council of Babil and partial material support from the Nahia Council.

In addition to job skills training, this grant will also provide participating women and orphans with literacy training and health education. The grant will also provide materials and services necessary to renovate the offices of the Association to better suit these activities.

Beneficiaries: (direct and indirect, by gender)

The primary beneficiaries of this proposal will be low income, unemployed, widowed and head of household women. Orphans over the age of 15 will also be considered in this program.

Direct Beneficiaries: 40-50
Indirect Beneficiaries: 250

Project justification: (identify service gaps, how the project will strengthen social development or promote economic development and/institutions in the area of project activities)

Poverty and stagnant or negative economic growth are highly correlated with the emergence of conflict. While quantitative studies have been unable to find a strong statistical relationship between various measures of inequality and conflict, case study evidence clearly points to socio-economic disparities as a strong incentive for conflict ("Conducting a Conflict Assessment: A Framework for Analysis and Program Development," USAID Office of Conflict Management and Mitigation, August 17, 2004). Unemployment is one of the greatest problems faced currently in Iraq. Some estimates calculate unemployment as high as 60% of the workforce with acute incidence in the female widows and head of household demographics. Seddah is one of the poorer Nahias in North Babylon governorate with one of the highest rates of unemployment. Over the past 3 decades, many families have lost family members, in many cases the heads of households and breadwinners. The increase in violence since 2003 coupled with the subsequent

economic neglect of the area by both the governorate and provincial leadership has severely damaged the traditional economic infrastructure. While security operations have successfully pushed insurgent activity out, shortages in employment and lack of opportunity will continue to cause further tension and lead to opportunities for insurgent recruitment, specifically within the population marginalized by war and violence, mainly that of women and orphans.

A central component of conflict mitigation and peace building through development is strengthening civil society's role in community-based conflict mitigation and reconciliation. This grant achieves this basic tenant by building the management capacity Seddah Women's Association, a civil society organization located in North Babil province, and by providing the Association with technical assistance to allow it to proactively address one of the root causes of conflict in the governorate, that of stagnant economic growth amongst the region's most vulnerable.

Project sustainability: (show grantee contributions)

The Seddah Women's Association currently has the material support of the Seddah Nahia Council through no-cost MOA for use of an existing facility controlled by the council. Continuing operation past the term of this grant will be in the form of donations, and fee for service programs provided by the Women's Association following the term of this grant. The apprenticeship program will also have the capability to specifically produce clothing and materials off-time that can be marketed and sold to support the center's expansion, purchase of additional sewing machines and ongoing operational costs.

The successful completion of this project assumes a continuation of the current politico-security situation. Major risks are not expected to occur however, due to fragile security and political situations the project should retain flexibility at all levels.

The center will also provide an safe environment in which local women can network, socialize, and participate in other valuable training and education opportunities offered through other sources coordinated through the association.

Detailed description of the project activities: (Include objectives and planned outcomes. Do Not Exceed Two Pages)

This grant consists of several components:

- 1 Strengthening the Management Capacity of Seddah Women's Association
- 2 Design and Implementation of Commercial Sewing Apprenticeship Program
- 3 Design and Implementation of Literacy and Health Education Workshops

Strengthen Management Capacity of Seddah Women's Association

This grant will provide technical assistance to the Seddah Women's Association to formalize its organizational structure and strengthen its institutional capabilities.

Technical assistance will include:

- 1 Formalizing the Association's organization by establishing an organizational structure, adopting by-laws, and filing for registration with the GOI as an NGO.
- 2 Adopting standard operating procedures.
- 3 In-house training on strategy development and long-term planning; program design; project implementation; and monitor & evaluation.
- 4 Renovation of current office space and facilities.

Organizational strengthening will be provided under service contract in the grant through a local NGO.

Commercial Sewing Apprenticeship Program

This grant will provide funding and technical assistance to the Seddah Women's Association to establish a Commercial Sewing Apprenticeship Program. The Apprenticeship program will provide class-room and on-the-job training for approximately 50 participants. The duration of the program is six months.

Apprentices will be selected by a sub-committee established from the Women's Association. The Seddah Nahia Council will also have representation on this sub-committee and the ability to nominate participants. Where possible, participants may also be nominated from local community groups and other civil society organizations.

Participant selection criteria will include:

- 4 Must be widow or orphan (15 or older), demonstrated sole support or head of household.
- 5 Can be nominated from local community groups and other Iraqi civil society organizations.
- 6 Widows and female heads of household whom do not have recourse to a job.

Upon participant selection, and in coordination with the Seddah Sewing Factory, the Association will conduct classroom training on commercial sewing and clothing production for a one (1) month period. Once classroom training is complete the participants will enter into a five (5) month program where they will receive on-going on-the-job vocational training taught through the Seddah Sewing Factory. The apprentices will receive a monetary stipend during their entire 6 month apprenticeship program. Upon successful completion, the Seddah Sewing Factory will tender formal offers of employment to the participants.

Literacy and Health Education Workshops

Under this grant, the Seddah Women's Association will also offer the following set of workshops for widows and orphans in surrounding areas:

- 1 90 Day Introductory Course on Health Education

2 180 Day Arabic Literacy Workshop

Detailed description of the indicators: (quantitative, by gender, # employed, # trained)

All participants will be female. Program indicators will target the number of:

Apprenticeships completed
Apprenticeships hired full time / part time
Arabic literacy training conducted / educated
Health education courses conducted

Grantees Responsibilities: (Budget contributions, administrative roles, activities accomplished under the grant):

The Grantee is responsible for ensuring that the items in the subject grant are secured and used for the purpose of the grant. The grantee will establish the selection process for participants, provide stipend/payment signature sheets, periodic reporting as specified and submit a final report to DAI within 10 days of the completion of the grant activities.

Detailed budget (use XLS spreadsheet template provided):
(see attached budget)

How will you meet the program and financial reporting requirements (e.g., who will prepare the financial report?):

This is an in-kind grant. All procurement, deliveries and payments will be facilitated by the grantor or it's agents.

Other sources of support for this project (including the applicant organization):

SAID HAIDER MOHASSAN ALI, CITY COUNCIL CHAIR MEMBER AND ENGINEER
phone # 0780-143-2162 and e-mail address hysem2005h@yahoo.com

The women's center will obtain a memorandum for use of the building which will include an estimated dollar value and time period for use. This will guarantee long term no rent payment. The project also has the verbal support of governor of Babylon Province and members of the provincial council.

Other organizations you applied to with the same project and status of your application:
None.

City, date

Signature of Applicant

Memorandum of Conversation
Meeting with US Institute of Peace (USIP) and Relief International Representatives
to Discuss the Development of Women's Center Program in Babil Province
September 5, 2008

EPRT North Babil representatives met with Robert Boorda, Chief of Party in Iraq for the U.S. Institute of Peace and Tamara Hackett, Chief of Party of the Iraq Community-based Conflict Mitigation, to discuss the development of a conflict mitigation program targeting women and their issues in North Babil.

We started the meeting with an overview of the US Institute of Peace activities in Iraq over the last five years. USIP has a record of working with a number of Non-governmental Organizations (NGOs) on conflict mitigation issues across Iraq. Robert Boorda explained that he had developed a Women's Center concept that had already received funding from the State Department (\$1.8 million in Economic Support Funding) for a program in Taji. He also explained that he has partnered with Relief International's ICCM program to focus on women's issues. He provided an overview of how the center would function and also discussed some of the Iraqi NGOs that could be involved in this type of program.

Howard Van Vranken indicated that ePRT North Babil is interested in pursuing this type of program in two or more areas in our Area of Operation. He asked for more information and an explanation of next steps.

Both Mr. Boorda and Ms Hackett explained that the next step would be to develop a proposal and submit to them for consideration. USIP can provide coordination and NGO networking as well as oversight of the overall program while ICCM can provide limited support (up to \$100,000 per center) as a partner in a Women's Center initiative. Mr. Boorda agreed to send a template of a Women's Center program to ePRT North Babil that would assist us in developing a proposal.

Next steps will be to submit a proposal to USIP and ICCM, develop a final approach that meets the needs of the parties involved and move toward a final proposal. Funding will be sought from ESF, QRF and ICCM sources.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
September 13, 2008

Water User Association Pilot Program – Follow up continued on development of Water User Association Proposal for Al-Shuhamiya area. IRAP Program Officer Jon Wiebe is developing proposal for two phases – Phase 1 - \$500,000 for NGO strengthening, Operation and Maintenance of main pump stations; and Phase 2 - \$1,000,000 for capital investment in pump station. This activity is being closely coordinated with USDA Sr. Water Advisor Maged Hussein and the Ministry of Water Resources. Attached is Update Note outlining next steps, roles and responsibilities, etc

IRAP Proposal Design – Worked with ePRT colleagues to develop draft proposals for opening three branch offices of the Izdiharona Micro Finance Institution in Mahawil, Jabella, and Suwayra --- total funding of \$1.5 million will be requested for these micro credit programs. A draft proposal was prepared and is being discussed for a \$500,000 drip irrigation program in North Babil building on a “train the trainers” program being initiated by the Borlaug Group. Copy of draft proposal is attached.

Briefing to Col. Jefforey Smith, 10th Mountain Deputy Commanding General, & Tom Delaney, USAID Baghdad Deputy Mission Director - Howard Van Vranken, ePRT North Babil Team Leader, gave an overview of the ePRT’s activities. Kim Peeples, Deputy Team Leader for ePRT North Babil, provided an update on the Central Euphrates Farmers Market.¹ I provided an overview of USAID funded activities in our Area of Operation (see attached Memorandum of Conversation).

ePRT North Babil Work Plan – Meetings were held with the Economic Development Team, Agricultural Team and Civil Society/Governance to develop a list of activities and next steps required to finalize their design, seek funding, and plan for implementation.

Summary of “Inventing Iraq” – Read and summarized key findings in Tony Dodge book on the British occupation of Iraq from 1920 to 1932. Dodge cites the parallels between UK and US occupations of Iraq and recommends a strategic approach that offers a greater chance for long-term success.

Activities for Next Week – Follow up on US Institute for Peace Women’s Center Proposal development. Finalize drip irrigation program proposal. Continue work on ePRT North Babil work plan – governance and civil society. Coordinate with DAI on IRAP implementation. Assist ePRT North Babil Team to finalize micro credit proposals. Work with Economic Development Team to develop business strategy for start up of the Central Euphrates Farmers Market.

¹ The Central Euphrates Farmers’ Market is a major infrastructure program (funded with \$2.8 million in CERP) that will provide a marketing facility for up to 10,000 local farmers. EPRT North Babil is working to provide support for production and processing of agricultural commodities as well as marketing assistance.

Update Note
Al-Shuhamiya Water User Association Pilot Program
Michael Maxey, USAID Rep.
ePRT North Babil
September 13, 2008

Attached are copies of August 28th Trip Report and September 4th Memorandum of Conversation of a meeting with Maged Hussein, USDA Water Resources Advisor, and Jon Wiebe, Sr. Program Officer IRAP/DAI.

Next steps are:

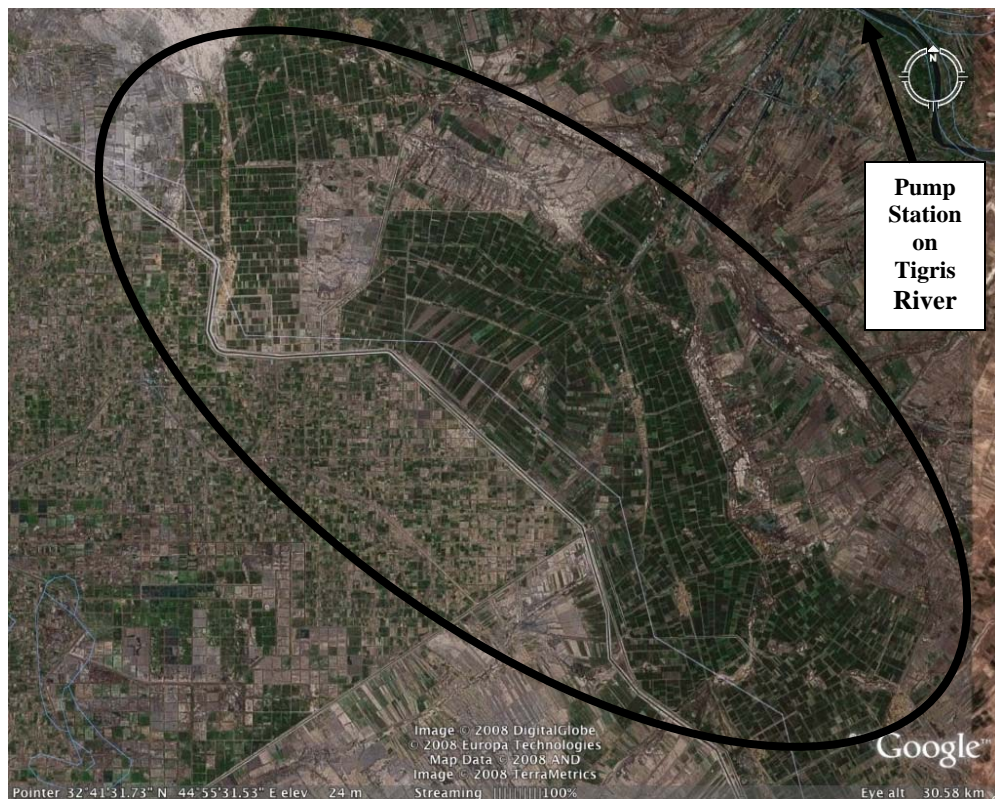
- (1) Maged Hussein will request a letter of support from the Ministry of Water Resources that at a minimum provides a “no objection” to proceeding in supporting the development of a PIM in Al-Shuhamiya.
- (2) USDA (lead person to be identified) will discuss plan for PIM initiative with Japanese International Cooperation and Assistance (JICA) water user program in Kerbala and seek to coordinate efforts with Foreign Agriculture Organization (FAO) and its sustainable development focus.
- (3) Mark Mitchell, USDA Senior Ag Ministry Advisor, will help ePRT North Babil coordinate activities planned under a PIM (Participatory Irrigation Management) program with Ministry of Agriculture officials as well as with the Ministry of Water Resources.
- (4) Jon Wiebe, IRAP/DAI, will lead process to develop two phase plan for support to Al-Shuhamiya to establish a PIM. Phase 1 grant will focus on building capacity within the local Ag Association to get them registered as a Non-governmental Organization (NGO), help them develop the administrative and financial systems required to effectively manage a PIM, and to conduct the cost analysis required to ascertain the feasibility of user fee financing. A second phase would be implemented to provide capital investment and further organizational support.
- (5) Meeting will be scheduled for week of September 21st to assess progress. Indications are that DAI will be ready to sign the grant for Phase 1 by September 21st. Estimated amount for Phase 1 is \$500,000 to \$700,000.

Trip Report

Field Visit to Shumayiyah Water User Association August 27, 2008

USDA, ePRT North Babil and IRAP/DAI representatives visited Shumayniyah water management area west of Suwayrah on August 27th.¹ We met with local leaders (Shumayniyah Local Council leader, Mr. Hamza; Rep. of DG of Water Resources, Ali Yasser Jassin; and Mr. Salman, leader of the Shumayniyah Ag Association). The purpose of the trip to was to assess the water user association.

A meeting was held in the Local Council building. Mr. Hamza and his colleagues described how water management was carried out in the area. He explained that the main pump station on the Tigris River had been sold by the Ministry of Water Resources to the Shumayniyah Ag Association and that they owned the 4 pumps and generators. The building and land continued to be owned by the Ministry of Water Resources. This pump station should provide water to irrigate 60,000 donum (15,000 hectares) of agricultural land. Below is a Google Earth image of the Shumayniyah water district.



The group comprised of three key elements of the community – the local council, the Ministry of Water Resources, and the local ag association – indicated that they were

¹ The Group included the US Ag Counselor, Jonathan Gressel; USDA Senior Water Advisor Maged Hussein; USDA PRT Coordinator Jim Connely; Pat Broyles, USDA Rep. ePRT North Babil; Fouad Hussein, Ag BBA; Michael Maxey, USAID Rep. ePRT North Babil; Jon Wiebe and Karen Campbell, IRAP DAI; Lt. Michael McClain and Lt. Steward, 1-76 Battalion, FOB Zulu.

ready to take action necessary to collect water user fees and sustain the operation of the pump station. Mr. Hamza indicated that an additional 20,000 donum (5,000 hectares) of land could be brought under cultivation once the four pumps were at full capacity. We discussed the need to plan for domestic water use as well. We also stressed that there needs to be a plan for collecting and managing user fees to sustain the operation of the pump station.

Maged Hussein, Sr. Water Advisor for USDA, indicated that this water district was one of 10 nationwide in which the Ministry of Water Resources sold the facility to the local Ag Association to manage. He stressed that it would be critical to help them become sustainable and a successful program here could provide a model for other communities.

A quick assessment of the generators and water pumps indicated that major repairs were needed. Approximately \$1.5 million is needed to bring the pump station up to full capacity. Jon Wiebe and Karen Campbell of IRAP/DAI requested that the Ag Association and the Local Council leadership provide a cost estimate of the repairs needed to ePRT North Babil.



Three lines of follow up action are planned for this project:

(1) USDA and the Ag Counselor's Office will meet with the Minister of Water Resources and obtain their commitment to support the Shumayniyah Water User's Association as a model program, the Ministry will reconfirm that the equipment is owned by the Association, and the Ministry will agree to allow water rights and water management to reside with the local association.

(2) Lt. McClain of FOB Zulu will obtain cost estimates for repair and operation of Shumayniyah Pump Station – the Association agreed to prepare a cost estimate and obtain engineering plans for needed repairs; and

(3) IRAP/DAI in coordination with ePRT North Babil will develop a Civil Society Conflict Mitigation Program that will (a) repair the pump station and support it coming up to full capacity with the next 3 months, (b) provide a strategy and work plan for institutional strengthening of the Ag Association and its management of the water district (this will include bringing domestic water users into the association); and (c) develop a sustainable water user fee program and provide support to the Association for its implementation.

All parties involved would have to agree as a pre-condition for assistance that they would work together to form a sustainable Water User Association that covers the needs of the agricultural and domestic sectors.

Memorandum of Conversation
Meeting with IRAP/DAI & USDA Representatives
to Discuss Shumayniyah Water User Association in Wasit Province
September 4, 2008

I met with representatives of DAI (Jon Wiebe and Odis Kendrick) and USDA (Maged Hussein and Mark Mitchell) to follow up on our trip to Shumayniyah, Wasit, last week. We agreed that the proposed program to support the Nahia Council, local agricultural association, and domestic water users was important and we discussed the next steps in moving forward.

Maged Hussein, Foreign Ag Service Senior Water Advisor, reported on his discussions with the Ministry of Water Resources: (1) there is interest at the Ministry in working with Shumayniyah in determining how to proceed in dealing with their local ownership and management of the pump station and irrigation system;² (2) the pump station equipment in Shumayniyah is owned by the local ag association; and (3) there is a legal framework for working with the Shumayniyah Ag Association to develop a Participatory Irrigation Management (PIM). Next steps (1) Maged will request a letter of support from the Ministry of Water Resources that at a minimum provides a “no objection” to proceeding in supporting the development of a PIM in Shumayniyah, and (2) USDA will discuss plan for PIM initiative with Japanese International Cooperation and Assistance (JICA) water user program in Kerbala and seek to coordinate efforts with Foreign Agriculture Organization (FAO) and its sustainable development focus. Mark Mitchell, USDA Senior Ag Ministry Advisor, discussed the need to coordinate activities planned under a PIM program with Ministry of Agriculture officials as well as with the Ministry of Water Resources.

Jon Wiebe and Odis Kenrick of IRAP (Iraq Rapid Assistance Program)/DAI outlined a two phase plan for support to Shumayniyah to establish a PIM. Jon said the first grant would focus on building capacity within the Shumayniyah Ag Association to get them registered as an Non-governmental Organization (NGO), help them develop the administrative and financial systems required to effectively manage a PIM, and to conduct the cost analysis required to ascertain the feasibility of user fee financing of the Shumayniyah PIM. This phase will also focus designing a functional mechanism under the Ag Association to provide a voice for domestic water users in the area (there are an estimated 40,000 domestic water users there). Finally, the first phase will provide three to four months operation and maintenance support for the Shumayniya pump station. A second phase would be implemented to provide capital investment and further organizational support. Total cost of this program is estimated to be \$1.5 million (\$500,000 for Phase I, and \$1,000,000 for Phase II).

² It should be noted that the Government of Iraq during the Saddam Hussein era turned over 10 major pump stations to local farm associations to manage. The agricultural association in Shumayniyah was one of the the groups to receive ownership of a major pump station on the Tigris River. The Ministry of Water Resources is now considering taking back the ownership of these pump stations. The proposed support for a water user association in Shumayniyah could be a model for creating an effective partnership between the GOI and local water users.

QRF Grant - Drip Irrigation Program - North Babil

ETEC: Submitted - WTEC: Submitted - RSO: Form Required

Proposal Number:	Draft 51 - 3791	Submitted:	09/11/08
Proposal Name:	Drip Irrigation Program - North Babil	Individual/Organization:	Central Euphrates Farmers Market
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9736 - Agriculture/Environment	Province:	Babil
Organization Type:	NGO	Objective:	200 - Economic
Amount:	\$500,000.00	Period of Performance:	10/01/08 to 01/31/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	N/A
Director of Organization:	Sheik Kudair	Name of Signee:	Sheik Khudair
Location:	Muehla, Babil	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a

Grantee Background: The Central Euphrates Farmers Market (CEFM) is comprised of four North Babil Agriculture Associations representing more than 10,000 farmers. The 4th Brigade Combat Team and 3rd Infantry Division authorized the construction of a \$2.5 million agricultural market complex to provide retail and wholesale marketing services for its members. The CEFM is represented by a Board of Directors and a general association. The member Agriculture Associations are either already registered Non-Governmental Organizations (NGOs) or are in the process of becoming registered NGOs.

Previous Funding

Description of Previous Funding: \$2.5 million in CERP (Commander's Emergency Response Program) for construction of major agricultural wholesale and retail marketing complex near Mueha, Babil.

Executive Summary: The Euphrates currently provides adequate surface water for agricultural production in many areas, but limited transport infrastructure and decreasing water levels due to drought and upstream diversions are increasing concerns. The proposed project will (1) provide demonstration of drip irrigation and furrow irrigation for tomato, lettuce and Roman beans with seven agricultural associations that are affiliated with the CEFM, and (2) encourage the expansion and wide spread use (up to 100 donum or 25 hectares) of drip irrigation in areas with limited water supply. It will be conducted for the growing season of 2008-2009, and outputs will include data on water use and effectiveness in production for different irrigation systems, a demonstration farm in close proximity to each agriculture association geographic location. A matching fund will be established to provide in-kind drip irrigation support for those farmers that provide the largest in-kind match. The CEFM will design an appropriate allocation mechanism to provide drip irrigation to those farmers who are providing a significant personal investment to move into drip irrigation production. The allocation plan will be concurred with by ePRT North Babil Agricultural Team.

Description/Purpose:

Water constraints in North Babil are one of the most critical limiting factors on expanded agricultural production. The introduction and widespread use of drip irrigation systems could increase agricultural productivity, expand production area, and increase crop yields resulting in increased income for farmers in our Area of Operation. The Borlaug Group recommended conducting field trials and farm demonstrations of drip irrigation systems to promote this

technology. This program will expand drip irrigation by taking advantage of Borlaug Group training of local farmers in drip irrigation methodology under a small QRF funded microgrant. The Borlaug effort will be a "Train the Trainers" program which will provide a key cadre of drip irrigation "specialists" to implement an expanded demonstration activity and provide technical support to farmers who seek to expand drip irrigation production through their own investments (this program will establish a competitive matching fund by which farmers who are investing the highest level of resources in expanded drip irrigation will receive in-kind support -- water pump and drip systems -- under an agreed upon selection mechanism supervised by the ePRT North Babil Agricultural Team.

Seven demonstration plots will be established at a cost of approximately \$20,000 per demonstration (on 2 donum or 1/2 hectare of land) for a total of \$140,000 in drip irrigation demonstration costs to promote the technology across the entire North Babil area. In addition to the demonstration plots, a fund will be established to provide in-kind support for those farmers that want to invest a significant amount of their personal assets in a drip irrigation production program. Funding for the in-kind support will be \$360,000 and will provide a maximum of \$3,600 per donum to promote up to 100 donum (25 hectares) of drip irrigation production in North Babil.

Each of the seven drip irrigation production sites will have a standard design and implementation as indicated below:

Experimental Design

This project will include the production of three crops: tomato, lettuce and Roman beans. One donam will be used as a control plot, using traditional furrow irrigation methods. The other donam will be the experimental plot using a drip irrigation system. The crops will be planted, cultivated and harvested at appropriate times.

Methodology

Land Preparation

Land preparation will be conducted by each Farmers Association. Fertilizer application will first consist of chicken manure purchased from a local poultry farm incorporated into the soil before planting. Urea will also be applied three times at the rate of 100 kg/donam. NPK will also each be applied one time at the rate of 100 kg/donam.

Irrigation System Preparation

Two water storage tanks (7,500 Liters each) will be installed at the project site prior to planting. One will be used for traditional irrigation, and one will be used for drip irrigation. Utilization of these tanks will allow for accurate measure of how much water is being delivered to each crop.

Water will be delivered from a nearby canal to the storage tanks by truck based on need, and accurate records of water delivery will be kept. Drip irrigation tapes/pipes and system will also be installed to the specifications of the manufacturer of the selected product.

Planting

(Instructions for tomato), lettuce will be planted at a rate of 100 grams of seed per donam, initially in a 3 m by 4 m nursery bed. After germination these seedlings will be transplanted at two weeks, or about two inches in height, on the 1/2 donam plots for traditional and drip irrigation. Roman beans will also be planted in 1/2 donam plots for traditional and drip irrigation, at a rate of 7 kg of seed per donam.

Post-Harvest

Upon harvest, accurate yield levels for each crop in each irrigation system will be recorded and analyzed. Marketing of the production will be left to the discretion of the Agricultural Association, and will utilize the Central Euphrates Farmers' Market (CEFM) if possible. After harvest of the demonstration crops, the irrigation infrastructure will remain on site and become property of the association.

Data Collection

Data will be collected on a daily and weekly basis. An agricultural graduate from the Muehla Technical College will be trained on data collection, recording and reporting. This student will be responsible for these activities for the life of the project. For each plot, data for each crop using both irrigation methods will be recorded by a graduate of Muehla Technical College. Data collection will include:

1. Quantities of water applied will be recorded and analyzed.
2. On a weekly basis, growth for each crop in each plot will be recorded. This will include plant height, number of leaves, and include photographs.
3. Crop yields will be estimated as the total crop production, rather than sampling methods.
4. Precipitation, temperature and meteorological data will be taken from field instruments or secondary sources as appropriate.

Upon the identification of qualified graduates, additional farm level agricultural data will be collected. This data will include accurate recording of farming practices and expenditures, as well as detailed records of water use.

In-Kind Irrigation Supply Program

A competitive program will be developed to provide support to farmers most willing to invest their own resources in expanding drip irrigation in their production areas. A total of \$360,000 will be available to provide drip irrigation tubing, tanks and pressure regulators at up to a maximum of \$3,600 per donum (\$14,400 per hectare). Award of support will be done through a competitive mechanism based primarily on the level of investment a farmer is willing to invest in drip irrigation. At a minimum this funding will provide sufficient support to promote an additional 100 donum (25 hectares) in North Babil.

Project Justification: Team Borlaug conducted a month-long agricultural investigation in Babil Province in June of 2008. The team was able to travel to farms to observe and collect data on irrigation systems, crop production, livestock, food processing, transportation, input supply, labor markets and government services. It was found that the Euphrates River currently provides adequate surface water for agricultural production in many areas, but limited water transport infrastructure and decreasing water levels due to drought and upstream diversions are increasing concerns. The proposed project will explore the application of improved irrigation technologies combined with commonly used farming practices for North Babil. Data will be collected on water use for both the current furrow system and improved drip irrigation system, growth rates and yields. Seven demonstration activities will be conducted with local agricultural associations and an in-kind fund will be established to encourage investment in region wide in drip irrigation.

Applications and Synergies

1. A test plot of this nature has been a priority of the ePRT for some time, as a demonstration farm to complement the CEFM, and would serve the interests of multiple stakeholders.
2. Team Borlaug will assist in implementation of a project that resulted from previous assessments and recommendations, and could use the activity as an application blueprint for the implementation of subsequent projects.
3. No study of this nature has ever been conducted in the North Babil area for policy purposes. Quantitative data from the study will be used for determining optimal levels of future investment in irrigation infrastructure; decisions on irrigation systems based on maintenance requirements and water use efficiency, and institutional concerns for allocating water; and the enforcement of water monitoring and rationing of water consumption.
4. Demonstration on a large scale and in-kind support for expanded drip irrigation would be a critically important to creating the conditions required for wide spread adoption of this technology.

Collaboration & Coordination: This project will include collaboration between the CEFM and seven local agricultural associations, North Babil ePRT Ag Team, and Team Borlaug. The agriculture associations will assist in the procurement of irrigation supplies, land preparation, planting, fertilizer application, weeding, water application and harvest. Team Borlaug will provide management oversight of the project startup. The ePRT North Babil Ag Team will provide technical coordination during the life of the program.

Other Funding: Land for the project will be donated by the local agriculture associations. Initial project oversight will be provided by Team Borlaug at no cost to the project.

Financials: Complete budget attached. The CEFM staff charged with managing the Drip Irrigation Program for North Babil will receive training in financial management and administration under the Iskandariya Small Business Training Center. Additionally, more direct, long-term support is being considered to help the CEFM develop the institutional capacity to manage medium to long term development initiatives.

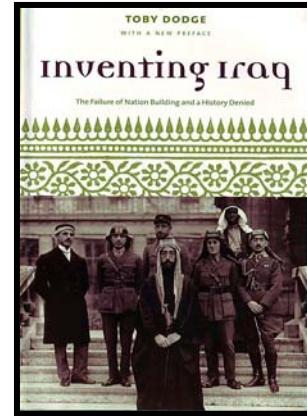
Budget Summary: Total cost of program is \$500,000. Seven demonstration plots will be established at a cost of approximately \$20,000 per demonstration (on 2 donum or 1/2 hectare of land) for a total of \$140,000 in drip irrigation demonstration costs to promote the technology across the entire North Babil area. In addition to the demonstration plots, a fund will be established to provide in-kind support for those farmers that want to invest a significant amount of their personal assets in a drip irrigation production program. Funding for the in-kind support will be \$360,000 and will provide a maximum of \$3,600 per donum to promote up to 100 donum (25 hectares) of drip irrigation production in North Babil.

Submitted by: Michael Maxey

Submitter Email: mmaxey@iraq.usaid.gov

**Inventing Iraq:
The Failure of Nation Building and a History Denied**
By Tony Dodge, Columbia University Press, 2003¹

“Inventing Iraq” provides a historical perspective of nation building by analyzing the British occupation of three Ottoman Empire provinces that were formed into Iraq. Beginning in 1920, the country was administered by Britain under a League of Nations mandate and became the first mandated state to gain independence and enter the League as a full, self-determining member in 1932. Dodge tracks the history of British rule of Iraq, analyzes its transition to a sovereign state, highlights the mistakes made in this process, and recommends how the US can avoid pitfalls in its nation building effort.



The key point that Dodge makes in the book is that a successful transformation of Iraq can only be achieved through long term, grass roots development aimed at creating a local sense of community. Tribal fiefdoms, the primary Iraqi civil society structures shaped over the last 400 years creates a “shadow state” and undermines the long term sustainability of a national government. Historically, central governments in Iraq, dating back to early Ottoman Empire have not adequately controlled the rural areas. A succession of ruling entities have depended upon a combination of violence and patronage to bring tribal leaders into a largely informal governing coalition with the state.²

The book defines the end state for successful nation building as the ability of a nation to, “... deliver public goods to the population contained within its recognized borders through a differentiated set of centralized government institutions. Crucial to its ability to perform these tasks is the veracity of its

Working with the Sheiks

“(To address the problem of a small elite ruling class that was mostly urban, and thus removed from the majority of the people who lived in the rural areas, the British decided) ... its relations had to be mediated through a series of tribal sheiks. For a sheik, government recognition brought with it responsibility, reward and prestige. By guaranteeing the good behavior of the tribe or that of a particular section, he would receive a monthly subsidy. The designated sheiks learned quickly what was required of them and how to manipulate the key concerns of the British.”

“Inventing Iraq” pp. 83 - 86

¹ Tony Dodge is an English scholar on the Middle East for the International Institute for Strategic Studies in London.

² This lack of rural control applies primarily to the Ottoman Empire rule of Iraq from 1535 to 1918, and the English mandate period 1920 – 1932, but was also true to varying degrees in modern Iraq under the rule of Hashemite King Faisal followed by Ghazi, Nuria al Said, and Abdullah Al-Ilah until the July 14, 1958 Revolution led by General Abdul Karim Qassim. Central control was strengthened when Qassim was overthrown in 1963 by Col. Adbul Salam Arif who died in 1966 and was succeeded by his brother, Rahman Arif. After the 1968 coup by the Baath Party put Saddam Hussein on a track to becoming the sole dictator of Iraq in 1979, the Iraqi state used terror and money to control the rural areas.

claim to ‘binding authority’ over its citizenship and ultimately over all actions taking place within the are of its jurisdiction.” Three key characteristics guarantee sustainability of a state (1) ability of the state’s institutions to claim a monopoly over the legitimate use of violence, (2) the capacity of the state’s bureaucracy to implement its decisions across the territorial entirety of the country, and (3) creating a positive relevance of the state to the everyday lives of its citizens. Dodge states that when there is a failure to provide protection through a monopoly on the use of violence, the citizenry will seek public goods and services, economic subsistence and eventually their physical survival through ad hoc and informal channels. People will look to whatever group can help them survive – militia, tribe, clan -- proclamation of statehood is not sufficient. For Iraq to become a sustainable state it must have the ability to protect, govern, and serve all its citizenry.

Key to governance is the belief of the people that they have an effective way to voice their grievances and have a role in addressing their problems at the local and provincial levels. The civil society structures that play a critical role in providing this voice to the people do not exist in Iraq. To address this problem, Dodge recommends a strategic approach that sounds very similar to the ePRT led grass roots effort of building local capacity, empowering communities, and giving ordinary citizens a voice in government. The issues identified in this book and their potential impact on the future are important to consider as ePRTs (Embedded Provincial Reconstruction Team) transition to PRT (Provincial Reconstruction Team) led effort to strengthen provincial governments and their capacity to govern.³

Lack of Civil Society in Iraq

“Since seizing power in 1968, the Baath regime efficiently used extreme levels of violence and the powers of patronage delivered by oil wealth to co-opt or break any independent vestiges of civil society. Autonomous collective societal structures beyond the control of the state simply do not exist. In their place, society came to be dominated by aspects of the “shadow state” flexible networks of patronage and violence that were used to reshape Iraqi society... The danger the US administrators trying to make sense of a society they have little knowledge of is that they will grasp aspects of the shadow state as authentic representations of Iraqi polity. In doing so they will be reproducing the very structures set up by Saddam Hussein to guarantee his own grip on power.”

“Inventing Iraq” p. 159.

³ PRT – Provincial Reconstruction Team; ePRT – Embedded Provincial Reconstruction Team lives and operates within a US military combat team at the Brigade level or lower. The PRT concept began in 2002 in Afghanistan. A PRT is defined in the “Provincial Reconstruction Team Playbook” Center for Army Lessons Learned as “... a means to ... stabilize an area through an integrated civilian-military focus. It combines the diplomatic, military and developmental components of the various agencies ... to help improve stability by building up the capacity of the host nation to govern; enhance economic viability; and deliver essential public services such as security, law and order, justice, health care, and education. Once the stability objectives have been fulfilled, PRTs can begin to dismantle and the traditional diplomatic and developmental programs will operate within their normal venues.” Total PRTs now in Iraq (09/2008) are 31: US PRT 11, Coalition 3, ePRT 13, and PST 4 (Provincial Support Teams).

Dodge recommends that the US learn the lesson from the British occupation that a sustainable state requires empowering local communities to effectively address their local problems, provide a consensus for community action, and interact with local and provincial governments. Civil society groups will, according to Dodge, provide the only sustainable means of empowering local communities. The establishment of these groups will have to be a grass roots effort that focuses on increasing social capital, providing a voice for ordinary citizens, and engendering a feeling among local communities of inclusion and benefit in a national government system.

Dodge contends that the degree to which Iraq can be inclusive and equitable to all citizens will determine whether there will be a renewal of violence. “Inventing Iraq” sends a clear message that for the state to effectively govern and serve its citizenry much more than a strong military is required – ordinary Iraqis have to believe in their ability to come together to address their problems.

This book provides an interesting historical perspective that points to ways that the US might effectively address issues regarding the sustainability of the Iraqi state once Coalition Forces eventually depart. Building a vibrant civil society should, according to Dodge, be one of the key goals of US policy. The most effective way to create a strong civil society, according to “Inventing Iraq”, is by working at the grass roots – the ePRT program mode – focusing on bringing people together to address their problems, create a sense of community, and effectively interact with their provincial and national government.

ePRT Model of Civil Society
Strengthening

“Evidence from Umm Qasr suggests a different and more sustainable approach to rebuilding Iraq’s governing structures.

The experience there has been acknowledged by American forces to be a potential model for the rest of Iraq.

Self-selected (modest, mid-level civil servants came together to form a council) citizens approached British troops and asked when schools could be re-opened.

The U.S. Agency for International Development moved quickly to capitalize on this development, giving the council \$41,000 for offices and computers. This experiment in “micromanagement” implies the value of “root and branch” approach to reform of Iraq’s government. If carried to its logical conclusion, such a policy would involve a sustained attempt not only to change the visible institutions of the state but and their interaction with society but also to transform the dynamics of the shadow state by creating a basis for social trust.”

Notes

The following are excerpts from the “Inventing Iraq” referring to the problems, issues and realities faced by the British personnel charged with the first modern attempt at nation building in Iraq. Many of the points highlighted in the book could be taken from today’s headlines. As William Faulkner once wrote, “The past is not dead, it’s not even past.” Clearly this is the case in Iraq today.

Dealing with Iraq nationalism. There was pressure from the Iraqis to transition from a “mandate” to a treaty with the UK that outlined when Iraq would be declared a sovereign state. Iraqi nationalism became a force in a short period time after the Ottoman Turks were defeated. “The speed with which Britain’s role in Iraq changed from 1920 to 1922 is highlighted by the rapid shift in its legal basis.” p. 22 “Having set up our independent or quasi-independent state, we were bound to deal with it on terms of greater equality, and less from the point with it on terms of greater equality, and less from the point of view of a guardian towards its ward, than was originally contemplated.” p. 22 “The rapid growth of well-organized and vibrant nationalism in Iraq exacerbated the conflict at the heart of the British policy.” p. 30

Political realities impacted events on the ground. “The irresolvable tensions inherent in British nation building produced, by 1932, the quasi-state of Iraq. When Iraq entered the League of Nations it was granted de jure independence as a self-determining nation state. But the reality was something quite different. Iraq was a territory inhabited by a diverse and divided population run by a small clique of mainly Sunni politicians who could not control the country without the help of British airplanes.” p. 31 “The heavy constraints upon the British state meant that sovereign power had to be devolved to the political elite of Baghdad – those who, by 1926, were in a position to run things.” p. 37 “The Permanent Mandates Commission had been the personification of Britain’s international obligations to Iraq, but, after 1929, it became an obstacle to the government’s goal of ridding itself of the costly and potentially unending burden of turning Iraq into a liberal state of international standing.” p. 38

Dealing with the power brokers rather than transforming the state. “Their concept of the Ottoman Empire led the British to place their trust in those who inhabited the countryside, those identified as ‘tribal’.” p. 45 “... Iraqi civil servants ... were detached from society. They constituted a distinctly secular, separate and parasitic middle class.” p. 48 “The image that permeates the British descriptions of Iraqi governing groups was of a small elite floating above society. ‘I do not suppose there is in the whole history another example of a state with a representative government of modern type, in which only people who count are two or three hundred at most. It is in fact a closed oligarchy.’” p. 66 “Ultimately it was the way British understood Iraqi society that came to undermine their attempt to build a stable state. Resources were channeled through individuals (the sheiks) in the hope that they would guarantee social order at the lowest possible cost.” p. 158

Rule of Law was a difficult concept – land tenure was a very difficult issue. “In effect, written law could be rigid or liberal as the drafters desired because it ultimately would stand little chance of being enforced. (The Turks had a) “... blind impulse to draw all authority into a single net, (they) not only neglected but actively discouraged the delegation of power.” p. 51 “Upon the Turkish conquest the agricultural land of Iraq became state property ... (but the) Ottoman Government were never in a position to exercise any systematic control of the large areas of miri land throughout the country.” p. 54 “With the state unable to enforce its will over the majority of the country, no cadastral survey was possible. A result was title deeds and records that were ‘incomplete and entirely inaccurate in respect to names, areas, and boundaries, sometimes forged, sometimes overlapping, sometimes duplicated in respect of identical properties.’” p. 55 “Order was attempted in two stages. First, land had to be owned, and it was the administrator’s job to find out who that owner was – to formalize and then protect his rights of possession. Then the proprietor was encouraged to farm the land as efficiently as possible.” p. 105

Memorandum of Conversation
 Briefing for Col. Jefforey Smith, DCG – S, 10th Mountain Division
 September 6, 2008
 Michael Maxey, USAID Rep., ePRT North Babil

Briefing was provided to Col. Smith, 10th Mountain Deputy Commanding General, and Tom Delaney, USAID Baghdad Deputy Mission Director at 4th Brigade Combat Team, 3rd Infantry Division Headquarters at Forward Operating Base (FOB) Kalsu. Brigade Commander Col. Thomas James and his senior staff provided a briefing on security, civil –military affairs, training and readiness of Iraqi defense forces, and the pending change to Provincial Iraqi Control (PIC). Howard Van Vranken, ePRT North Babil Team Leader, gave an overview of the ePRT’s activities. He cited the need to focus on the Brigade’s social and economic development initiatives over the near term since we are approaching probable changes in the way the ePRT will function as overall security improves in Babil Province. Kim Peoples, Deputy Team Leader for ePRT North Babil, provided an update on the Central Euphrates Farmers Market.¹ I provided an overview of USAID funded activities in our Area of Operation (see diagram below).

USAID Activities in North Babil	
USAID Programs – Feb. 2008 US\$2.6 million	USAID Programs – September 2008 US\$13.4 million
<p style="text-align: center;"><u>Economic Development</u></p> <p><u>Community Action Program (CAP) II</u> – Small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p><u>IZDIHAR</u> – 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;"><u>Governance</u></p> <p><u>Community Action Program (CAP) II</u> – School, health clinics, and infrastructure improvement. \$1,923,000 invested (Oct. 2007 – May 2008) benefitting 34,103 people.</p> <p><u>Local Government Program (LGP) II</u> – 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;"><u>Economic Development</u></p> <p><u>Community Action Program (CAP) II</u> – Expand small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p><u>Community Stabilization Program</u> – Support provided to Iskandariya Votech jobs training program. 1,000 additional students trained. \$8 million allocated for North Babil with \$5.3 million already funding local programs.</p> <p><u>IRAP (Iraqi Rapid Assistance Program)</u> – Fifteen projects approved for \$3 million for business training, microfinance and marketing programs, school supplies, and reconstruction.</p> <p><u>INMA (Ag Production & Marketing Program)</u> – 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. \$2.0 million invested in fish fingerlings contract to supply 3 million fingerlings to North Babil and conduct fish production demonstrations.</p> <p style="text-align: center;"><u>Governance</u></p> <p><u>Community Action Program (CAP) II</u> – Expand school, health clinics, and infrastructure improvement. \$2.5 million invested through May 2008</p> <p><u>Local Government Program (LGP) II</u> – 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>

¹ The Central Euphrates Farmers’ Market is a major infrastructure program (\$2.8 million) that will provide a marketing facility for up to 10,000 local farmers. EPRT North Babil is working to provide support for production and processing of agricultural commodities as well as marketing assistance. There will also be a community outreach program that includes youth group development, women’s programs and ag extensions training.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
September 20, 2008

Water User Association Pilot Program – IRAP Program Officer Jon Wiebe finalized a proposal for Phase 1 (\$910,000) for NGO strengthening, Operation and Maintenance of main pump stations, and support to establish a sustainable Participatory Irrigation Management Program with the As Shuahymiyah Agricultural Association. This activity is being closely coordinated with USDA Sr. Water Advisor Maged Hussein and the Ministry of Water Resources. A final proposal will be presented next week for approval. This is a critical civil society strengthening program as it reinforces the efforts of a local community to address water management uses (a primary conflict trigger in North Babil) in a sustainable and democratic manner. If successful, this program could be a nationwide model for addressing water management issues. See attached draft proposal.

IRAP Proposal Design – EPRT North Babil Program Officer drafted and uploaded proposals for opening three branch offices of the Izdiharona Micro Finance Institution in Mahawil, Jabella, and Suwayra --- total funding of \$1.5 million. A meeting is scheduled with Tijara next week to address issues and finalize the proposals. The drip irrigation demonstration program aimed at improving water management under direction of Borlaug Group. This proposal will be finalized once the EPRT North Babil Ag Team decides on the most appropriate grantee (either the Muysaib Technical College or the Ministry of Agriculture Extension Service). See attached draft proposal.

Central Euphrates Farmers Market (CEFM) – Worked with Business Development Advisor to design a business planning strategy for the CEFM and initiate process for contracting technical assistance to develop a comprehensive business plan, conduct required market studies, develop marketing strategies, and provide guidance on standard operation procedures for the CEFM. Meeting scheduled with Inma for next week to solicit support for this effort. See attached trip report.

ePRT North Babil/4th BCT Success Story – USAID Washington requested input on a success story – a summary was prepared on Iskandariya Hospital Emergency Supplies program financed at \$200,000 with IRAP (Iraq Rapid Assistance Program)/QRF. See attached draft submitted to USAID Washington – initial response was that this story could be highlighted as an agency-wide success story which would result in greater recognition for ePRT North Babil and 4th BCT 3rd ID efforts.

Activities for Next Week – Follow up on US Institute for Peace Women's Center Proposal development. Coordinate with DAI on IRAP implementation. Meet with USAID partners to address micro credit issues, seek support for agricultural production and marketing technology, and gain a better understanding of capacity building support available for provincial governments and government ministries.

**DAI IRAP
CIVIL SOCIETY & CONFLICT MITIGATION**

GRANT PROPOSAL/APPLICATION FORM

The Application Can Be Submitted in English or Local Language

Please type or print

Name of the project: AS SHUAHMIYAH AGRICULTURE ASSOCIATION WATER RESOURCE ASSISTANCE

Name of the organization (in original language):

Address: AS SHUAHMIYAH AGRICULTURE ASSOCIATION
GRID COORDINATES 38S MB 96530 17442, AS SHUAHMIYAH, WASSIT
PROVINCE

Phone and fax numbers; e-mail address:

Hamza Jamad, As Shuahmiyah Nahia Council	07801753832
Sheikh Hadi Farhan , As Shuahmiyah Ag Association	07802781952
Saffan al Shamary, As Shuahmiyah Ag Association	07807477747
Ali Yasser Jassim, DG Water Resources	07801029305

Project Director/ Organization Representative (name, title):

TBD (There are 3 Farmers Associations in this hydrological unit)

Background of the Project Director (please state the representative's title and background): TBD

Background on the organization (please attach a copy of the registration papers, if available): TBD

Any previous U.S. Government funding: None

Project dates: 4 Month Duration 1 October 2008 – 31 January 2009

Amount requested (in US \$): \$910,000.00

Background:

The agricultural sector is the second largest economic sector in Iraq, employing around 25 percent of the population and providing both subsistence livelihoods and disposal income to millions of Iraqis. Water resources are crucial to the agricultural sector, which consumes as much as 90 percent of the surface water in Iraq. The agricultural sector will remain an important part of the Iraqi economy for many years but numerous reforms are needed to enhance its viability. One area where improvements are specifically needed is the operation and maintenance (O&M) of the irrigation and drainage systems, which serve the majority of cropland in Iraq.

Iraq has an extensive and complex irrigation and drainage system that has been in development since the 1950s. Over the past twenty years, however, the system has deteriorated significantly due to economic sanctions and war. In the 1990's under the former regime ten of the large pump stations situated along the Tigris were relinquished under agreement to Agriculture Associations. Under this agreement, the former maintained ownership of the land and facilities while the latter assumed responsibility for operations and maintenance of the systems at the stations and hydraulic system it supplied.

Since 2003, the Government of Iraq, the US Government, and other international donors have implemented projects to restore and enhance the irrigation and drainage systems throughout the country. Notwithstanding these efforts, there remain significant gaps in infrastructure repair. Agriculture failures throughout Iraq in recent years are attributed to problems of inadequate agriculture inputs, not least of which is insufficient irrigation and drainage of croplands which will continue if gaps in this system are not repaired in order to improve its' efficiency.

Water User Associations:

The UN Food and Agriculture Organization (FAO) defines a Water User Association (WUA) as “*Association of water users combining both governance and management functions (they are not the owners of the infrastructure).*” A WUA is usually a non-profit organization that is managed by a group of water users that share a common water course (usually secondary or tertiary system). Under this model members of a WUA pool financial, material, technical and human resources together. These resources are then used for O&M of the irrigation and drainage system within their jurisdiction for the benefit of all the members.

Participatory Irrigation Management:

Since the 1980's, countries around the world have implemented model programs ranging from Participatory Irrigation Management (PIM) on one hand to Irrigation Management Transfer (IMT) programs on the other with mixed reviews. PIM is the increased

“involvement” of irrigation users in all aspects and all levels of irrigation management. This involvement can extend to initial planning and design of new irrigation projects or improvements, as well as the construction, supervision, and financing, decision rules, operation, maintenance, monitoring, and evaluation of the system. However, PIM implies that government irrigation agencies remain the leading player with its role varying depending on the level of “involvement” of water users. IMT on the other hand is the process of a complete transfer of irrigation management and associated responsibilities to water users and their associations. Irrigation agencies remain in control of the regional system but relinquish control (and responsibility) of the local systems to water users. WUAs play a central role in these programs. The implementation of the WUA concept also differs considerably from one country to another. Regional neighboring countries like Turkey, Egypt and Jordan have adapted WUA to address inefficiencies in the management of their irrigation systems. Movement in the direction of this model is the logical way ahead for water resource management and is supported by both UN FAO, USG and GOI.

In 2006, the Japan International Cooperation Agency (JICA) launched a pilot project in **Karbala to develop the first WUA in Iraq**. The program included a capacity building program to 1) to develop the expertise within the WUA’s farmers as well as relevant ministries, 2) to build the institutional framework for organizing WUA, and 3) to create the legal and policy enabling environment for formation of WUAs in Iraq. The project is still ongoing, with considerable work on the first and second objectives completed thus far (albeit only in Karbala area).

More recently, FAO prepared a strategy for transitioning its assistance from “emergency response” to “sustainable development” in which FAO will promote WUAs as means for achieving better management of the irrigation system.

As Shuahmiyah Agriculture Associations:

In a traditional model, the Ministry of Water Resources (MoWR) is ostensibly responsible for designing, building, operating, and maintaining the existing irrigation and drainage system, which delivers irrigation water to farmers and collects and disposes of drainage water at the property line. The farmers meanwhile are responsible for maintaining the on-farm irrigation and drainage system. The focus of GOI central ministries however has been on new capital investment projects instead of O&M and rehabilitation of existing infrastructure.

During the 1990 embargoes and UN Oil for Food program Iraqi agriculture was heavily subsidized through various means and the agriculture associations had available cash flow. While never a formally organized WUA, consideration of the hydraulic linkage (however nominal) between the ministry, the farm associations and farmers were a part of the conditions under which the associations assumed responsibility of the pump stations and associated sub-systems.

As a hydraulic unit, the As Shuahmiyah Agriculture Association controls water resources for an area of over 60,000 donum (15,000 hectares) in agricultural land and serves the livelihood needs of over 40,000 Iraqis. The As Shuahmiyah Agriculture Association has historically had nominal effectiveness in operating and maintaining the pump station, irrigation and drainage sub-systems due to inefficient or substandard organization and management practices. The hydraulic unit is currently self funded through an antiquated assessment and fee collection process that relies on the landed sheikhs for input and does not effectively capture or incorporate all user needs or access. The limited budget, manpower contributions and an apparent leaning towards decentralization by MoWR coupled with the overall down turn in post 2003 agricultural productivity and associated income loss has and will continue to have an overall dilapidating effect on their ability to internally operate and maintain the hydraulic unit (pump station and sub-systems) they control.

The major shortcomings are as follows:

1. Inadequate management and an organizational structure within the Agriculture Association itself that make it unable to efficiently assess and administer needs and trend in a changing environment.
2. Perceived political and/or sectarian biases without and within the subsystem.
3. Lack of enforcement of water allocation amongst users within the subsystem.
4. Lack of incentives to conserve water and soil resources.
5. Difficulty in procuring equipments and parts from the international market necessary for O&M and/or rehabilitation of the system.
6. Agricultural income losses associated with overall sector downturns.

Given current conditions, the As Shuahmiyah Agriculture Association finds itself severely limited in its ability to conduct adequate operations and maintenance with these conditions approaching the point of failure unless efforts to improve the viability of this association in the form of external assistance are implemented immediately.

Project purpose and description: (do not exceed 2 paragraphs)

This grant is the first phase of a two part effort to address one of the underlying causes of tension and conflict in Iraq, mainly that of access to water resources, by strengthening the management capacity of the As Shuahmiyah Agriculture Associations to: (1) manage the irrigation infrastructure and drainage system in the As Shuahmiyah hydraulic district; (2) implement activities; and (3) monitor and evaluate their effectiveness.

Specifically, this grant will provide technical assistance and maintenance funds to the As Shuahmiyah Agriculture Association to achieve the following:

- Provide technical assistance to the farmers association in organizational structure, management and operation of the pump station, irrigation and drainage equipments in the system.
- Ensure continued operation and scheduled maintenance of the pump station equipment

- Introduce users' participation in the water allocation between members.
- Mediate conflicts among farmers regarding water use and limit or eliminate illegal withdrawals.
- Promote understanding of the value of water and subsequently water conservation measures.

Implementation of this grant will facilitate ongoing operations of the As Shuahmiyah pump station resulting in uninterrupted water flow to approximately 40,000 Iraqis through the term of service. Additionally, the program will directly provide ongoing employment of approximately twenty five (25) Iraqis at the pump station and facilitate continued agricultural activities in the As Shuahmiyah area affecting approximately 10,000 agricultural workers.

Beneficiaries: (direct and indirect, by gender)

The primary beneficiaries of this proposal will be the residents of the As Shania hydraulic district. Yet to be determined is the inclusion of two cities in As Shuahmiyah.

Direct Beneficiaries: 40,000
 Indirect Beneficiaries: 20,000

Project justification: (identify service gaps, how the project will strengthen social development or promote economic development and/institutions in the area of project activities)

There are three major linkages between conflict and water:

- ***Access to adequate water supplies:*** Conflict is more likely to occur over water when disputes involve access to water of adequate quantity and quality. Even when water supplies are not severely limited, as is the case with As Shuahmiya, allocation of water among different users and uses (agriculture and residents, for example) can become highly contested.
- ***Water, livelihood loss, and civil conflict:*** Water's importance in sustaining human livelihoods can indirectly link it to conflict. Water is a basic resource for agriculture, which is traditionally the largest source of livelihoods, as in the case of As Shuahmiya.
- ***Water management and conflict:*** In most cases, it is not the *lack* of water that leads to conflict, but the inadequate way the resource is governed and managed. There are many reasons why water management fails, including lack of adequate water institutions, inadequate administrative capacity, lack of transparency, ambiguous jurisdictions, overlapping functions, fragmented institutional structures, and lack of necessary infrastructure.

Cooperation around water issues, which stems from a drive for sustainable development in the face of shared stress, has a long and successful history. This development imperative, not the fear of conflict per se, has proven to be a primary motivator of stakeholders to pursue protracted negotiations. Aggressively pursuing water resource management as an overarching strategy to conflict resolution can provide dividends beyond water utilization for stakeholders. It can build trust and serve as an avenue for dialogue when parties are stalemated on other issues. Water institutions have historically proven resilient, even as conflict is waged over other issues. This strategy can also establish habits of cooperation among stakeholders, even those with little experience.

In principle, irrigation systems perform better with local influence in water decisions as in community water use committees and most effectively under the concept of Participatory Irrigation Management (PIM); when local user needs are incorporated into water management fostering a developed sense of ownership, participation in decision making process as well as O&M of the system components. Many of the key functions related to O&M and rehabilitation of existing infrastructure can be handled more effectively at the local level via strong local institutions. Experience in other developing countries has shown that privately owned pumping stations (although much smaller compared to public pump stations) have been repaired and brought back online to serve their owners faster than those owned and operated by the government.

The increase in violence since 2003 coupled with dilapidated infrastructure and subsequent economic neglect of the area by both the governorate and provincial leadership has severely damaged traditional agrarian economic infrastructure. While political and security operations have successfully decoupled linkages and pushed insurgent activity out, shortages in employment and lack of opportunity will continue to cause further tension and lead to opportunities for insurgent recruitment, specifically within the agrarian populations marginalized by war and violence.

In addition, another central component of conflict mitigation and peace building through development is strengthening civil society's role in community-based conflict mitigation and reconciliation. This grant achieves this basic tenant by building the management capacity As Shuahmiyah Agriculture' Association, a nascent non-governmental organization by providing this organization with technical assistance to allow it to proactively address one of the root causes of conflict, that of access to water resources.

Project sustainability: (show grantee contributions)

The As Shuahmiyah Agriculture' Association currently has the material support of the independent As Shuahmiyah Nahia Council and the Directorate of Water Resources for the North Wassit. These three entities have collectively come together out of necessity in order to collect fees based upon land ownership for the hydraulic unit. This grant is the first of two grants that will strengthen and improved the efficiency of the As Shuahmiyah Agriculture' Association. The two combined grants will provide organizational, management, O&M and select capital improvements over the course of 11 months. The

end result of the first and second grant combined will be the self sustainment of operations by the As Shuahmiyah Agriculture' Association through the incorporation of management efficiencies and the establishment of the effective and accurate self assessment and collection of water use fees. The more effective use of water will result in improvement of agricultural inputs that will sustain and improve agricultural production.

At the present time, the GOI and MoWR are discussing the possibility of re-acquiring the 10 Tigris pumps stations. Major capital improvements to the pump station will remain deferred until which time an accommodation or agreement is made with GOI MWR. The scope of this grant will restrict USG funding to operations, maintenance sustainment and minor capital improvements over the period of the grant. The use of two grants will further minimize allocation of USG funds in the case of actual near term GOI acquisition of the station.

The successful completion of this project also assumes a continuation of the current politico-security situation. Major risks are not expected to occur however, due to fragile security and political situations the project should retain flexibility at all levels.

Detailed description of the project activities: (Include objectives and planned outcomes. Do Not Exceed Two Pages)

This grant consists of several components:

- Strengthening the Organization and Management Capacity of As Shuahmiyah Agriculture' Association
- Implementation of O&M activities for a period of 4 months
- Registration with GOI as a Non-Governmental Organization (NGO)

Strengthen Organization and Management Capacity of As Shuahmiyah Agriculture' Association

This grant will provide funding for technical assistance to the As Shuahmiyah Agriculture' Association to formalize its organizational structure and strengthen its institutional capabilities.

Technical assistance will include:

- Formalizing the Association's organization by establishing an organizational structure, adopting by-laws, establishing a Water Resource Sub-Committee representing all users within the As Shuahmiyah hydraulic unit.
- Develop and adopt standard operating procedures to effectively manage PIM, administer financial systems, and O&M schedules.
- Develop and conduct an assessment and cost analysis for efficient and effective administration of user sustainable funding.
- Renovation of current office space and facilities.

Organizational strengthening will be provided under service contract in the grant through a local NGO.

Implementation of Operations and Maintenance (O&M)

This grant will provide funding for technical assistance to the As Shuahmiyah Agriculture' Association to conduct operations and maintenance of the pump station and main control mechanisms within the hydraulic unit for a period of four (4) months.

The engineer and DG of Water Resources have provided a preliminary scope of work. Additional technical expertise will be provided under service contract in the grant through a local Engineering concern.

Registration with the Government of Iraq as a Non-Governmental Organization

Under this grant, the As Shuahmiyah Agriculture' Association will complete and submit all required documentation for registration with GOI as an NGO. This is a precondition requirement for further funding of phase two of this proposal. Registration fees will be paid by the As Shuahmiyah Agriculture' Association.

Detailed description of the indicators: (quantitative, by gender, # employed, # trained)

Program indicators will target:

- Adoption of by-laws
- Selection of the Water Resources Sub-Committee
- Established financial management systems, administrative guidelines for PIM and standard operational procedures for O&M
- Assessment of users within the hydraulic unit and completion of system cost analysis for user sustainability
- O&M conducted
- Successful registration with GOI as NGO

Grantees Responsibilities: (Budget contributions, administrative roles, activities accomplished under the grant):

The Grantee is responsible for ensuring that the items in the subject grant are secured and used for the purpose of the grant. The grantee will establish the selection process for sub-committee members, provide all invoices for any service agreements provided by the grantee under this grant, provide payment signature sheets as necessary, provide monthly periodic reporting as specified and submit a final report to DAI within 10 days of the completion of the grant activities.

Detailed budget (use XLS spreadsheet template provided):

(See attached budget)

How will you meet the program and financial reporting requirements (e.g., who will prepare the financial report?):

This is an in-kind grant. All procurement, deliveries and payments will be facilitated by the grantor or its agents. Program income under this grant shall be added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives.

Other sources of support for this project (including the applicant organization):

Hamza Jamad, As Shuahmiyah Nahia Council	07801753832
Sheikh Hadi Farhan, As Shuahmiyah Ag Association	07802781952
Saffan al Shamary, As Shuahmiyah Ag Association	07807477747
Ali Yasser Jassim, DG Water Resources	07801029305

This proposal is additionally supported in principle by the Ministry of Water Resources in coordination with the US Embassy Agriculture Counsel, USDA Foreign Agriculture Services Office, and ePRT North Babil located at FOB Kalsu. The USDA Senior Foreign Agriculture Services Officer is in the process of obtaining a letter of agreement from the Iraqi Minister of Water Resources in support of this program as a pilot for PIM as a way ahead for Iraq irrigation infrastructure.

Other organizations you applied to with the same project and status of your application: None.

References:

1. *Water User Associations and Operation and Maintenance of the Irrigation/Drainage System in Iraq*; Prepared by Dr. Linda Allen, Senior Consultant Water Resources, ITAO & Dr. Maged Hussein, Water and Soil Ministerial Advisor, Foreign Agriculture Services, US Embassy, Iraq.
2. *Water, Conflict and Cooperation: The United Nations and Environmental Security*; Carius, Debelko, Wolf, (http://www.wilsoncenter.org/topics/pubs/ecspr10_unf-caribelko.pdf)

City, date

Signature of Applicant

QRF Grant - Drip Irrigation Program - North Babil

ETEC: Submitted - WTEC: Submitted - RSO: Form Required

Proposal Number:	Draft 51 - 3791	Submitted:	09/11/08
Proposal Name:	Drip Irrigation Program - North Babil	Individual/Organization:	Muysaib Technical College
Award Type:	QRF Grant	Submitting Office:	Babil (North) ePRT
Theme:	9736 - Agriculture/Environment	Province:	Babil
Organization Type:	NGO	Objective:	200 - Economic
Amount:	\$200,000.00	Period of Performance:	10/15/08 to 06/30/09
Coordinates:	,	EPLS Vetting:	<input checked="" type="checkbox"/>
Formulated By:	PRT/ePRT	Recipient Type:	NGO - Local
GOR Name:	Michael Maxey	GOR Email:	mmaxey@iraq.usaid.gov
Management Office:	DAI	Action:	N/A
Director of Organization:	TBD	Name of Signee:	TBD
Location:	Muysaib, Babil	Telephone/Fax:	n/a
Email:	n/a	Website:	n/a

Grantee Background: The Muysaib Technical College provides training in agriculture and vocational skills. The school has cooperated with the USAID financed Community Stabilization Program to provide training in the use and maintenance of agricultural equipment. Instructors at the school have the ability to expand their training skills and ePRT North Babil seeks to increase capacity for drip irrigation production in the region. Discussions with the school's leadership indicates they have a willingness and the potential to establish a drip irrigation training program.

Previous Funding

Description of Previous Funding: Under the USAID funded Community Stabilization Program, Muysaib Technical College has received \$89,000 to conduct 3 training courses (2 in vocational skills and 1 in agricultural equipment operation and maintenance) and 1 program to provide agricultural toolkits to farmers.

Executive Summary: The Euphrates currently provides adequate surface water for agricultural production in many areas, but limited transport infrastructure and decreasing water levels due to drought and upstream diversions are increasing concerns. An extensive review by the Borlaug Group indicated that proper water management will require the use of drip irrigation in some areas in conjunction with relatively high value crops. Finding a way to provide training in the installation and management of drip irrigation systems is critical. This program will enhance local capacity to train and operate drip irrigation systems in North Babil.

The proposed project will (1) provide 10 demonstration of drip irrigation production systems for tomato, lettuce, Roman beans and other high value agricultural crops with seven agricultural associations that are affiliated with the Central Euphrates Farmers Market (CEFM), and (2) provide training and technical support for the expansion and wide spread use of drip irrigation in areas with limited water supply. It will be conducted for the growing season of 2009, and outputs will include data on water use and effectiveness in production, and a demonstration farm in close proximity to each agriculture association geographic location.

Description/Purpose: Water constraints in North Babil are one of the most critical limiting factors on expanded agricultural production. The introduction and widespread use of drip irrigation systems could increase agricultural productivity, expand production area, and increase crop yields resulting in increased income for farmers in our Area of Operation. The Borlaug Group recommended conducting field trials and farm demonstrations of drip irrigation systems to promote this technology.

This program will expand drip irrigation by taking advantage of Borlaug Group training of local farmers in drip irrigation methodology under a small QRF funded microgrant (this microgrant will fund the initial start up of the first drip irrigation demonstration activity which will subsequently fall under the supervision of the Muysaib Technical College as the IRAP/DAI Program starts up in October/November 2008). The Muysaib Technical College staff will implement ten drip irrigation demonstration plots across the North Babil area. The initial Borlaug effort under the micro grant will be a "Train the Trainers" program which will provide a key cadre of drip irrigation "specialists" to implement an expanded demonstration activity and provide technical support to farmers who seek to expand drip irrigation production through their own investments.

Ten demonstration plots will be established at a cost of approximately \$20,000 per demonstration (on 2 donum or 1/2 hectare of land) for a total of \$200,000 in drip irrigation demonstration costs to promote the technology across the entire North Babil area. In addition to the demonstration plots, ePRT North Babil will consider establishing a fund to provide in-kind support for those farmers that want to invest a significant amount of their personal assets in a drip irrigation production program. The in-kind fund will be considered under a separate proposal.

Each of the ten drip irrigation production sites will have a standard design and implementation as indicated below:

Experimental Design

This project will include the production of high value crops: tomato, lettuce, Roman beans or other high value crops. One donam will be used as a control plot, using traditional furrow irrigation methods. The other donam will be the experimental plot using a drip irrigation system. The crops will be planted, cultivated and harvested at appropriate times.

Methodology

Land Preparation

Land preparation will be conducted by each Farmers Association under the coordination and supervision of the Muysaib Technical College staff. Fertilizer application will first consist of chicken manure purchased from a local poultry farm incorporated into the soil before planting. Urea will also be applied three times at the rate of 100 kg/donam. NPK will also each be applied one time at the rate of 100 kg/donam.

Irrigation System Preparation

Two water storage tanks (7,500 Liters each) will be installed at the project site prior to planting. One will be used for traditional irrigation, and one will be used for drip irrigation. Utilization of these tanks will allow for accurate measure of how much water is being delivered to each crop.

Water will be delivered from a nearby canal to the storage tanks by truck based on need, and accurate records of water delivery will be kept. Drip irrigation tapes/pipes and system will also be installed to the specifications of the manufacturer of the selected product.

Planting

The Borlaug Group will provide instructions on planting for the various crops to be

evaluated. The Muysaib Technical College will oversee the implementation of the program according to the Borlaug Group instructions. For example, lettuce will be planted at a rate of 100 grams of seed per donam, initially in a 3 m by 4 m nursery bed. After germination these seedlings will be transplanted at two weeks, or about two inches in height, on the ½ donam plots for traditional and drip irrigation. Roman beans will also be planted in ½ donam plots for traditional and drip irrigation, at a rate of 7 kg of seed per donam. Other potential high value crops will be identified and planting instructions will be provided.

Post-Harvest

Upon harvest, accurate yield levels for each crop in each irrigation system will be recorded and analyzed by the Muysaib Technical College staff. Marketing of the production will be left to the discretion of the Agricultural Association, and will utilize the Central Euphrates Farmers' Market (CEFM) if possible. After harvest of the demonstration crops, the irrigation infrastructure will remain on site and become property of the association.

Data Collection

Data will be collected on a daily and weekly basis. Staff of the Muysaib Technical College will be trained on data collection, recording and reporting by Borlaug Group. They will collect data on each plot of the demonstration farms for each crop irrigation method. Data collection will include:

1. Quantities of water applied will be recorded and analyzed.
2. On a weekly basis, growth for each crop in each plot will be recorded. This will include plant height, number of leaves, and include photographs.
3. Crop yields will be estimated as the total crop production, rather than sampling methods.
4. Precipitation, temperature and meteorological data will be taken from field instruments or secondary sources as appropriate.

Under the coordination with the Borlaug Group additional farm level agricultural data will be collected. This data will include accurate recording of farming practices and expenditures, as well as detailed records of water use.

Follow up - In-Kind Irrigation Supply Program

As an outgrowth of this demonstration program, ePRT North Babil will consider financing the design and implementation of a competitive program to provide support to farmers most willing to invest their own resources in expanding drip irrigation in their production areas. A total of \$400,000 will be available to provide drip irrigation tubing, tanks and pressure regulators at up to a maximum of \$2,000 per donum (\$8,000 per hectare). Award of support will be done through a competitive mechanism based primarily on the level of investment a farmer is willing to invest in drip irrigation. At a minimum this follow on program would provide sufficient support to promote an additional 200 donum (50 hectares) in North Babil.

Project Justification: Team Borlaug conducted a month-long agricultural investigation in Babil Province in June of 2008. The team was able to travel to farms to observe and collect data on irrigation systems, crop production, livestock, food processing, transportation, input supply, labor markets and government services. It was found that the Euphrates River currently provides adequate surface water for agricultural production in many areas, but limited water transport infrastructure and decreasing water levels due to drought and upstream diversions are increasing concerns. The proposed project will explore the application of improved irrigation technologies combined with commonly used farming practices for North Babil. Data will be collected on water use for both the current furrow system and improved drip irrigation system, growth rates and yields. Ten demonstration activities will be conducted with local agricultural associations and an in-kind fund will be established to encourage investment in region wide in drip irrigation.

Applications and Synergies

1. A test plot of this nature has been a priority of the ePRT for some time, as a demonstration farm to complement the CEFM, and would serve the interests of multiple stakeholders.
2. Team Borlaug will assist in implementation of a project that resulted from previous assessments and recommendations, and could use the activity as an application blueprint for the implementation of subsequent projects.
3. No study of this nature has ever been conducted in the North Babil area for policy purposes. Quantitative data from the study will be used for determining optimal levels of future investment in irrigation infrastructure; decisions on irrigation systems based on maintenance requirements and water use efficiency, and institutional concerns for allocating water; and the enforcement of water monitoring and rationing of water consumption.
4. Demonstration on a large scale and in-kind support for expanded drip irrigation would be a critically important to creating the conditions required for wide spread adoption of this technology.

Collaboration & Coordination: This project will include collaboration between the Muysaib Technical College, the Central Euphrates Farmers Marke (CEFM), and seven local agricultural associations, North Babil ePRT Ag Team, and Team Borlaug. The Muysaib Technical College will assist in the procurement of irrigation supplies, land preparation, planting, fertilizer application, weeding, water application and harvest. Team Borlaug will provide management oversight of the project startup. The ePRT North Babil Ag Team will provide technical coordination during the life of the program.

Other Funding: Land for the project will be donated by the local agriculture associations. Initial project oversight and training will be provided by Team Borlaug at no cost to the project.

Financials: Complete budget attached. The Muysaib Technical College which will be the grantee charged with managing the Drip Irrigation Program for North Babil is currently implementing a number of training activities financed by the Community Stabilization Program . EPRT North Babil believes the financial management and administrative systems are in place for the school to successfully administer and report on the financing of the ten drip irrigation demonstration programs.

Budget Summary: Total cost of program is \$200,000. Ten demonstration plots will be established at a cost of approximately \$20,000 per demonstration (on 2 donum or 1/2 hectare of land) for a total of \$200,000 in drip irrigation demonstration costs to promote the technology across the entire North Babil area.

Submitted by: Michael Maxey **Submitter Email:** mmaxey@iraq.usaid.gov

PRT Comments: This program, designed to promote the use of drip irrigation in North Babil, was conceived and largely designed by the Borlaug Group. Technical staff of the Borlaug Group will train Iraqi personnel associated with the Muysaib Technical College in establishing and maintaining drip irrigation demonstration sites in association with local agricultural associations. The Borlaug Group effort will focus on the implementation of a QRF Micro Grant financed program that will provide training for Muysaib Technical College staff in how to establish, maintain, and report the findings from a demonstration drip irrigation program.

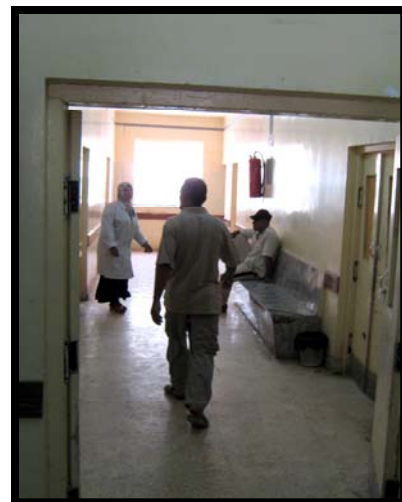
Success Story - Iskandariya Hospital Emergency Supplies

Grant 50 - 3698 – Iskandariya flashed across world headlines twice this year as the site of two of the largest suicide bombings in Iraq. Al Qaeda of Iraq strategically targeted Shi'i pilgrims as they passed through the area on religious pilgrimages. The two suicide bombings, one in February and the other in August, resulted in 58 dead and more than 100 wounded. The first responder to both these events was the Iskandariya Hospital Emergency Services Department. The hospital which consists of a 100 bed facility and three satellite clinics treating more than 8,000 outpatients per month as well as 1,900 patients in its emergency care facility is stretched to the limit.



An assessment in July 2008, by the 4th Brigade Combat Team 3rd Infantry Division indicated that more than \$600,000 would be needed to bring the Iskandariya Emergency Services Department up to an adequate level to respond to mass casualty events. EPRT North Babil and 4th Brigade Combat Team medical staff met with hospital leadership and made initial steps to coordinate with the Ministry of Health in Al Hillah to adequately cover the emergency needs and to pre-position supplies in case of mass casualty events.

While the Government of Iraq response is ramping up, a QRF grant was signed to provide critical medical supplies and equipment valued at \$200,000 to strengthen the Iskandariya Hospital emergency response capacity. Subsequent meetings with the Babil Province Director General (DG) of the Ministry of Health resulted in his commitment to increase support to the Iskandariya Hospital to provide critically needed supplies and equipment. The DG expressed his gratitude for the important bridging support provided by the QRF grant and pledged to increase the Government of Iraq support to the Iskandariya Hospital in 2009 to carry on and expand the efforts initiated under QRF Grant 50 – 3698.



Trip Report
Visit to the Central Euphrates Farmers Market (CEFM) Site
Michael Maxey, USAID Rep. ePRT North Babil
September 14, 2008



Visited the site of the CERP funded \$3.2 million CEFM to observe construction progress and discussion operation of the farmers market with local ag association leaders. The ag association leadership was not at the site but we had a chance to talk to the contractor who explained that all the labor being used was local and that all the material that could be sourced locally was being purchased in the area (sand, gravel, etc.). The bricks to be used in construction were purchased near Baghdad. A quick description by the contractor indicated that the market would have 40 stalls, 30 shops/offices, 120 car parking lot, support building (420M² area) and four guard towers. The entrances are located on the road side and there will be security gates to prevent car bombs.

This facility will provide a market for up to 10,000 farmers in the region. It's major advantage is its location on a sectarian fault line with relatively equal population mix on both sides – Sunni and Shia. This allows both groups to come to the market in a relatively safe environment. EPRT North Babil is working to develop an operations plan and business plan for the ag associations that will own and manage the market.



One of the problems facing the farmers' market at this point is the perception in the community that this is a facility for other purposes (government facility, detention center, etc.). This perception has to be changed. One thing we discussed during the trip was the need for a sign in front of the market explaining in Arabic what it is and how it will be operated.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
September 27, 2008

Summary of All Meetings in IZ – Attached is a summary of all the meeting I had in the International Zone during September 23 – 26, 2008. Ten meetings were held and a summary of each meeting with follow up actions is described in the attached Memorandum of Conversation. Three of those meetings are described below. Also started work with USG Ag Group – see attached draft of ag strategy outline – this was my contribution to the group’s initial efforts to put together a USG ag strategy for Iraq.

Water User Association Pilot Program – Met with Ag Counselor Jonathan Gressel, USDA Sr. Water Advisor Maged Hussein, and Mark Mitchell, USDA Ag Associations Advisor. Also in the meeting was PRT Wasit USAID Rep. Oghale Oddo (PRT Wasit will take over this area on October 15th).¹ EPRT North Babil Team Leader Howard Van Vranken approved the submission of the final proposal by IRAP DAI Civil Society and Conflict Mitigation Program to USAID. Total phase one funding is \$910,000. If successful, this program could be a nationwide model for addressing water management issues. The Ag Counselor stated that he was going to use this as a case study for promoting effective water management in Iraq.

Tatweer Meeting – Met with the USAID Iraq Capacity Building Office (CBO) leadership to discuss support for strategic planning and project management training at the provincial level in the GOI ministries. CBO Deputy Director Rodeina Fattah suggested we develop a pilot activity with the Ministry of Water Resources to train their staff involved with the Shuahymiyah Water Users Association. A follow up communication was sent out by CBO and ePRT North Babil will track this activity to develop a training model for water user association work.

United States Institute of Peace (USIP) – Joe McConnell and I met with Bob Boorda, Director of USIP, to discuss Jebella Women’s Center. We discussed how to proceed in funding this program and agreed that we could do a joint funding approach using IRAP DAI for the bulk of the financing through an NGO identified by USIP with a micro grant to another NGO that would work directly to coordinate activities among all players – USIP, NGO managing the Womens’ Center, and ePRT North Babil. Next step is to prepare a proposal for IRAP DAI. Attached is copy of draft proposal.

Activities for Next Week – Follow up on Inma related issues to get them involved in Central Euphrates Farmers Market (CEFM). Follow up actions on Shuahymiyah Water Users Association. Complete draft of Women’s Center – Jebella for DAI/USIP grant under IRAP. Work on transition of ePRT USAID activities in North Babil to PRT counterpart in Al Hillah.

¹ We discussed progress made by USDA in getting the Ministry of Water Resources buy-in to IRAP support for the Shuahymiyah Water Users Association. The Ag Counselor indicated that the Ministry would support the program and he said that USDA would forward a memorandum to ePRT North Babil confirming their support.

USG Joint Strategy – Iraq Agriculture Development

Strategic Statement – Assist Iraq to create the conditions required for significant broad-based economic growth in rural areas through actions aimed at promoting:

- Increased Capital Investment (increased access to credit at micro, SME and large business levels, increased public sector investment in public good areas – irrigation works, water distribution systems, land reclamation, etc.);
- Improved Infrastructure (improved agricultural production systems through construction and appropriate management of water and land resource systems – actions to address salinity and access to water);
- Improved Technology (greater access to technology through better trained workforce, improved genetic material, increased access to appropriate ag. production and processing equipment, expanded value chain investment, etc.);
- Enhanced Entrepreneurship (more effective rule of law for property rights and contract enforcement, reduced corruption – or predictable corruption, greater dissemination of market information, improved marketing channels, support for improved production presentation and marketing, increased business network linkages domestically and internationally, increased business skills through training).

There is widespread agreement among economists that agricultural development requires economic growth, a real increase in per capita income of the rural population, and the social and political institutions necessary to support an expansion of the agricultural economy. It also requires citizens who can work effectively in the agricultural enterprises. As the production of goods and services in the sector rise at a rate higher than increases in population there is economic growth.

In determining which economic development constraints to address, one of the theoretical standards for predicting economic growth is the Solow (Neoclassical) Growth Model. This model provides a framework for determining the economic impact of increased labor, capital and technology. It allows for different combinations of capital and labor and the introduction of a *neoclassical production function* in which technological change is seen as increasing productivity and increasing overall output. Solow assumes technology in two forms: mechanical (improved machinery, computers, etc.) and human capital (improved education, health, worker skills, etc.). Robert Solow developed a procedure, “growth accounting” or “sources of growth analysis”, to focus directly on the contribution of each term in the production function. An element generally referred to as total factor productivity (TFP) since it captures not only efficiency gains but also the net effect of things other than capital stock and labor supply which might influence growth

(increasing technology, worker skill levels, education, health, institutions, entrepreneurship, etc.).¹

In identifying constraints on economic growth in Iraq's agricultural sector, the USG has reviewed the modern history of the Iraq agricultural sector, assessed the gaps in labor, capital, and TFP aspects, and concluded that the following major areas require attention:

Primary Constraints

Policy	<u>Market Distortions by GOI Policy & Legal Framework</u> – Subsidized credit and agricultural inputs, and centralized control of government support to the ag sector. Capricious enforcement of agricultural rules and regulations. Ambiguous land tenure and rule of law environment. Unpredictable corruption levels. Uncertainty on contract enforcements.
Water	<u>Production Constraints from Improper Water Management</u> – Increased salinity, lack of equitable distribution of water resources, constraints on crop production areas. Lack of access to water.
Technology	<u>Low Productivity from Lack of Technology & High Quality Inputs</u> – Poor genetic material, lack of adequate quality and quantity of fertilizers, lack of appropriate equipment, lack of production knowledge, weak value chain with key components either ineffective or missing.
Credit	<u>Lack of Access to Investment Capital</u> – Banking sector for agricultural is non-existent outside GOI subsidized credit programs. Lack of private capital investment resources.
Markets	<u>Lack of Market Access</u> - Lack of effective programs to identify market opportunities for private investors. Lack of support to promote entrepreneurship in ag sector. Lack of market information and networking.

Actions Required to Address Constraints

In order address these constraints, the USG will support the Government of Iraq to develop and implement programs that create market incentives for expanded private sector investment and ownership of agricultural enterprises. Create a policy environment that provides clear “rules of engagement” and supports enhanced access to (1) sustainable, market driven credit programs, (2) agricultural technology (genetic material,

¹ When Solow modeled data for US GNP from 1909 to 1949 of increased output less than one half of the gain could be explained by increased inputs in labor and capital. With more than fifty percent of growth attributable to the residual, logic would dictate that there must be a significant gain in productivity coming from one or more efficiency enhancing factor(s) (technical change, increased knowledge, innovation, entrepreneurship, etc.).

fertilizer and equipment), and (3) properly managed water resources. Provide “public goods” support to agricultural education, major water distribution and drainage works, and key value chain components needed to create effective market channels for Iraqi production (transportation links, market access, and international promotion of an Iraqi “brand” for key agricultural products).

- Iraqi Private Sector - (List actions required to support private entrepreneurs in ag sector).
- Iraqi Public Sector – (List actions required to support public sector goods to promote development.)

Roles and Responsibilities

(Describe focus of different parts of USG (USAID, USDA, Brinkley Group, US Military, others??) in supporting Government of Iraq to promote private agricultural sector growth.)

USAID – (primarily a private sector focus although not completely – Inma, IRAP, CAP II, CSP, LGP II, Tatweer, Tijara – are all providing support at some level to ag sector development.)

USDA – (primarily a public sector focus)

US Military – (primarily a community focus – generally through grants of seed, fertilizer, production infrastructure, market infrastructure, micro-grants, etc.)

Brinkley Group – (primarily an international investor focus)

Others??

Goals

(At high level, describe “end state” for the activities being carried out, or being planned, by each USG entity. List outputs, timeline, etc. and describe current status. Identify goals for which there is no champion – a gap – explain who will address it and how.)

Annexes

Resources – What was previously committed and or is now committed to promoting agricultural development in Iraq. What resources are needed. These additional resources don’t have to be, really shouldn’t be, US resources.

Memorandum of Information
 Various Meetings in the International Zone
 Michael Maxey - USAID Rep. – ePRT North Babil
 September 23 – 26, 2008

Meetings were held with various offices and staff that have an impact on USAID activities or Non-governmental Organization (NGO) activities in ePRT North Babil’s Area of Operation. The schedule of meetings and participants is presented below.

9/23/2008	9/24/2008	9/25/2008	9/26/2008
1700 – USAID Mission Mgt. – Ag Sector Issues	0900 – USDA Shuahmiyah Water User Group 1000 – Tatweer Pilot Activity with Ministry of Water Resources 1400 – Community Stabilization Program North Babil 1900 – Military Liaison – Impact of Development on Violence	0900 – Office of Procurement North Babil USAID Projects 1530 – United States Institute of Peace Proposal for Women’s Center in Jebella, Babil	0900 – Inma Central Euphrates Farmers’ Market 1100 – Tijara Microcredit – SMEs 1700 – Ag Working Group – USG Ag Strategy

USAID Ag. Sector – Met with USAID Director (Chris Crowley) and Deputy Director (Tom Delaney) to discuss ag sector development, USAID activities, and how to best support agricultural development in Iraq. I will participate in USG ag working group. See Attachment One – draft framework for ag strategy.

USDA Shuahmiyah Water User Group – Met with US Ag Counselor, Jonathan Gressel, Senior Water Advisor Maged Hussein, and Farmer Associations Advisor Mark Mitchell to discuss next steps on support to nascent Shuahmiyah Water User Association. They indicated that the Ministry of Water Resources wants to proceed with development of a Participatory Irrigation Management (PIM) program in Shuahmiyah. Mark Mitchell cited the importance of assessing farmers’ association operations including a review of their processes for making decisions, managing activities, and generating local buy-in. Attachment Two is US Agricultural Affairs Office memorandum indicating that the Ministry of Water Resources does not object to the development of a USAID funded IRAP (Iraqi Rapid Assistance Program) to support the PIM program. The Ministry has contacted the Director General of Water Resources in Wasit and requested a report on the status of the pump station in Shuahmiyah. Attachment Three is confirmation email from ePRT North Babil Team Leader concurring with the submission of the Shuahmiyah proposal by DAI to USAID.

Tatweer Pilot Activity with Ministry of Water Resources, Wasit Province – Met with Director and Deputy Director (Steven Hendrix & Rodeina Fattah) of USAID Iraq Capacity Building Office along with their staff and the Deputy Chief of Party for Tatweer, Marc Shiman. I explained the Shuahymiyah Water User Group proposal and asked if it would be possible to have Tatweer provide assistance to the Ministry of Water Resources at the provincial level in Wasit Province in order to build their capacity to support the implementation of the Shuahymiyah program and learn how to replicate that experience with other privately held pump stations in Wasit Province. Steven and Rodeina indicated that they would explore ways to strengthen the capacity of the Ministry of Water Resources at the provincial level to support water user group establishment and development. Attachment Four provides an overview of the meeting and follow up actions.

Community Stabilization Program (CSP) North Babil – Met with Will Wilhelm, CSP CTO (Cognizant Technical Officer) to confirm information we received on budget cuts to CSP and to provide some input from the field on prioritization of CSP resources. CSP budget has been cut significantly (not sure how much yet because there may be some “bridge funding” but nothing certain yet). Office of Focused Stabilization is going through a prioritization process to determine where to cut geographically targeted resources in 2009. This is a critical process since the budget cuts could be as high as 60 percent of previous funding level for 2009. I indicated to Will that I’ve put together a very basic framework of CSP and other development funded activities have been implemented in North Babil and compared that with the decrease in violence. The point being that the gains that have been made in our area of operation are fragile and are overlain on what was one of the most violent parts of Iraq. A key point in considering where to target CSP investments in 2009 would be a retrospective look at each region’s history over the last 18 months and assess the fragility of current conditions. Will indicated this is the process that is underway – I agreed to pass him some of my preliminary analysis on North Babil.

Military Liaison – Impact of Development on Violence – Met with Major Bill Carr, USAID Military Liaison, to discuss ideas on how to assess impact of development program on violence. Rob McKenney, Office of Focused Stabilization, joined us and provided an update on recent studies in this area. Attachment Five is a summary of a paper on the impact of development assistance (as measured by CERP funding) on counterinsurgency success. The idea would be use data on North Babil as a case study for the model presented in the study.

Inma Meeting – Met with Inma staff¹ on September 26, 2008. Attachment Six contains the Talking Points for the meeting. We had a good discussion on Central Euphrates Farmers Market (CEFM), Shuahymiyah Water User Association, feed mill for Babil Province, coordination on training issues, and follow up on Borlaug Group

¹ Herschel Weeks, Chief of Party; Tony Laos, Livestock & Feed Team Leader; Peter Drickell, Sr. Ag Marketing Specialist; John Jeans, Cross Cutting Team Leader; Jorge Alvarado, Perennial Horticulture Team Leader; Franco Scotti, Competitiveness Manager; Eric Richardson, M&E Advisor; Alfred Williams, Sr. Ag Advisor; Ana Pejchinova, Reporting Specialist; Tanya Habjouqa, Communications Specialist.

recommendations. We agreed that ePRT North Babil would request a technical team visit to assess the potential for Inma's cooperation with the CEFM. We also agreed to look at possible Participatory Irrigation Management systems modeled on the effort currently underway in Shuahymiyah, Wasit.

Tijara Meeting – Met with Micro Credit and Small Business Development staff. Based on CPT Joe McConnell analysis we had two primary questions: (1) The viability model showed two methods of covering cost of operating expense (i) an allocation from the grant, and (ii) a monthly deduction from re-flows of loan payments; and (2) Demand assessment of micro credit is unclear – how is it done, what is the methodology? Tijara indicated that we need to talk directly with Izdiharona (the Relief International local affiliate in Iskandariya). We also discussed the repayment rate for micro credit programs and Tijara's role in overseeing those programs. Jwana Rodriquez explained that the program is apparently providing a "credit card" function in that micro credit is being extended to clients who either have a salaried job or have someone co-sign who has a job. The client repays the loan in a short period of time in order to renew his or her credit. I asked if there was any way of tracking how many indirect service sector jobs this type of program is creating. Lending in this way has a similar economic impact of remittances in that it goes primarily for consumption. Studies in Mexico indicate that every \$1 spent in the service sector on consumption generated 1.75 additional dollars in the local economy. In terms of SME (small and medium enterprise) lending, we agreed to help Tijara do a market study of local demand using Brigade human intelligence assets. The last part of the meeting we discussed the Iraqi Company for Bank Guarantee (ICBG) program. Fifty loans have been guaranteed under the program for a total loan value of \$1,336,992 – it appears that of this amount, loan guarantees have been issued in the amount of \$1,002,744.

Attachment One

USG Joint Strategy – Iraq Agriculture Development

Strategic Statement – Assist Iraq to create the conditions required for significant broad-based economic growth in rural areas through actions aimed at promoting:

- Increased Capital Investment (increased access to credit at micro, SME and large business levels, increased public sector investment in public good areas – irrigation works, water distribution systems, land reclamation, etc.);
- Improved Infrastructure (improved agricultural production systems through construction and appropriate management of water and land resource systems – actions to address salinity and access to water);
- Improved Technology (greater access to technology through better trained workforce, improved genetic material, increased access to appropriate ag. production and processing equipment, expanded value chain investment, etc.);
- Enhanced Entrepreneurship (more effective rule of law for property rights and contract enforcement, reduced corruption – or predictable corruption, greater dissemination of market information, improved marketing channels, support for improved production presentation and marketing, increased business network linkages domestically and internationally, increased business skills through training).

There is widespread agreement among economists that agricultural development requires economic growth, a real increase in per capita income of the rural population, and the social and political institutions necessary to support an expansion of the agricultural economy. It also requires citizens who can work effectively in the agricultural enterprises. As the production of goods and services in the sector rise at a rate higher than increases in population there is economic growth.

In determining which economic development constraints to address, one of the theoretical standards for predicting economic growth is the Solow (Neoclassical) Growth Model. This model provides a framework for determining the economic impact of increased labor, capital and technology. It allows for different combinations of capital and labor and the introduction of a *neoclassical production function* in which technological change is seen as increasing productivity and increasing overall output. Solow assumes technology in two forms: mechanical (improved machinery, computers, etc.) and human capital (improved education, health, worker skills, etc.). Robert Solow developed a procedure, “growth accounting” or “sources of growth analysis”, to focus directly on the contribution of each term in the production function. An element generally referred to as total factor productivity (TFP) since it captures not only efficiency gains but also the net effect of things other than capital stock and labor supply which might influence growth

(increasing technology, worker skill levels, education, health, institutions, entrepreneurship, etc.).²

In identifying constraints on economic growth in Iraq’s agricultural sector, the USG has reviewed the modern history of the Iraq agricultural sector, assessed the gaps in labor, capital, and TFP aspects, and concluded that the following major areas require attention:

Primary Constraints

Policy	<u>Market Distortions by GOI Policy & Legal Framework</u> – Subsidized credit and agricultural inputs, and centralized control of government support to the ag sector. Capricious enforcement of agricultural rules and regulations. Ambiguous land tenure and rule of law environment. Unpredictable corruption levels. Uncertainty on contract enforcements.
Water	<u>Production Constraints from Improper Water Management</u> – Increased salinity, lack of equitable distribution of water resources, constraints on crop production areas. Lack of access to water.
Technology	<u>Low Productivity from Lack of Technology & High Quality Inputs</u> – Poor genetic material, lack of adequate quality and quantity of fertilizers, lack of appropriate equipment, lack of production knowledge, weak value chain with key components either ineffective or missing.
Credit	<u>Lack of Access to Investment Capital</u> – Banking sector for agricultural is non-existent outside GOI subsidized credit programs. Lack of private capital investment resources.
Markets	<u>Lack of Market Access</u> - Lack of effective programs to identify market opportunities for private investors. Lack of support to promote entrepreneurship in ag sector. Lack of market information and networking.

Actions Required to Address Constraints

In order address these constraints, the USG will support the Government of Iraq to develop and implement programs that create market incentives for expanded private sector investment and ownership of agricultural enterprises. Create a policy environment that provides clear “rules of engagement” and supports enhanced access to (1) sustainable, market driven credit programs, (2) agricultural technology (genetic material,

² When Solow modeled data for US GNP from 1909 to 1949 of increased output less than one half of the gain could be explained by increased inputs in labor and capital. With more than fifty percent of growth attributable to the residual, logic would dictate that there must be a significant gain in productivity coming from one or more efficiency enhancing factor(s) (technical change, increased knowledge, innovation, entrepreneurship, etc.).

fertilizer and equipment), and (3) properly managed water resources. Provide “public goods” support to agricultural education, major water distribution and drainage works, and key value chain components needed to create effective market channels for Iraqi production (transportation links, market access, and international promotion of an Iraqi “brand” for key agricultural products).

- Iraqi Private Sector - (List actions required to support private entrepreneurs in ag sector).
- Iraqi Public Sector – (List actions required to support public sector goods to promote development.)

Roles and Responsibilities

(Describe focus of different parts of USG (USAID, USDA, Brinkley Group, US Military, others??) in supporting Government of Iraq to promote private agricultural sector growth.)

USAID – (primarily a private sector focus although not completely – Inma, IRAP, CAP II, CSP, LGP II, Tatweer, Tijara – are all providing support at some level to ag sector development.)

USDA – (primarily a public sector focus)

US Military – (primarily a community focus – generally through grants of seed, fertilizer, production infrastructure, market infrastructure, micro-grants, etc.)

Brinkley Group – (primarily an international investor focus)

Others??

Goals

(At high level, describe “end state” for the activities being carried out, or being planned, by each USG entity. List outputs, timeline, etc. and describe current status. Identify goals for which there is no champion – a gap – explain who will address it and how.)

Annexes

Resources – What was previously committed and or is now committed to promoting agricultural development in Iraq. What resources are needed. These additional resources don’t have to be, really shouldn’t be, US resources.

Attachment Two – USDA Support of IRAP Shuahmiyah Water User Group Program



*Agricultural Affairs Office
Embassy of the United States of America*

September 24, 2008

To: Office of Economic Growth and Agriculture, USAID/Baghdad

From: Jonathan Gressel, Agricultural Counselor

Subject: Support for DAI IRAP / As Shuahmiyah Agriculture Association Project

The Embassy Agricultural Affairs Office strongly supports the development of participatory irrigation management in Iraq which is to be addressed by the As Shuahmiyah Agriculture Association Water Resource Assistance project. We believe the development of effective water user associations is vital to meet current and future requirements for the maintenance and operation of pump stations, as well as the irrigation and drainage needs of agriculture of Iraq. Water user associations have proved an effective vehicle for participatory management and operation of irrigation infrastructure in a number of countries in the Middle East and Southeast Asia.

Dr. Maged Hussein, current USDA Water and Soil Adviser and future ITAO Senior Water Consultant, and I visited As Shuahmiyah together with USAID's Michael Maxey and DAI-IRAP's Jon Weibe. We were all impressed by the cooperative relationship between the Nahia Council, Agricultural Association and Ministry of Water Resources Director. The Agricultural Association has successfully operated and maintained this pumping station for a number of years, but the 30+ year old pumps need replacement and sharply increased energy costs have jeopardized the Association's ability to pay for operation and maintenance of the pump station.

Dr. Maged Hussein has discussed the As Shuahmiyah Association with the Minister of Water Resources who has indicated that he has no objection to the USG working with the Association and has requested a report from the Provincial DG of Water Resources on the status of the pump station. USDA's PRT Agricultural Adviser will work with local agricultural officials to improve their capacity to assist farmers in the Nahia, which we understand is currently lacking. To avoid future water management conflicts, we have one suggestion for incorporation into this project. Because of the need to replicate this project, human architecture mapping should be conducted to understand the dynamics of this group of farmers and government officials, how they communicate, and analyze how they make decisions so that an organization and communication chart is developed. This should all be done prior to any capacity building events taking place.

We look forward to this coordinated effort to improve the agriculture opportunities of 40,000 beneficiaries in As Shuahmiyah.

Attachment Three – Approval Email for Submission of Shuahymiyah Water User Association

From: Howard A. Van Vranken [mailto:howardvv_99@yahoo.com]
Sent: Wednesday, September 24, 2008 2:55 PM
To: Maxey, Michael (IRAQ/ePRT); Jon_Wiebe@dai.com
Cc: kimberly.peeples@4bct3id.army.mil
Subject: RE: Shuahymiyah Water User Association Pilot

Jon--As Michael mentions below, please proceed with the Shuahymiyah Water User Association Pilot program and let me and Michael know if you have issues or see any problems. Many thanks!

Howard A. Van Vranken

--- On Wed, 9/24/08, Maxey, Michael (IRAQ/ePRT) <mmaxey@usaid.gov> wrote:
From: Maxey, Michael (IRAQ/ePRT) <mmaxey@usaid.gov>
Subject: RE: Shuahymiyah Water User Association Pilot
To: howardvv_99@yahoo.com
Cc: kimberly.peeples@4bct3id.army.mil, Jon_Wiebe@dai.com
Date: Wednesday, September 24, 2008, 12:54 PM
Howard,

As indicated in email below, I met with Ag Counselor Jonathan Gressel today and things appear ready for the Shuahymiyah Water User Association proposal to go forward. USDA is coming back to me by COB tomorrow with a letter stating how their negotiations have gone with the Ministry of Water Resources and that the Ministry is basically on board with the concept of supporting the water user association program. Tatweer may be able to help us as well.

Howard, with the USDA confirmation that things are progressing with the Ministry of Water Resources, I would recommend that you concur via email with Jon Wiebe authorizing him to submit the proposal to USAID. I'll send you a follow up email when I get the USDA communication. Let me know if you have any issues, questions. Joe and I are going to meet with Jon Wiebe on Friday. Jon Wiebe goes on leave next week. Call if you want to discuss this -- my Iraqna # is 0790-191-9907

MMaxey

From: Maxey, Michael (IRAQ/ePRT)
Sent: Wednesday, September 24, 2008 12:38 PM
To: Hendrix, Steven (IRAQ/CBO); AbdelFattah, Rodeina (IRAQ/CBO); Batson, Howard (IRAQ/PRO); 'mshiman@msi-iraq.com'; 'mail@marcshiman.com'; Kasim, Abdul Kareem (IRAQ/CBO); Dumford, Dick (IRAQ/CBO); Al-Taaee, Qusey (IRAQ/CBO)
Cc: Larson, Kent (IRAQ/PRT); Brady, John Patrick (IRAQ/PRT); 'Jon_Wiebe@dai.com'; 'howardvv_99@yahoo.com'
Subject: Shuahymiyah Water User Association Pilot

Thanks for meeting with me this morning to discuss possible Tatweer involvement in a pilot activity via the Ministry of Water Resources and the establishment of a water user association in Wasit Province. As we discussed, there might be a way for Tatweer to provide training and technical assistance (project management & budget planning/execution) to the DG of Water Resources in Wasit Province in support of their efforts to successfully establish a community-based water user association.

We agreed to continue discussing this subject and I indicated I would forward you background material. Attached is my September 13, 2008, Weekly Report which contains three documents related to the Shuahymiyah Water Association activity -- (1) 8/24 trip report with US Embassy Ag

Counselor to Shuahmiyah to see the pump stations and meet with the parties involved in establishing a rudimentary water user association (a grass roots effort at the community level came together to collect user fees and keep the the pump stations going in the Shuahymiyah, Wasit area; (2) 9/3 Memorandum of Conversation of a meeting with Ag Counselor and his staff with Jon Wiebe of IRAP/DAI at the USAID Compound to decide on how to structure a proposal; and (3) 9/13 memo on next steps. Also attached is the latest version of the IRAP (Iraq Rapid Assistance Program) proposal prepared by DAI (Jon Wiebe) for presentation to the PRT Office in USAID this week. The proposal calls for a two phase approach valued at \$2.3 million: Phase 1 - \$910,000 to assist the local farmers' association with administrative and financial systems, register it as an NGO, conduct analysis and develop a financial plan for the water user association (key aspect of this will be to determine the needed fee structure to maintain the system -- if there is a shortfall in what can be raised in fees locally, the Ministry of Water Resources will have to commit to financially supporting at least part of this program), and provide 4 months of operation and maintenance support for the pump station; and Phase 2 - \$1,400,000 to provide capital improvements to the pump stations.

I met this morning with the Ag Counselor, Jonathan Gressel, again and two of his staff (Maged Hussein - Sr USDA Water Advisor; and Mark Mitchell - Cooperative/Farmer Association Advisor). They are closely coordinating the development of this pilot activity with the Ministry of Water Resources. They agreed to forward a letter of the progress made in getting the Ministry to acknowledge support (or at this point, at least, no objection) for the pilot effort to strengthen the water user association in Shuahymiyah. When I receive it, I will forward information regarding the commitment of the Ministry of Water Resources. The next step in is the submission of the IRAP DAI Civil Society Conflict Mitigation proposal for a two phase \$2.3 million program to USAID for approval. Upon receipt of the USDA communication (they indicated they would send a letter summarizing their understanding of the Ministry of Water Resources support -- which they characterized as "good"), I'll recommend that ePRT North Babil Team Leader Howard Van Vranken approve that IRAP submit the attached proposal to USAID. I am meeting with Patrick Brady this afternoon and I'll go over the mechanics of the approval process with USAID.

I believe we will have a proposal (at least the first phase) in place soon. Perhaps we could put together an informal outline of how we might possibly work together in getting the Ministry of Water Resources fully engaged and owning the strategic planning/project management process for long term support to the Shuahymiyah Water User Association. As I mentioned, this effort could be, and really should be, seen as a pilot or model for a much larger effort of promoting locally owned water distribution systems in Iraq. There is also a very strong civil society component in this effort in that we are promoting grass roots democracy as the communities come together to jointly manage their critical resources. If you get a chance, the last attachment in my 9/13 weekly report is a summary of the book I mentioned in our meeting, "Inventing Iraq", written by Toby Dodge regarding the British Mandate period 1920 - 1932. One lesson that is key in Dodge's analysis of the history of Great Britain's attempt at nation building in Iraq is the necessity to empower local communities to address their own problems and concerns. Locally managed water user associations coordinating with and supported by the national and provincial governments offers a unique opportunity in this area. Thanks for taking the time to meet. I will be in touch.

Michael Maxey

Attachment Four – Summary of Tatweer Meeting, 09/24/2008

Thanks for meeting with me this morning to discuss possible Tatweer involvement in a pilot activity via the Ministry of Water Resources and the establishment of a water user association in Wasit Province. As we discussed, there might be a way for Tatweer to provide training and technical assistance (project management & budget planning/execution) to the DG of Water Resources in Wasit Province in support of their efforts to successfully establish a community-based water user association.

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Michael Maxey

Attachment Five

Summary

“Can Hearts and Minds Be Bought?
The Economics of Counterinsurgency in Iraq”
Draft Paper – July 22, 2008

Eli Berman, UCSD; Jacob Shapiro, Princeton University; & Joseph Felter, USMA

This study combines a geo-spatial indicator of violence against coalition and Iraqi forces (SigActs), reconstruction spending, and community characteristics, including measures of social cohesion, sectarian status, socio-economic grievances and natural resource endowments to assess the impact of counterinsurgency as funding for development activities increases. Results indicate that improved government services (resulting from increased community investment) reduces insurgency.

Study assesses relationship between CERP spending and violence over time and space. Researchers created a model of insurgency comprised of three components (1) rebels seeking political change through violence, (2) government seeking to minimize violence through government services and hard counterinsurgency, and (3) civilians deciding with whom to share information.

The five sections of the report are:

Section 1 – Reviews existing arguments regarding links between governance, service provision and insurgency;

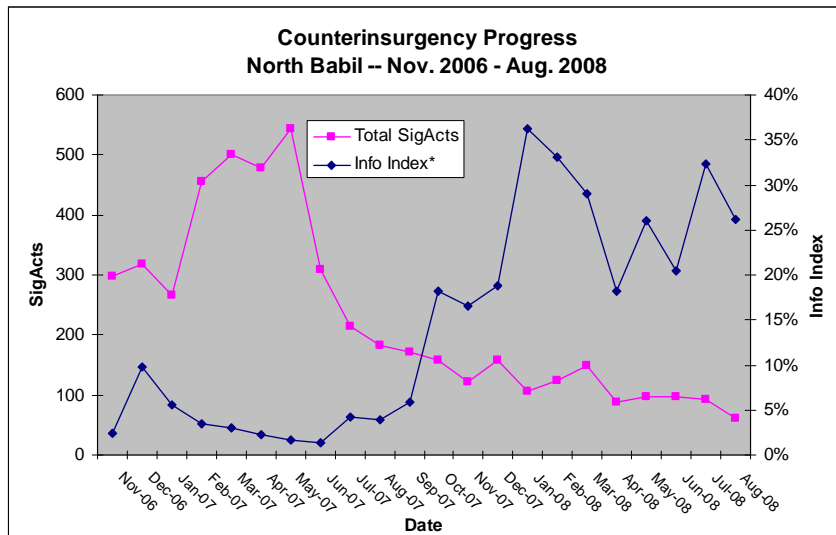
Section 2 – Develops a model of insurgency that focuses tightly on how the willingness of the population to share info determines success of counterinsurgency;

Section 3 – Introduces new data on the provision of government services in Iraq;

Section 4 – Presents evidence of how provision of services reduces violence;

Section 5 – Provides an overview of the impact on counterinsurgency of investment in development assistance and highlights policy implications for future counterinsurgency campaigns.

Below is preliminary data from North Babil tracking violence and information sharing by local communities:



Attachment Six

Talking Points for Meeting with Inma Michael Maxey, USAID Rep. ePRT North Babil September 26, 2008

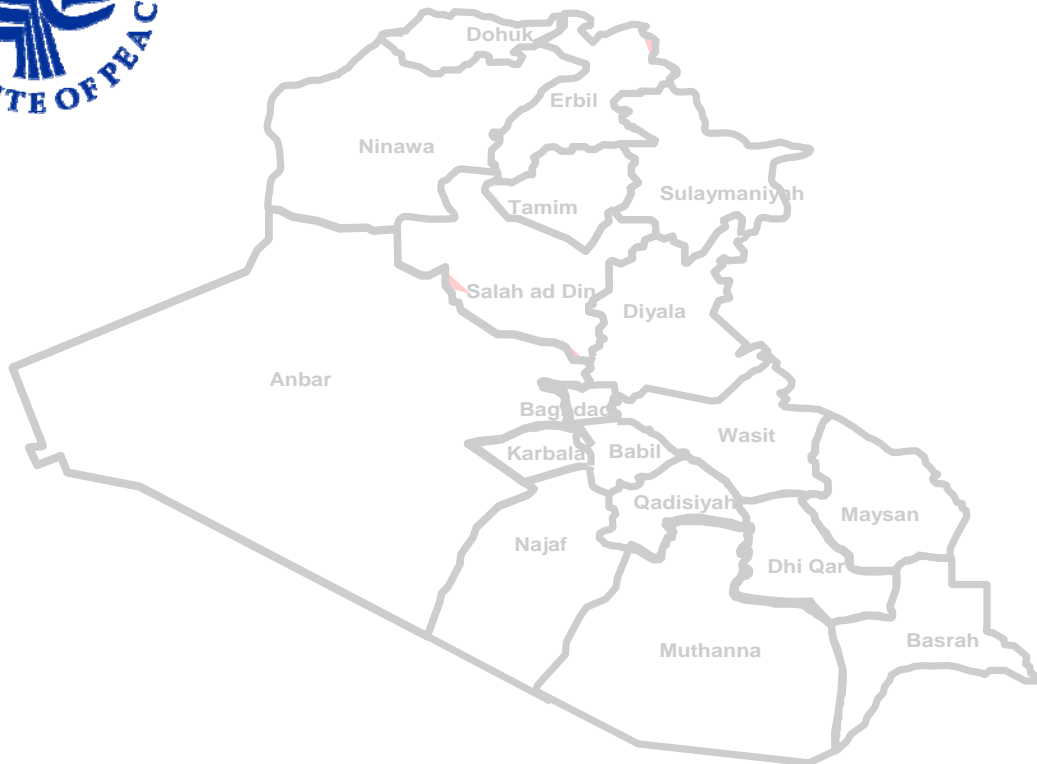
(1) Central Euphrates Farmers Market (CEFM) - Construction has started on the \$3.2 million (CERP funded) farmers market with about 20% - 30% construction completed. Attached is my latest trip report. This facility will serve 10,000 farmers in 7 ag associations in North Babil. There great potential to create increased market access for our farmers but there are some constraints that need to be addressed. Primarily, I believe we need help in developing a business plan and operations plan for the market that includes cash flow analysis, profit and loss, assessment of incomes streams for the market, evaluation of potential market channels that can be promoted through the market, etc. There may appear a "build it and they will come" approach and we want it tempered with some solid business planning. I sent an email a few weeks asking for a visit by Inma staff to look at some of the CEFM issues. I hope we can discuss a site visit and work on a "way ahead" for Inma's coordination with the 7 ag associations forming the CEFM. In the meantime, our Business Advisor Stephen Wilson is working with Land O Lakes to execute a CERP funded technical assistance contract to get a business planning/start up consultant out to help us get a handle on how to properly handle the start up activities. We want to make sure the Land O Lakes effort is fully coordinated with your strategy for working with CEFM. We also want to make sure we can get you engaged with CEFM as soon as possible. Attached is the original description of the CEFM.

(2) Shuahmiyah Water User Association - Wasit Province - In August we visited an innovative and largely grass roots water user association in Wasit Province. See the Shumayniyah Trip Report. We took IRAP DAI Program Manager Jon Wiebe and US Ag Counselor Jonathan Gressel to see the water association group (comprised of the local Nahia Council, Shuahmiyah Ag Association, and Field Engineer for Ministry of Water Resources). This is a potential 60,000 donum ag production area (primarily basic grains) that is currently only providing irrigation support to 40,000 donum. By establishing a locally owned Participatory Irrigation Management (PIM) program, we have the potential to increase production by 20,000 donum and provide a more reliable flow of water to domestic use in the area. This is a critical activity in that the group represents 2 of the 10 pump stations that the Saddam govt turned back to private, local management as an experiment in the 90s. This group has shown unusual initiative through forming their own grass roots organization and collecting user fees for upkeep and management of the water distribution system. IRAP DAI is proposing a Civil Society Conflict Mitigation Program proposal for a \$2.3 million effort which under Phase 1 (\$910,000) would formally establish the water user association, strengthen it to become a fully functional Participatory Irrigation Management program, provide 4 months of operation and maintenance support, and map out a plan for a sustainable water user association with a realistic cash flow analysis; and under Phase 2 (\$1,400,000) would provide for capital improvements to the pump stations and water distribution system. It would be

great to have you consider how you could work with the farmers association to increase agricultural production as water management is improved. This is also a model that could potentially have a major impact on water management in Iraq -- locally owned and maintained systems would I believe be more efficient and less costly to the GOI, it would strengthen local civil society as communities come together to equitably manage a vital resource, and it would help increase ag productivity through more effective water management. I don't have any specific plans and the IRAP proposal is not yet approved but I'd like to gauge your interest in working with PIMs and how this would fit in your overall development strategy.

(3) Feed Mill - Babil Province - This issue was discussed briefly at the USAID PRT Conference in early September. I just want to get a sense of where you are heading. I understand your economic analysis of working with a feed mill in Babil indicated there would be market issues (negative impact on local, smaller feed mills). Could I get a copy of your analysis or can you brief me on how you reached this decision. I am getting requests for information from both PRT Babil and 4th Brigade Combat Team. If you have already been in direct conversations with Tim Born, USAID PRT Rep. in Babil, please excuse the redundancy. I've been talking with Tim about the issue but my sense was he didn't have a clear understanding of what will or won't be done in Babil.

(4) Investments in North Babil - I want to get a sense of your investments in North Babil. In reporting through our military chain of command I continue to list the \$1.5 million provided for our fish farm program earlier this year (3 million carp fingerlings) but I know Inma did a number of demonstration fish farms in North Babil and I'd like to know the number and value of those investments (any data on job creation and income generation would be great as well). Finally, I understand from Tijara and Dr. Asmaa (the wife of your Babil Rep. Mr. Kaiser) that you are contracting her organization to conduct farmer training -- I'd like to know the magnitude of that training -- how many farmers? what skills? can ePRT North Babil provide input on the types of training needed by the farmers (and farmer associations) that we are working with -- like the CEFM, for example? Finally, I'll share the Borlaug Groups list of activities they are recommending as critical interventions in North Babil. We are attempting to address the constraints they identified with a variety of mechanisms but it would be great to get your input. Do you get a copy of the final Borlaug Report for North Babil? If not, I'll bring one with me tomorrow to share with you.



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ORGANIZATION HUMAN RIGHTS CHARITY
AN IRAQI NGO – 1H70932

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**WITH ASSISTANCE AND OVERSIGHT BY RELIEF INTERNATIONAL AND
THE UNITED STATES INSTITUTE OF PEACE (USIP)**

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CENTERS OF EXCELLENCE – IRAQ
(A USIP SPONSORED PROGRAM)

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REQUEST FOR GRANT
SEPTEMBER 25, 2008

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EXECUTIVE SUMMARY

Recognizing that women in Iraq have a unique and powerful role to play in building peace both within their homes and within their communities, a legitimate need exists for the creation and operation of women’s centers throughout Iraq. This grant will provide for the establishment of a woman’s center in Jebella, Babil Province. This center will provide the local women (and their children) with the necessary educational (reading and writing), vocational training as well as counseling and assistance to develop their inner capacities and skills to seek out and maintain meaningful employment, build peace, mentor youth in their homes and communities and to promote alliance-building, mutual support, and collaborative problem-solving among women in their respective communities. Their child-rearing responsibilities make them highly influential in terms of how children and youth learn to resolve conflict and make choices affecting their future. Furthermore, many women in Iraq serve in the role of teachers and counselors as well as in other helping professions. These are all roles through which they can have a strong impact on their local community dynamics, how they address conflict in their community as well as heal from the effects of conflict and violence that they have personally experienced. Without the proper education and vocational skills training, these women will be unable to have a meaningful effect within their communities. The center in Jebella, Babil Province will empower them not only to better themselves through education and vocational skills training, find meaningful and sustainable employment but also to seek out other similarly situated women in their communities and other communities while encouraging their children to do the same.

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GRANT AMOUNT REQUESTED

Organization Human Rights Charity (an Iraqi NGO), a participating member of USIP’s Centers for Excellence Program, requests a grant in the amount of \$500,000.00 to complete an 18-month program to fund and operate a woman’s center to be located in Jebella, Babil Province. It is envisioned that this center will operate in coordination with similarly funded centers throughout Iraq.

In the event sufficient funding is not available to sustain the center for the full 18 months, it is requested that the funding authority review the planned “burn rate” and readjust the grant amount as appropriate. Additional funding to extend the life of the grant can be accommodated at any point during the life of the grant as a controlled and predictable “burn” rate has been established.

1
2 **SUSTAINABILITY OF THE PROGRAM FOLLOWING THE**
3 **GRANT PERIOD**
4

5 USIP's Women's Centers of Excellence Program has the support of the Minister of Women,
6 Minister of Human Rights as well as the Council of Representatives Technology and Education
7 Committee.
8

9 Throughout the course of the Grant, Organization Human Rights Charity (an Iraqi NGO), Relief
10 International and USIP will actively pursue additional funding at the local and national level to
11 maximize the possibility of sustainability of the center after the grant period. Recognizing that
12 this is a fairly long and complicated process, initial funding for at least 18 months is requested.
13

14 The amount of funding in this grant request includes monies for additional non-employee
15 trainers to come to the center as required. This is a necessary line item to ensure involvement by
16 the various Ministries and CoR committees that desire to engage the center with a program that
17 they have developed or supported as well as other vetted Iraqi trainers and NGOs who might
18 otherwise not visit or support the center's efforts. Use of funding for these interactions and
19 exchanges of information is essential for buy-in of all Iraqi during the grant period. Additionally,
20 some of these moneys will be used to ensure the woman's center coordinates with other
21 women's centers in Iraq thus facilitating the sharing of information, resources and lessons-
22 learned between them
23

24 Once the center is up and operational, the NGO, Relief International and USIP will ensure that
25 any success stories realized by the center will be brought to the attention of all stakeholders and
26 decision-makers that would have an impact on future funding. An example of one of USIP's
27 success stories, a facilitation in Mosul, is attached to this request as well as an article detailing
28 USIP's abilities to work with Coalition forces, PRTs, Iraqi national and local governments,
29 sheiks and tribal leaders alongside USIP's Iraqi facilitators within a hotly contested area on a
30 complex issue with great success.
31
32

1 **Funding Drawdown for the operation of the Woman’s Center in Jebella, Babil**
 2 **Province**

3
 4 Assuming a grant in the amount of \$500,000.00 for the establishment of a woman’s center,
 5 anticipated staffing and overhead costs, metrics and evaluation as well as outside accounting and
 6 consulting necessary and associated with running the center as well as adding a provisional
 7 capability to bring in limited outside training, it is estimated that the following draw-down or
 8 “burn” will occur during the course of the grant period:

9
 10 Anticipated Drawdown:

11	Grant Amount	500,000.00	500,000.00
	1 Time Expense	54,670.00	445,330.00
	1st Qtr FY09	55,418.00	389,912.00
	2nd Qtr FY09	55,418.00	334,494.00
	3rd Qtr FY09	55,418.00	279,076.00
	4th Qtr FY09	55,418.00	223,658.00
	1st Qtr FY10	55,418.00	168,240.00
	2nd Qtr FY 10	55,418.00	112,822.00
	Discretionary Projects	112,822.00	0.00
	over a 18 month period	6,268.00	per month

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 15 • A detailed excel spreadsheet has been attached to this grant request that itemizes
 16 estimated costs and anticipated burn rate.
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1 **PURPOSE OF THE GRANT**
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3 The purpose of this Grant is for NGO (an Iraqi NGO) to establish and maintain a woman’s center
4 in Jebella, Babil Province for a period of 18 months. This woman’s center directly assists and
5 influences local residents, primarily women and their children. In coordination with Relief
6 International and USIP and under the supervision of USIP, the NGO will establish and operate a
7 center while a variety of others provide support and targeted services. The NGO will establish
8 and provide for the daily operation of the Jebella, Babil Province woman’s center as well as
9 ensuring that all who engage provide quality programs. These programs shall include
10 educational and vocational training, healthcare and legal counseling as well as provide education
11 and assistance on a variety of issues relating to personal and social rights, human rights in
12 general. The center will not operate without community building programs such as how and
13 where to obtain access to medical care and legal assistance, vocational counseling and training,
14 coping with domestic violence, democracy building initiatives such as women’s rights, basic
15 human rights, civic rights, voter education and conflict facilitation/mediation skills. Through
16 these efforts, it is intended that the women who receive such assistance will realize a higher
17 quality of life (for them as well as their children) and an improved capacity to compete
18 economically perhaps becoming self-sufficient in instances where they were once dependent on
19 others.
20

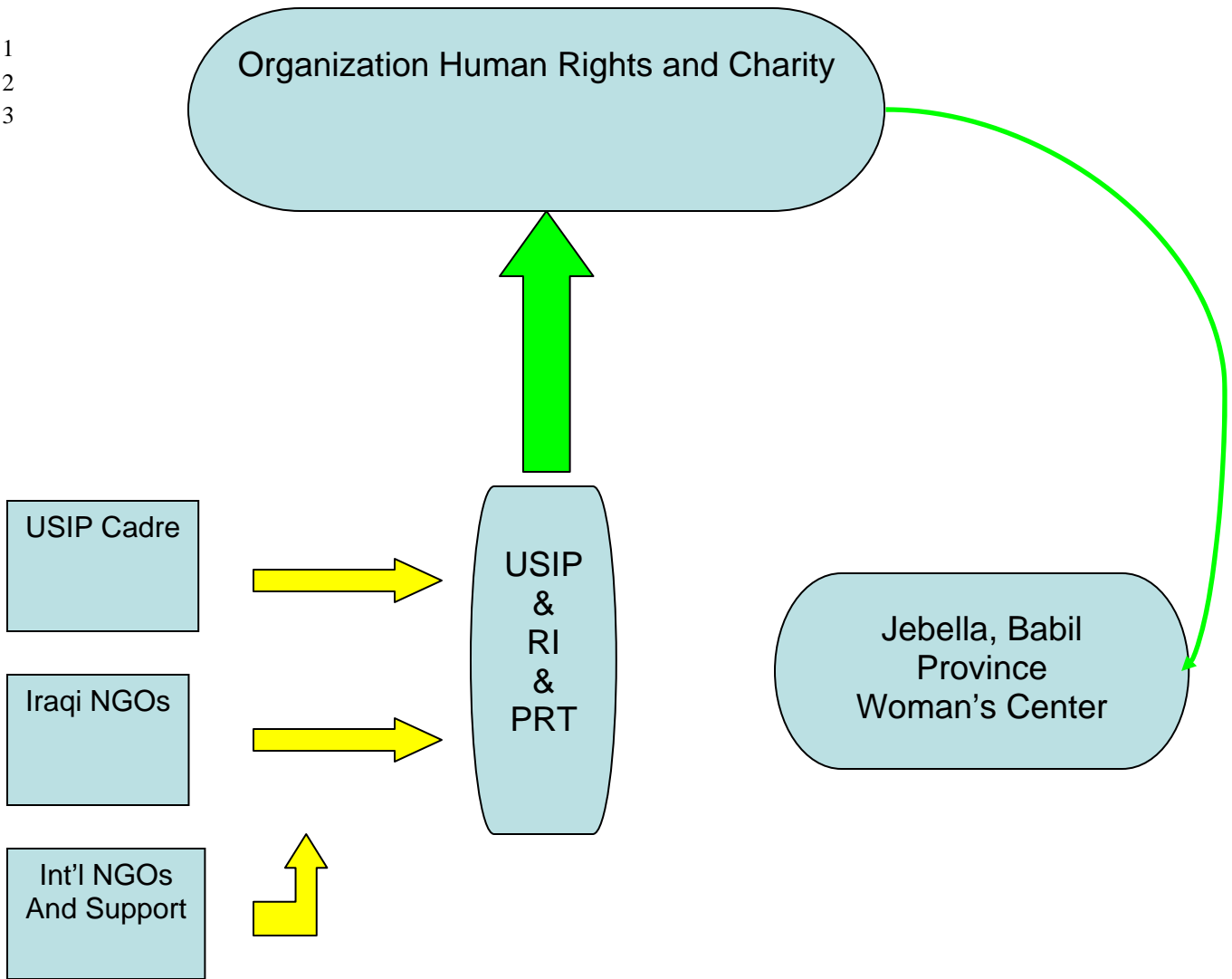
21 A direct benefit of the Grant is a strengthening of the community in the Jebella, Babil Province
22 area. It is hoped that this Grant will encourage all groups who interact at the center work
23 together on similar projects in other areas of Iraq.
24

25 The applicant is an existing entity organized and registered as an Iraqi NGO. Additionally, the
26 applicant has been actively involved with the United States Institute of Peace on numerous
27 projects. The applicant has a strong and viable ongoing relationship with USIP that is expected to
28 continue well into the future.
29

30 By mutual agreement and through a Memorandum of Understanding, the NGO will work closely
31 with Relief International and the United States Institute of Peace throughout the grant period.
32 The purpose being to leverage the experience and unique skills of Relief International and USIP
33 in developing new programs, mentoring and monitoring grants such as the one contemplated by
34 this Grant.
35

36 It is anticipated that, under the supervision of USIP, the NGO will seek out unique projects or
37 initiatives that will demonstrate concrete achievements that will impact an Iraqi community. All
38 providers will execute a Memorandum of Understanding both with NGO and the United States
39 Institute of Peace prior to performing services.

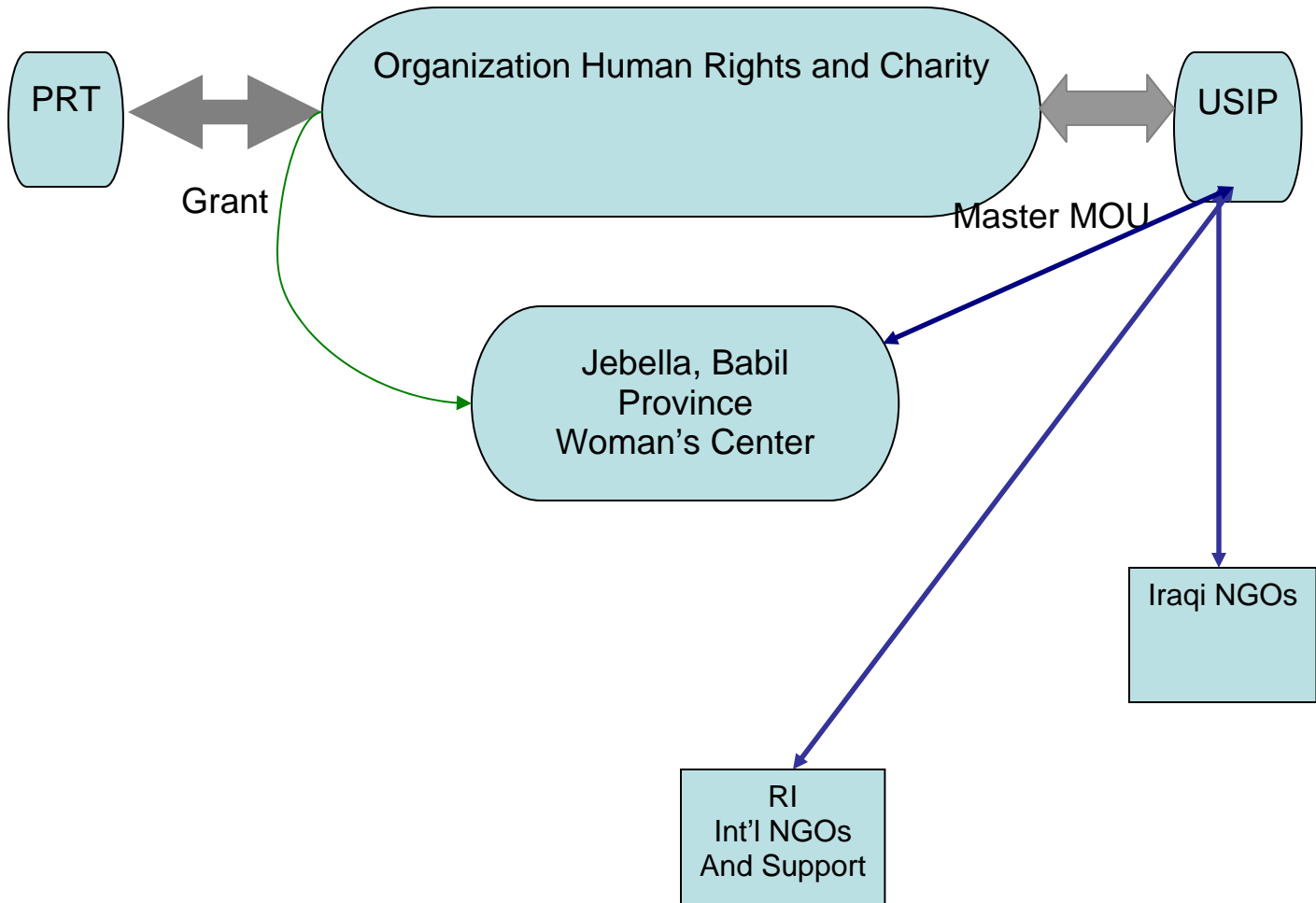
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An initial list of vetted USIP Iraqi NGOs that have expressed interest in becoming involved in this Grant include:

- The Iraqi Organization for Human Rights Coordination – IOHRC
- Iraqi Health Access Program – IHAP
- Voice of Independent Women Organization – VIWO
- Women for Peace – WFP
- New Iraqi Rivers Foundation
- Rafiday Al-Iraq Al-Jadeed

Agreements and Understandings



— MOU to work through Baghdad Unit as detailed in the Grant

— MOU to work with and through USIP on the Grant

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PROJECT THEMES

In general, the NGO’s woman’s center will ensure all projects undertaken shall support initiatives identified by the EPRT North Babil, local community, USIP and Relief International. These efforts should be in line with efforts by local community-based organizations and others to advocate on behalf of the women of Jebella, Babil Province. Specific focus shall be on adult and adolescent females of all sects, with preference given to vulnerable and disadvantage groups (widows, unemployed or under-employed, displaced, elderly, disabled, families where the breadwinner is detained by Security Forces and women who are detained/incarcerated but will re-enter society during the grant period). Projects that are focused on literacy and vocational training issues will receive priority.

The NGO shall implement projects that address as many of the following target themes as possible during the course of their engagement:

- Provide adult literacy instruction with a goal of each woman meeting the criteria for a 6th grade education;
- Provide educational course designed to reduce the illiteracy rate of women and children in the local areas where the women’s centers are located.
- Provide vocational counseling and education designed to enable women to re-enter the workforce.
- Providing education and counseling services to women and their children who are victims of domestic abuse and violence.
- Providing education and assistance to women and their children who require medical attention but are unsure of where to go to receive proper care.
- Providing education and assistance to women who are in need of legal services. While the center will not provide direct legal assistance, they will provide legal referral services to vetted licensed Iraqi attorneys in their local area.
- Provide vocational training and counseling to women and children of proper age to enable them to compete economically and become self-sufficient.
- Supporting local community based organizations to promote human rights awareness and/or advocacy training on the local level.

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- Promoting public accountability projects that include anti-corruption and transparency components.
- Educating women on local and national Iraqi government entities.
- Supporting all interests groups including community based organizations that promote social rights awareness and respect within the business community.
- Developing the effectiveness and sustainability of constituent advocacy for sustaining practices that respect human rights and social rights.
- Supporting public awareness initiatives that would foster broader understanding of human rights.
- Supporting public awareness initiatives that would foster a broader understanding of civic rights and responsibilities.

The NGO will continually work with USIP, Relief International, the EPRT North Babil and other fellow Iraqi contactors to ensure that proposals are developed that include Iraqi participation in all projects and initiatives.

ILLUSTRATIVE PROJECTS

Encouraging Iraqi women to participate in public life is essential to protecting their fundamental rights as well as to sustaining peace and development. After the fall of the Ba’ath government, women struggled to fully participate in Iraqi civil life. As part of the NGO’s strategy to engage Iraqi women in post-conflict reconstruction, it shall work in partnership with the EPRT North Babil, Relief International and USIP as well as the local community to provide services under this Grant, they will seek out projects such as the ones following to foster the development and resurgence of women within Iraqi society:

- **DEVELOPING WOMEN READERS:** Without the ability to read and write, few Iraqi women will be able to compete for jobs sufficient to support themselves and their families. It is anticipated that the center will provide training that guides women of all ages through a series of workshops that also leverage the advances in technology not only learn how to read and write themselves but also teach their children.
- **DEVELOPING WOMEN LEADERS:** Through a series of workshops and counseling sessions, Iraqi women will be educated on their rights and how to participate in the local and national political process, specifically their right to vote. Women who participate in these sessions will be invited to become involved in a network of peace-building specialists and activist in their immediate area as well as enjoy the opportunity to become involved with like-minded women throughout Iraq.
- **INCREASING THE AWARENESS OF WOMEN’S RIGHTS:** Recognizing that it is difficult to reach illiterate and semi-literate adults, particularly women, in Iraq, the center will fund the development and distribution of “smart illustrations” to increase the awareness of and encourage women to seek out assistance (on a variety of topics such as health care, legal and vocational skills training) for themselves and their children as needed. In-center workshops and meetings will be held to support the women as they engage counselors and trainers at the center.

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- **BUILDING THE NEXT-GENERATION – IRAQI YOUTH:** Attending to young Iraqi children coming of age can be a difficult challenge for the women who must oftentimes tend to them on their own. Many youth are being pressured to join militias and many women and their children are living in communities where violence is a fact of daily life. These women must find ways to encourage their children to stay in school. This center will engage both Iraqi mothers in one group and their children in another group. Through a series of mediated sessions, dialogues designed to promote dialogues on conflict resolution and peace-building will be developed. Drawing on principles of non-violence, these sessions will open discussions on the impact of conflict in Iraqi society and what they can do collectively to find stability. Specific attention will be given to ways that allow participants to communicate across ethnic and religious lines, non-violent engagement, and issues of women and youth identity.

- **EXPANDING THE ROLE OF WOMEN IN CONFLICT MANAGEMENT:** Because building peace at the provincial and local levels is as important as work at the national level, this project will bring together groups of women for a workshop that will provide training in conflict resolution skills, such as active listening skills, negotiation concepts and process and instruction on facilitation skills. Iraqi women who successfully complete this training may petition USIP for grant money to conduct their own conflict mediation/facilitation projects in their local area. Additionally, some women may be asked to participate in larger USIP efforts in other parts of Iraq that would utilize their newly acquired skills.

- **WOMEN AND CHILDREN - “RIGHTS OF THE CITIZEN”:** Recognizing that educators and academics oftentimes play an important role in fostering the development of good mental health and well-being of women, especially when problems arise during the school year, this project will invite them into the women’s centers for a series of lectures and debates on human rights abuses and undemocratic practices. Through these sessions, women will share their own experiences and form identities with their peers and develop social links that go beyond the traditional or sectarian categories and impart an unbiased and accurate picture of history in their local community, especially regarding controversial issues and traumas.

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It is hoped this program will eventually expand to including class lessons by local school teachers and counselors to the children in the school system. This is extremely important because gone unchecked, local schools can become a breeding ground for less beneficial forms of instruction such as fundamentalist religion, sectarian history and indoctrination into other radical ideologies.

- **WIDOWS FOR PEACE:** The impact of the current conflict and resulting insecurity affects widows in Iraq regardless of their religious affiliation, ethnicity or socio-economic background. The experiences of those women and their families who have experienced the death of husbands (oftentimes the primary breadwinner) have transcended sectarian and ethnic barriers and subjects and exposes them to shared hardships. This center will focus on those widows in conflict environments that are oftentimes incapable of protecting their families from succumbing to begging, child marriages or recruitment by violent organizations and militias. Many Iraqi children are forced into begging in the streets in order to support their widowed mothers and grandmothers. These widows may be forced, due to their financial circumstances to give away their children, sell them or arrange for child marriages (something relatively uncommon before the overthrow of Saddam). A lack of attention to this select group – widows, will increase division, hatred and desires for revenge. Coupled with poverty and lack of adequate education, widowhood may constitute an environment for future escalations of conflict.

- **SAFE HARBORS:** The impact of small, local civil affairs type projects cannot be overstated. Projects that directly touch the community and allow women and children to be healthier and safer are essential if these women’s centers are to thrive. Examples of such projects that local women could be involved in include:

- Inoculation programs
- Basic medical outreach
- Medical supplies
- school supplies/furniture
- Goods Distribution
- Minor Rehabilitation to the women’s centers

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ALLOWABLE EXPENSES

Allowable project budget items include but are not limited to:

1. Supplies or services related to the following; education; sanitation; food; agriculture; economic; financial and management; transportation; rule of law and governance; irrigation; civic clean up activities; “Beautification Programs;” repair of civic and cultural facilities; protective measures such as physical and personal security assessments for the women’s centers and their employees, fencing, lights, barrier materials, to enhance the durability and survivability of the women’s centers and adjoining public space; other urgent humanitarian or civic education projects. Basic first-aid medical equipment and supplies.
2. Interpreters for short term use or for translation of grant proposals.
3. Working meals and coffee breaks integral to the grant program. Funds should not be used primarily for food expenses when these costs cannot be supported. Otherwise, they should be clearly justified and limited to a maximum of 20% of the total award amount.

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2 **UN-ALLOWABLE EXPENSES**

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4 **Unallowable budget items or activities:**

- 5
6 1. Vehicle purchases. Farm equipment with the exception of machinery such as small
7 tractors is an allowable expense as long as it is part of a vocational training program.
8
9 2. Direct support or the appearance of direct support for individual or single party electoral
10 campaigns.
11
12 3. Support to enhance the influence of individuals or groups on national policies.
13
14 4. Travel outside Iraq, exceptions will be considered on a case by case basis.
15
16 5. Medical and psychological research or clinical studies.
17
18 6. Political party activities, including party infrastructure development, media outreach, and
19 strategy development. However, public education, get-out-the-vote, activities may be
20 supported.
21
22 7. Military or law enforcement assistance of any kind, including weapons buy back or
23 rewards programs.
24
25 8. Entertainment, social activities, alcohol, ceremonials, hospitality and activities relating
26 thereto are not allowable.
27
28 9. Costs that are of direct benefit to coalition forces.
29
30 10. Purchase of firearms, ammunition, or removal of unexploded ordnances.
31
32 11. Duplication of services immediately available through municipal governments.
33
34 12. Payments for any Iraqi military or civilian government employee salary or pension.
35
36 13. Salaries, overhead, equipment and other administrative expenses unless they relate to
37 specific project activities.
38
39 14. No expenses can be listed as miscellaneous and should never include alcohol or
40 entertainment.
41
42 15. Police, para-police (i.e., militias, neighborhood watch) and prison-related projects.
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1 16. Direct grants to individual businesses.

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3 17. Program funds shall not be used for grants that include reimbursement for the cost of
4 market research, advertising (unless public service related to grant program) or other
5 promotional expenses.

6

7 18. Expenses made prior to approval of a proposal or unreasonable expenditures will not be
8 reimbursed.

TIMELINES

Recognizing that timelines are always approximate, the NGO is dedicated to identifying, staffing and opening their woman's center by the end of the 1st quarter. It is important, however, to note that as important as opening the center is, it is equally important that they hire appropriate staff to operate the center and that quality projects are in place once the center is open. The NGO will work closely with the EPRT North Babil, Relief International and USIP to develop a Plan of Action and Milestones (POA&M) that will track the center's progress to opening and operation thereafter.

ILLUSTRATIVE FIRST QUARTER WORK PLAN

1. In consultation with USIP and their network of facilitators as well as women in each targeted area active in project goals, the NGO will:
 - a) Determine names and organizational data for each provider;
 - b) Establish a comprehensive work plan (with metrics and milestones) for all centers for the period of the Grant.
 - c) Ensure all sub-NGOs have filed for NGO recognitions with Minister of Labor and Social Affairs;
 - d) Locate a fixed site for the center in Jebella, Babil Province.
 - i) Ensure proper personal and physical security assessments are conducted prior to occupying premises
 - ii) Conduct any rehabilitation or limited repairs to the centers before occupying the premises
 - e) Staff position interviews and hires;
 - f) Determine specific activities to be emphasized in each location based on predicted need and interest;
 - g) Equipment purchases;
 - h) Structure curriculums and schedule various subject matter courses;
 - i) Publicize the Woman's Assistance Center and their services;
 - j) Begin enumerated services, develop a client base and initiate/maintain client database;
 - k) Develop and maintain qualitative and quantitative databases for monitoring/assessment;
 - l) At end of quarter, assess the success/popularity of the original subject matter course offerings; reassess offerings or staff time dedicated to various disciplines

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Prior to the end of the 1st quarter, with the assistance of the EPRT North Babil, Relief International and USIP, the NGO will develop a yearly training and counseling schedule for the woman’s center. Because the NGO will continuously review and approve or reject project proposals throughout the Grant period, they will publish and distribute an updated master training and counseling plan to the EPRT North Babil, Relief International and USIP. Any provider desiring to provide services to a women’s center may review the schedules and submit project proposals as appropriate.

1 **Evaluation of NGO's and Provider's efforts**

2
3 Relief International and USIP will assist the NGO in the preparation and submission of
4 their monthly progress reports for the woman's center.

5
6 At a minimum, the report will provide the following:

- 7
- 8 - Number of women visiting the center
 - 9
 - 10 - Number of youth (not accompanied by an adult) visiting the center
 - 11
 - 12 - Breakdown of type of services provided
 - 13
 - 14 - Listing of types of services requested
 - 15
 - 16 - Cash flow of entire process and individual centers
 - 17
 - 18 - Success stories
 - 19

Budget Reporting

Relief International and USIP will assist the NGO in the budgeting processes. Additionally, the NGO will employ an Iraqi accounting firm to audit all financial activities and reporting.

At a minimum, the woman's center staff shall be of mixed sectarian background and, depending on the population served and their assessed needs, should be staffed as follows:

Position	Full Time	Part Time	Estimated Salary
Program Manager	1		\$20,000.00
Manager	1		\$20,000.00
Assistant Manager	1		\$12,000.00
Office Secretary Office	1		\$8,004.00
Receptionist/Screener	1		\$6,000.00
Accountant		1	\$9,996.00
Metrics and Evaluation		1	\$12,000.00
Legal Assistance Counselor		1	\$8,004.00
Medical Assistance Counselor		1	\$8,004.00
Vocational Instructor		1	\$8,004.00
Vocational Instructor		1	\$8,004.00
Vocational Instructor		1	\$8,004.00
Literacy Instructor		1	\$8,004.00
Youth Coordinator		1	\$6,000.00
Childcare Worker		1	\$4,008.00
Childcare Worker		1	\$4,008.00
Guard (Female)	1		\$5,004.00
Guard (Female)	1		\$5,004.00
Guard (Male)	1		\$5,004.00
Guard (Male)	1		\$5,004.00
Janitor		1	\$4,008.00
Total per center:			\$174,064.00

- 1 The center shall be adequately equipped.
- 2 Items may include:
- 3

Item	Qty	Cost	Total
Desks	10	\$100.00	\$1000.00
Desk Chairs	10	\$50.00	\$5000.00
Waiting room chairs	8	\$37.50	\$300.00
Social area couches	2	\$250.00	\$500.00
Instructor area tables	4	\$75.00	\$300.00
Air conditioners	4	\$500.00	\$2,000.00
Water coolers	1	\$150.00	\$150.00
Small refrigerators	2	\$300.00	\$600.00
Generators	1	\$7,000.00	\$7,000.00
Mobile phones	8	\$200.00	\$1,600.00
Copiers	1	\$500.00	\$500.00
Printers	2	\$250.00	\$500.00
Projectors	2	\$1,000.00	\$2,000.00
Scanners	1	\$150.00	\$150.00
Laptop computers	5	\$2,000.00	\$10,000.00
Trashcan	3	\$15.00	\$45.00
Vacuum Cleaner	1	\$200.00	\$200.00
Small cooker	1	\$75.00	\$75.00
Surge suppressors	5	\$50.00	\$250.00
Multi-purpose tables	1	\$500.00	\$500.00
Medical supplies	1	\$500.00	\$500.00
Vocational training supplies	10	\$2,500.00	\$25,000.00
Exercise Equipment	1	\$1,000.00	\$1,000.00
	TOTAL		\$54,140.00

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Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
October 4, 2008

Counterinsurgency Progress in North Babil – Meetings in the IZ last week provoked some retrospection on funding levels in different programs and thoughts on our strategy for moving forward with development activities in North Babil. A key concern will be the maintenance of security. I pulled together an analysis of the history of counterinsurgency actions (as measured by the total number of SigActs – significant actions – against Coalition Forces) and compared that to a measure of community support (as measured by proxy indicators for information sharing by the community – the number of caches found and the number of arrests). Preliminary research indicates a link between development activities that provide government services in a community and the degree to which the community will engage with counterinsurgency forces.¹ Analysis was shared with Focused Stabilization Office of USAID to support their efforts in assessing how to allocate resources for the Community Stabilization Program during 2009.

Water User Association Pilot Program – Met with 4th Brigade Combat Team’s Human Terrain Team to discuss assessment of the Shuahymiyah Agricultural Association’s organization, decision making mechanism, conflict mitigation systems, resource allocation procedures within the group, etc. We want to make sure we don’t harm the group’s current structure and ability to oversee local water distribution system by adding significant financial and organizational resources. A FRAGO will be requested to get the team into the field the latter part of October to do the assessment. The report will be shared with DAI and USDA, and will guide actions on how to most appropriately interface with the ag association under Phase One of the Water User Program grant.

United States Institute of Peace (USIP) – I prepared a draft proposal for Jebella Women’s Center and shared it with DAI and USIP. Meeting was held by ePRT Team members to consider next steps. Kim Peoples will lead efforts to coordinate this proposal with Babil PRT and the Provincial Council.

Support for Central Euphrates Farmers Market (CEFM) Startup – Participated in meeting with ePRT North Babil Ag Team to discuss ways to support start up of the CEFM. I prepared a draft concept piece for an IRAP proposal. Team is going to assess needs of the four ag associations forming the CEFM and determine what type of support will be needed. IRAP proposal or other mechanism will be developed to provide that support.

Activities for Next Week – Prepare for transition to new assignment working on agricultural issues with USAID in the International Zone.

¹ ”Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq”, Eli Berman, UCSD; Jacob Shapiro, Princeton University; and Joseph Felter, US Military Academy. Draft July 22, 2008

Memorandum of Information
 Various Meetings in the International Zone
 Michael Maxey - USAID Rep. – ePRT North Babil
 September 23 – 26, 2008

Meetings were held with various offices and staff that have an impact on USAID activities or Non-governmental Organization (NGO) activities in ePRT North Babil’s Area of Operation. The schedule of meetings and participants is presented below.

9/23/2008	9/24/2008	9/25/2008	9/26/2008
1700 – USAID Mission Mgt. – Ag Sector Issues	0900 – USDA Shuahmiyah Water User Group 1000 – Tatweer Pilot Activity with Ministry of Water Resources 1400 – Community Stabilization Program North Babil 1900 – Military Liaison – Impact of Development on Violence	0900 – Office of Procurement North Babil USAID Projects 1530 – United States Institute of Peace Proposal for Women’s Center in Jebella, Babil	0900 – Inma Central Euphrates Farmers’ Market 1100 – Tijara Microcredit – SMEs 1700 – Ag Working Group – USG Ag Strategy

USAID Ag. Sector – Met with USAID Director (Chris Crowley) and Deputy Director (Tom Delaney) to discuss ag sector development, USAID activities, and how to best support agricultural development in Iraq. I will participate in USG ag working group. See Attachment One – draft framework for ag strategy.

USDA Shuahmiyah Water User Group – Met with US Ag Counselor, Jonathan Gressel, Senior Water Advisor Maged Hussein, and Farmer Associations Advisor Mark Mitchell to discuss next steps on support to nascent Shuahmiyah Water User Association. They indicated that the Ministry of Water Resources wants to proceed with development of a Participatory Irrigation Management (PIM) program in Shuahmiyah. Mark Mitchell cited the importance of assessing farmers’ association operations including a review of their processes for making decisions, managing activities, and generating local buy-in. Attachment Two is US Agricultural Affairs Office memorandum indicating that the Ministry of Water Resources does not object to the development of a USAID funded IRAP (Iraqi Rapid Assistance Program) to support the PIM program. The Ministry has contacted the Director General of Water Resources in Wasit and requested a report on the status of the pump station in Shuahmiyah. Attachment Three is confirmation email from ePRT North Babil Team Leader concurring with the submission of the Shuahmiyah proposal by DAI to USAID.

Tatweer Pilot Activity with Ministry of Water Resources, Wasit Province – Met with Director and Deputy Director (Steven Hendrix & Rodeina Fattah) of USAID Iraq Capacity Building Office along with their staff and the Deputy Chief of Party for Tatweer, Marc Shiman. I explained the Shuahymiyah Water User Group proposal and asked if it would be possible to have Tatweer provide assistance to the Ministry of Water Resources at the provincial level in Wasit Province in order to build their capacity to support the implementation of the Shuahymiyah program and learn how to replicate that experience with other privately held pump stations in Wasit Province. Steven and Rodeina indicated that they would explore ways to strengthen the capacity of the Ministry of Water Resources at the provincial level to support water user group establishment and development. Attachment Four provides an overview of the meeting and follow up actions.

Community Stabilization Program (CSP) North Babil – Met with Will Wilhelm, CSP CTO (Cognizant Technical Officer) to confirm information we received on budget cuts to CSP and to provide some input from the field on prioritization of CSP resources. CSP budget has been cut significantly (not sure how much yet because there may be some “bridge funding” but nothing certain yet). Office of Focused Stabilization is going through a prioritization process to determine where to cut geographically targeted resources in 2009. This is a critical process since the budget cuts could be as high as 60 percent of previous funding level for 2009. I indicated to Will that I’ve put together a very basic framework of CSP and other development funded activities have been implemented in North Babil and compared that with the decrease in violence. The point being that the gains that have been made in our area of operation are fragile and are overlain on what was one of the most violent parts of Iraq. A key point in considering where to target CSP investments in 2009 would be a retrospective look at each region’s history over the last 18 months and assess the fragility of current conditions. Will indicated this is the process that is underway – I agreed to pass him some of my preliminary analysis on North Babil.

Military Liaison – Impact of Development on Violence – Met with Major Bill Carr, USAID Military Liaison, to discuss ideas on how to assess impact of development program on violence. Rob McKenney, Office of Focused Stabilization, joined us and provided an update on recent studies in this area. Attachment Five is a summary of a paper on the impact of development assistance (as measured by CERP funding) on counterinsurgency success. The idea would be use data on North Babil as a case study for the model presented in the study.

Inma Meeting – Met with Inma staff¹ on September 26, 2008. Attachment Six contains the Talking Points for the meeting. We had a good discussion on Central Euphrates Farmers Market (CEFM), Shuahymiyah Water User Association, feed mill for Babil Province, coordination on training issues, and follow up on Borlaug Group

¹ Herschel Weeks, Chief of Party; Tony Laos, Livestock & Feed Team Leader; Peter Drickell, Sr. Ag Marketing Specialist; John Jeans, Cross Cutting Team Leader; Jorge Alvarado, Perennial Horticulture Team Leader; Franco Scotti, Competitiveness Manager; Eric Richardson, M&E Advisor; Alfred Williams, Sr. Ag Advisor; Ana Pejchinova, Reporting Specialist; Tanya Habjouqa, Communications Specialist.

recommendations. We agreed that ePRT North Babil would request a technical team visit to assess the potential for Inma's cooperation with the CEFM. We also agreed to look at possible Participatory Irrigation Management systems modeled on the effort currently underway in Shuahymiyah, Wasit.

Tijara Meeting – Met with Micro Credit and Small Business Development staff. Based on CPT Joe MConnell analysis we had two primary questions: (1) The viability model showed two methods of covering cost of operating expense (i) an allocation from the grant, and (ii) a monthly deduction from re-flows of loan payments; and (2) Demand assessment of micro credit is unclear – how is it done, what is the methodology? Tijara indicated that we need to talk directly with Izdiharona (the Relief International local affiliate in Iskandariya). We also discussed the repayment rate for micro credit programs and Tijara's role in overseeing those programs. Jwana Rodriquez explained that the program is apparently providing a "credit card" function in that micro credit is being extended to clients who either have a salaried job or have someone co-sign who has a job. The client repays the loan in a short period of time in order to renew his or her credit. I asked if there was any way of tracking how many indirect service sector jobs this type of program is creating. Lending in this way has a similar economic impact of remittances in that it goes primarily for consumption. Studies in Mexico indicate that every \$1 spent in the service sector on consumption generated 1.75 additional dollars in the local economy. In terms of SME (small and medium enterprise) lending, we agreed to help Tijara do a market study of local demand using Brigade human intelligence assets. The last part of the meeting we discussed the Iraqi Company for Bank Guarantee (ICBG) program. Fifty loans have been guaranteed under the program for a total loan value of \$1,336,992 – it appears that of this amount, loan guarantees have been issued in the amount of \$1,002,744.

Attachment One

USG Joint Strategy – Iraq Agriculture Development

Strategic Statement – Assist Iraq to create the conditions required for significant broad-based economic growth in rural areas through actions aimed at promoting:

- Increased Capital Investment (increased access to credit at micro, SME and large business levels, increased public sector investment in public good areas – irrigation works, water distribution systems, land reclamation, etc.);
- Improved Infrastructure (improved agricultural production systems through construction and appropriate management of water and land resource systems – actions to address salinity and access to water);
- Improved Technology (greater access to technology through better trained workforce, improved genetic material, increased access to appropriate ag. production and processing equipment, expanded value chain investment, etc.);
- Enhanced Entrepreneurship (more effective rule of law for property rights and contract enforcement, reduced corruption – or predictable corruption, greater dissemination of market information, improved marketing channels, support for improved production presentation and marketing, increased business network linkages domestically and internationally, increased business skills through training).

There is widespread agreement among economists that agricultural development requires economic growth, a real increase in per capita income of the rural population, and the social and political institutions necessary to support an expansion of the agricultural economy. It also requires citizens who can work effectively in the agricultural enterprises. As the production of goods and services in the sector rise at a rate higher than increases in population there is economic growth.

In determining which economic development constraints to address, one of the theoretical standards for predicting economic growth is the Solow (Neoclassical) Growth Model. This model provides a framework for determining the economic impact of increased labor, capital and technology. It allows for different combinations of capital and labor and the introduction of a *neoclassical production function* in which technological change is seen as increasing productivity and increasing overall output. Solow assumes technology in two forms: mechanical (improved machinery, computers, etc.) and human capital (improved education, health, worker skills, etc.). Robert Solow developed a procedure, “growth accounting” or “sources of growth analysis”, to focus directly on the contribution of each term in the production function. An element generally referred to as total factor productivity (TFP) since it captures not only efficiency gains but also the net effect of things other than capital stock and labor supply which might influence growth

(increasing technology, worker skill levels, education, health, institutions, entrepreneurship, etc.).²

In identifying constraints on economic growth in Iraq’s agricultural sector, the USG has reviewed the modern history of the Iraq agricultural sector, assessed the gaps in labor, capital, and TFP aspects, and concluded that the following major areas require attention:

Primary Constraints

Policy	<u>Market Distortions by GOI Policy & Legal Framework</u> – Subsidized credit and agricultural inputs, and centralized control of government support to the ag sector. Capricious enforcement of agricultural rules and regulations. Ambiguous land tenure and rule of law environment. Unpredictable corruption levels. Uncertainty on contract enforcements.
Water	<u>Production Constraints from Improper Water Management</u> – Increased salinity, lack of equitable distribution of water resources, constraints on crop production areas. Lack of access to water.
Technology	<u>Low Productivity from Lack of Technology & High Quality Inputs</u> – Poor genetic material, lack of adequate quality and quantity of fertilizers, lack of appropriate equipment, lack of production knowledge, weak value chain with key components either ineffective or missing.
Credit	<u>Lack of Access to Investment Capital</u> – Banking sector for agricultural is non-existent outside GOI subsidized credit programs. Lack of private capital investment resources.
Markets	<u>Lack of Market Access</u> - Lack of effective programs to identify market opportunities for private investors. Lack of support to promote entrepreneurship in ag sector. Lack of market information and networking.

Actions Required to Address Constraints

In order address these constraints, the USG will support the Government of Iraq to develop and implement programs that create market incentives for expanded private sector investment and ownership of agricultural enterprises. Create a policy environment that provides clear “rules of engagement” and supports enhanced access to (1) sustainable, market driven credit programs, (2) agricultural technology (genetic material,

² When Solow modeled data for US GNP from 1909 to 1949 of increased output less than one half of the gain could be explained by increased inputs in labor and capital. With more than fifty percent of growth attributable to the residual, logic would dictate that there must be a significant gain in productivity coming from one or more efficiency enhancing factor(s) (technical change, increased knowledge, innovation, entrepreneurship, etc.).

fertilizer and equipment), and (3) properly managed water resources. Provide “public goods” support to agricultural education, major water distribution and drainage works, and key value chain components needed to create effective market channels for Iraqi production (transportation links, market access, and international promotion of an Iraqi “brand” for key agricultural products).

- Iraqi Private Sector - (List actions required to support private entrepreneurs in ag sector).
- Iraqi Public Sector – (List actions required to support public sector goods to promote development.)

Roles and Responsibilities

(Describe focus of different parts of USG (USAID, USDA, Brinkley Group, US Military, others??) in supporting Government of Iraq to promote private agricultural sector growth.)

USAID – (primarily a private sector focus although not completely – Inma, IRAP, CAP II, CSP, LGP II, Tatweer, Tijara – are all providing support at some level to ag sector development.)

USDA – (primarily a public sector focus)

US Military – (primarily a community focus – generally through grants of seed, fertilizer, production infrastructure, market infrastructure, micro-grants, etc.)

Brinkley Group – (primarily an international investor focus)

Others??

Goals

(At high level, describe “end state” for the activities being carried out, or being planned, by each USG entity. List outputs, timeline, etc. and describe current status. Identify goals for which there is no champion – a gap – explain who will address it and how.)

Annexes

Resources – What was previously committed and or is now committed to promoting agricultural development in Iraq. What resources are needed. These additional resources don’t have to be, really shouldn’t be, US resources.

Attachment Two – USDA Support of IRAP Shuahmiyah Water User Group Program



*Agricultural Affairs Office
Embassy of the United States of America*

September 24, 2008

To: Office of Economic Growth and Agriculture, USAID/Baghdad

From: Jonathan Gressel, Agricultural Counselor

Subject: Support for DAI IRAP / As Shuahmiyah Agriculture Association Project

The Embassy Agricultural Affairs Office strongly supports the development of participatory irrigation management in Iraq which is to be addressed by the As Shuahmiyah Agriculture Association Water Resource Assistance project. We believe the development of effective water user associations is vital to meet current and future requirements for the maintenance and operation of pump stations, as well as the irrigation and drainage needs of agriculture of Iraq. Water user associations have proved an effective vehicle for participatory management and operation of irrigation infrastructure in a number of countries in the Middle East and Southeast Asia.

Dr. Maged Hussein, current USDA Water and Soil Adviser and future ITAO Senior Water Consultant, and I visited As Shuahmiyah together with USAID's Michael Maxey and DAI-IRAP's Jon Weibe. We were all impressed by the cooperative relationship between the Nahia Council, Agricultural Association and Ministry of Water Resources Director. The Agricultural Association has successfully operated and maintained this pumping station for a number of years, but the 30+ year old pumps need replacement and sharply increased energy costs have jeopardized the Association's ability to pay for operation and maintenance of the pump station.

Dr. Maged Hussein has discussed the As Shuahmiyah Association with the Minister of Water Resources who has indicated that he has no objection to the USG working with the Association and has requested a report from the Provincial DG of Water Resources on the status of the pump station. USDA's PRT Agricultural Adviser will work with local agricultural officials to improve their capacity to assist farmers in the Nahia, which we understand is currently lacking. To avoid future water management conflicts, we have one suggestion for incorporation into this project. Because of the need to replicate this project, human architecture mapping should be conducted to understand the dynamics of this group of farmers and government officials, how they communicate, and analyze how they make decisions so that an organization and communication chart is developed. This should all be done prior to any capacity building events taking place.

We look forward to this coordinated effort to improve the agriculture opportunities of 40,000 beneficiaries in As Shuahmiyah.

Attachment Three – Approval Email for Submission of Shuahymiyah Water User Association

From: Howard A. Van Vranken [mailto:howardvv_99@yahoo.com]
Sent: Wednesday, September 24, 2008 2:55 PM
To: Maxey, Michael (IRAQ/ePRT); Jon_Wiebe@dai.com
Cc: kimberly.peeples@4bct3id.army.mil
Subject: RE: Shuahymiyah Water User Association Pilot

Jon--As Michael mentions below, please proceed with the Shuahymiyah Water User Association Pilot program and let me and Michael know if you have issues or see any problems. Many thanks!

Howard A. Van Vranken

--- On Wed, 9/24/08, Maxey, Michael (IRAQ/ePRT) <mmaxey@usaid.gov> wrote:
From: Maxey, Michael (IRAQ/ePRT) <mmaxey@usaid.gov>
Subject: RE: Shuahymiyah Water User Association Pilot
To: howardvv_99@yahoo.com
Cc: kimberly.peeples@4bct3id.army.mil, Jon_Wiebe@dai.com
Date: Wednesday, September 24, 2008, 12:54 PM
Howard,

As indicated in email below, I met with Ag Counselor Jonathan Gressel today and things appear ready for the Shuahymiyah Water User Association proposal to go forward. USDA is coming back to me by COB tomorrow with a letter stating how their negotiations have gone with the Ministry of Water Resources and that the Ministry is basically on board with the concept of supporting the water user association program. Tatweer may be able to help us as well.

Howard, with the USDA confirmation that things are progressing with the Ministry of Water Resources, I would recommend that you concur via email with Jon Wiebe authorizing him to submit the proposal to USAID. I'll send you a follow up email when I get the USDA communication. Let me know if you have any issues, questions. Joe and I are going to meet with Jon Wiebe on Friday. Jon Wiebe goes on leave next week. Call if you want to discuss this -- my Iraqna # is 0790-191-9907

MMaxey

From: Maxey, Michael (IRAQ/ePRT)
Sent: Wednesday, September 24, 2008 12:38 PM
To: Hendrix, Steven (IRAQ/CBO); AbdelFattah, Rodeina (IRAQ/CBO); Batson, Howard (IRAQ/PRO); 'mshiman@msi-iraq.com'; 'mail@marcshiman.com'; Kasim, Abdul Kareem (IRAQ/CBO); Dumford, Dick (IRAQ/CBO); Al-Taaee, Qusey (IRAQ/CBO)
Cc: Larson, Kent (IRAQ/PRT); Brady, John Patrick (IRAQ/PRT); 'Jon_Wiebe@dai.com'; 'howardvv_99@yahoo.com'
Subject: Shuahymiyah Water User Association Pilot

Thanks for meeting with me this morning to discuss possible Tatweer involvement in a pilot activity via the Ministry of Water Resources and the establishment of a water user association in Wasit Province. As we discussed, there might be a way for Tatweer to provide training and technical assistance (project management & budget planning/execution) to the DG of Water Resources in Wasit Province in support of their efforts to successfully establish a community-based water user association.

We agreed to continue discussing this subject and I indicated I would forward you background material. Attached is my September 13, 2008, Weekly Report which contains three documents related to the Shuahymiyah Water Association activity -- (1) 8/24 trip report with US Embassy Ag

Counselor to Shuahmiyah to see the pump stations and meet with the parties involved in establishing a rudimentary water user association (a grass roots effort at the community level came together to collect user fees and keep the the pump stations going in the Shuahymiyah, Wasit area; (2) 9/3 Memorandum of Conversation of a meeting with Ag Counselor and his staff with Jon Wiebe of IRAP/DAI at the USAID Compound to decide on how to structure a proposal; and (3) 9/13 memo on next steps. Also attached is the latest version of the IRAP (Iraq Rapid Assistance Program) proposal prepared by DAI (Jon Wiebe) for presentation to the PRT Office in USAID this week. The proposal calls for a two phase approach valued at \$2.3 million: Phase 1 - \$910,000 to assist the local farmers' association with administrative and financial systems, register it as an NGO, conduct analysis and develop a financial plan for the water user association (key aspect of this will be to determine the needed fee structure to maintain the system -- if there is a shortfall in what can be raised in fees locally, the Ministry of Water Resources will have to commit to financially supporting at least part of this program), and provide 4 months of operation and maintenance support for the pump station; and Phase 2 - \$1,400,000 to provide capital improvements to the pump stations.

I met this morning with the Ag Counselor, Jonathan Gressel, again and two of his staff (Maged Hussein - Sr USDA Water Advisor; and Mark Mitchell - Cooperative/Farmer Association Advisor). They are closely coordinating the development of this pilot activity with the Ministry of Water Resources. They agreed to forward a letter of the progress made in getting the Ministry to acknowledge support (or at this point, at least, no objection) for the pilot effort to strengthen the water user association in Shuahymiyah. When I receive it, I will forward information regarding the commitment of the Ministry of Water Resources. The next step in is the submission of the IRAP DAI Civil Society Conflict Mitigation proposal for a two phase \$2.3 million program to USAID for approval. Upon receipt of the USDA communication (they indicated they would send a letter summarizing their understanding of the Ministry of Water Resources support -- which they characterized as "good"), I'll recommend that ePRT North Babil Team Leader Howard Van Vranken approve that IRAP submit the attached proposal to USAID. I am meeting with Patrick Brady this afternoon and I'll go over the mechanics of the approval process with USAID.

I believe we will have a proposal (at least the first phase) in place soon. Perhaps we could put together an informal outline of how we might possibly work together in getting the Ministry of Water Resources fully engaged and owning the strategic planning/project management process for long term support to the Shuahymiyah Water User Association. As I mentioned, this effort could be, and really should be, seen as a pilot or model for a much larger effort of promoting locally owned water distribution systems in Iraq. There is also a very strong civil society component in this effort in that we are promoting grass roots democracy as the communities come together to jointly manage their critical resources. If you get a chance, the last attachment in my 9/13 weekly report is a summary of the book I mentioned in our meeting, "Inventing Iraq", written by Toby Dodge regarding the British Mandate period 1920 - 1932. One lesson that is key in Dodge's analysis of the history of Great Britain's attempt at nation building in Iraq is the necessity to empower local communities to address their own problems and concerns. Locally managed water user associations coordinating with and supported by the national and provincial governments offers a unique opportunity in this area. Thanks for taking the time to meet. I will be in touch.

Michael Maxey

Attachment Four – Summary of Tatweer Meeting, 09/24/2008

Thanks for meeting with me this morning to discuss possible Tatweer involvement in a pilot activity via the Ministry of Water Resources and the establishment of a water user association in Wasit Province. As we discussed, there might be a way for Tatweer to provide training and technical assistance (project management & budget planning/execution) to the DG of Water Resources in Wasit Province in support of their efforts to successfully establish a community-based water user association.

We agreed to continue discussing this subject and I indicated I would forward you background material. Attached is my September 13, 2008, Weekly Report which contains three documents related to the Shuahymiyah Water Association activity -- (1) 8/24 trip report with US Embassy Ag Counselor to Shuahymiyah to see the pump stations and meet with the parties involved in establishing a rudimentary water user association (a grass roots effort at the community level came together to collect user fees and keep the the pump stations going in the Shuahymiyah, Wasit area; (2) 9/3 Memorandum of Conversation of a meeting with Ag Counselor and his staff with Jon Wiebe of IRAP/DAI at the USAID Compound to decide on how to structure a proposal; and (3) 9/13 memo on next steps. Also attached is the latest version of the IRAP (Iraq Rapid Assistance Program) proposal prepared by DAI (Jon Wiebe) for presentation to the PRT Office in USAID this week. The proposal calls for a two phase approach valued at \$2.3 million: Phase 1 - \$910,000 to assist the local farmers' association with administrative and financial systems, register it as an NGO, conduct analysis and develop a financial plan for the water user association (key aspect of this will be to determine the needed fee structure to maintain the system -- if there is a shortfall in what can be raised in fees locally, the Ministry of Water Resources will have to commit to financially supporting at least part of this program), and provide 4 months of operation and maintenance support for the pump station; and Phase 2 - \$1,400,000 to provide capital improvements to the pump stations. I met this morning with the Ag Counselor, Jonathan Gressel, again and two of his staff (Maged Hussein - Sr USDA Water Advisor; and Mark Mitchell - Cooperative/Farmer Association Advisor). They are closely coordinating the development of this pilot activity with the Ministry of Water Resources. They agreed to forward a letter of the progress made in getting the Ministry to acknowledge support (or at this point, at least, no objection) for the pilot effort to strengthen the water user association in Shuahymiyah. When I receive it, I will forward information regarding the commitment of the Ministry of Water Resources.

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Michael Maxey

Attachment Five

Summary

“Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq” Draft Paper – July 22, 2008

Eli Berman, UCSD; Jacob Shapiro, Princeton University; & Joseph Felter, USMA

This study combines a geo-spatial indicator of violence against coalition and Iraqi forces (SigActs), reconstruction spending, and community characteristics, including measures of social cohesion, sectarian status, socio-economic grievances and natural resource endowments to assess the impact of counterinsurgency as funding for development activities increases. Results indicate that improved government services (resulting from increased community investment) reduces insurgency.

Study assesses relationship between CERP spending and violence over time and space. Researchers created a model of insurgency comprised of three components (1) rebels seeking political change through violence, (2) government seeking to minimize violence through government services and hard counterinsurgency, and (3) civilians deciding with whom to share information.

The five sections of the report are:

Section 1 – Reviews existing arguments regarding links between governance, service provision and insurgency;

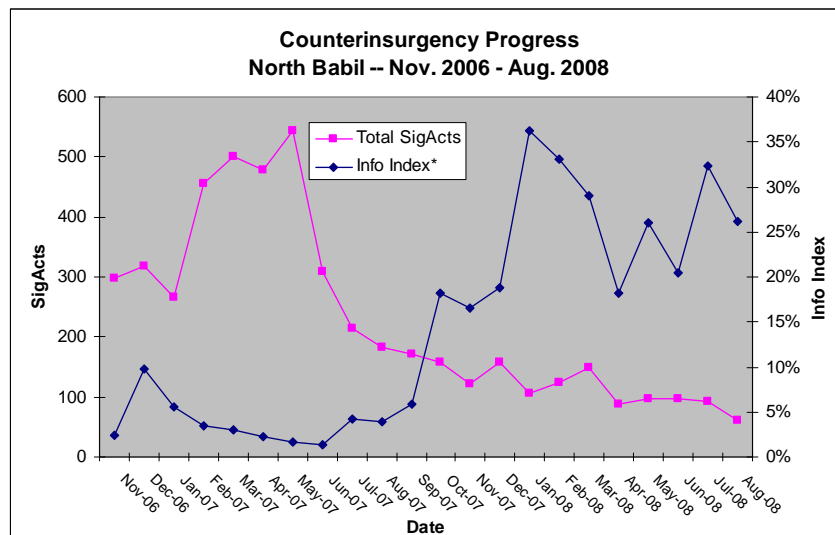
Section 2 – Develops a model of insurgency that focuses tightly on how the willingness of the population to share info determines success of counterinsurgency;

Section 3 – Introduces new data on the provision of government services in Iraq;

Section 4 – Presents evidence of how provision of services reduces violence;

Section 5 – Provides an overview of the impact on counterinsurgency of investment in development assistance and highlights policy implications for future counterinsurgency campaigns.

Below is preliminary data from North Babil tracking violence and information sharing by local communities:



Attachment Six

Talking Points for Meeting with Inma Michael Maxey, USAID Rep. ePRT North Babil September 26, 2008

(1) Central Euphrates Farmers Market (CEFM) - Construction has started on the \$3.2 million (CERP funded) farmers market with about 20% - 30% construction completed. Attached is my latest trip report. This facility will serve 10,000 farmers in 7 ag associations in North Babil. There great potential to create increased market access for our farmers but there are some constraints that need to be addressed. Primarily, I believe we need help in developing a business plan and operations plan for the market that includes cash flow analysis, profit and loss, assessment of incomes streams for the market, evaluation of potential market channels that can be promoted through the market, etc. There may appear a "build it and they will come" approach and we want it tempered with some solid business planning. I sent an email a few weeks asking for a visit by Inma staff to look at some of the CEFM issues. I hope we can discuss a site visit and work on a "way ahead" for Inma's coordination with the 7 ag associations forming the CEFM. In the meantime, our Business Advisor Stephen Wilson is working with Land O Lakes to execute a CERP funded technical assistance contract to get a business planning/start up consultant out to help us get a handle on how to properly handle the start up activities. We want to make sure the Land O Lakes effort is fully coordinated with your strategy for working with CEFM. We also want to make sure we can get you engaged with CEFM as soon as possible. Attached is the original description of the CEFM.

(2) Shuahmiyah Water User Association - Wasit Province - In August we visited an innovative and largely grass roots water user association in Wasit Province. See the Shumayniyah Trip Report. We took IRAP DAI Program Manager Jon Wiebe and US Ag Counselor Jonathan Gressel to see the water association group (comprised of the local Nahia Council, Shuahmiyah Ag Association, and Field Engineer for Ministry of Water Resources). This is a potential 60,000 donum ag production area (primarily basic grains) that is currently only providing irrigation support to 40,000 donum. By establishing a locally owned Participatory Irrigation Management (PIM) program, we have the potential to increase production by 20,000 donum and provide a more reliable flow of water to domestic use in the area. This is a critical activity in that the group represents 2 of the 10 pump stations that the Saddam govt turned back to private, local management as an experiment in the 90s. This group has shown unusual initiative through forming their own grass roots organization and collecting user fees for upkeep and management of the water distribution system. IRAP DAI is proposing a Civil Society Conflict Mitigation Program proposal for a \$2.3 million effort which under Phase 1 (\$910,000) would formally establish the water user association, strengthen it to become a fully functional Participatory Irrigation Management program, provide 4 months of operation and maintenance support, and map out a plan for a sustainable water user association with a realistic cash flow analysis; and under Phase 2 (\$1,400,000) would provide for capital improvements to the pump stations and water distribution system. It would be

great to have you consider how you could work with the farmers association to increase agricultural production as water management is improved. This is also a model that could potentially have a major impact on water management in Iraq -- locally owned and maintained systems would I believe be more efficient and less costly to the GOI, it would strengthen local civil society as communities come together to equitably manage a vital resource, and it would help increase ag productivity through more effective water management. I don't have any specific plans and the IRAP proposal is not yet approved but I'd like to gauge your interest in working with PIMs and how this would fit in your overall development strategy.

(3) Feed Mill - Babil Province - This issue was discussed briefly at the USAID PRT Conference in early September. I just want to get a sense of where you are heading. I understand your economic analysis of working with a feed mill in Babil indicated there would be market issues (negative impact on local, smaller feed mills). Could I get a copy of your analysis or can you brief me on how you reached this decision. I am getting requests for information from both PRT Babil and 4th Brigade Combat Team. If you have already been in direct conversations with Tim Born, USAID PRT Rep. in Babil, please excuse the redundancy. I've been talking with Tim about the issue but my sense was he didn't have a clear understanding of what will or won't be done in Babil.

(4) Investments in North Babil - I want to get a sense of your investments in North Babil. In reporting through our military chain of command I continue to list the \$1.5 million provided for our fish farm program earlier this year (3 million carp fingerlings) but I know Inma did a number of demonstration fish farms in North Babil and I'd like to know the number and value of those investments (any data on job creation and income generation would be great as well). Finally, I understand from Tijara and Dr. Asmaa (the wife of your Babil Rep. Mr. Kaiser) that you are contracting her organization to conduct farmer training -- I'd like to know the magnitude of that training -- how many farmers? what skills? can ePRT North Babil provide input on the types of training needed by the farmers (and farmer associations) that we are working with -- like the CEFM, for example? Finally, I'll share the Borlaug Groups list of activities they are recommending as critical interventions in North Babil. We are attempting to address the constraints they identified with a variety of mechanisms but it would be great to get your input. Do you get a copy of the final Borlaug Report for North Babil? If not, I'll bring one with me tomorrow to share with you.

USG Joint Strategy – Iraq Agriculture Development

Strategic Statement – Assist Iraq to create the conditions required for significant broad-based economic growth in rural areas through actions aimed at promoting:

- Increased Capital Investment (increased access to credit at micro, SME and large business levels, increased public sector investment in public good areas – irrigation works, water distribution systems, land reclamation, etc.);
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- Improved Technology (greater access to technology through better trained workforce, improved genetic material, increased access to appropriate ag. production and processing equipment, expanded value chain investment, etc.);
- Enhanced Entrepreneurship (more effective rule of law for property rights and contract enforcement, reduced corruption – or predictable corruption, greater dissemination of market information, improved marketing channels, support for improved production presentation and marketing, increased business network linkages domestically and internationally, increased business skills through training).

There is widespread agreement among economists that agricultural development requires economic growth, a real increase in per capita income of the rural population, and the social and political institutions necessary to support an expansion of the agricultural economy. It also requires citizens who can work effectively in the agricultural enterprises. As the production of goods and services in the sector rise at a rate higher than increases in population there is economic growth.

In determining which economic development constraints to address, one of the theoretical standards for predicting economic growth is the Solow (Neoclassical) Growth Model. This model provides a framework for determining the economic impact of increased labor, capital and technology. It allows for different combinations of capital and labor and the introduction of a *neoclassical production function* in which technological change is seen as increasing productivity and increasing overall output. Solow assumes technology in two forms: mechanical (improved machinery, computers, etc.) and human capital (improved education, health, worker skills, etc.). Robert Solow developed a procedure, “growth accounting” or “sources of growth analysis”, to focus directly on the contribution of each term in the production function. An element generally referred to as total factor productivity (TFP) since it captures not only efficiency gains but also the net effect of things other than capital stock and labor supply which might influence growth

(increasing technology, worker skill levels, education, health, institutions, entrepreneurship, etc.).¹

In identifying constraints on economic growth in Iraq's agricultural sector, the USG has reviewed the modern history of the Iraq agricultural sector, assessed the gaps in labor, capital, and TFP aspects, and concluded that the following major areas require attention:

Primary Constraints

Policy	<u>Market Distortions by GOI Policy & Legal Framework</u> – Subsidized credit and agricultural inputs, and centralized control of government support to the ag sector. Capricious enforcement of agricultural rules and regulations. Ambiguous land tenure and rule of law environment. Unpredictable corruption levels. Uncertainty on contract enforcements.
Water	<u>Production Constraints from Improper Water Management</u> – Increased salinity, lack of equitable distribution of water resources, constraints on crop production areas. Lack of access to water.
Technology	<u>Low Productivity from Lack of Technology & High Quality Inputs</u> – Poor genetic material, lack of adequate quality and quantity of fertilizers, lack of appropriate equipment, lack of production knowledge, weak value chain with key components either ineffective or missing.
Credit	<u>Lack of Access to Investment Capital</u> – Banking sector for agricultural is non-existent outside GOI subsidized credit programs. Lack of private capital investment resources.
Markets	<u>Lack of Market Access</u> - Lack of effective programs to identify market opportunities for private investors. Lack of support to promote entrepreneurship in ag sector. Lack of market information and networking.

Actions Required to Address Constraints

In order address these constraints, the USG will support the Government of Iraq to develop and implement programs that create market incentives for expanded private sector investment and ownership of agricultural enterprises. Create a policy environment that provides clear “rules of engagement” and supports enhanced access to (1) sustainable, market driven credit programs, (2) agricultural technology (genetic material,

¹ When Solow modeled data for US GNP from 1909 to 1949 of increased output less than one half of the gain could be explained by increased inputs in labor and capital. With more than fifty percent of growth attributable to the residual, logic would dictate that there must be a significant gain in productivity coming from one or more efficiency enhancing factor(s) (technical change, increased knowledge, innovation, entrepreneurship, etc.).

fertilizer and equipment), and (3) properly managed water resources. Provide “public goods” support to agricultural education, major water distribution and drainage works, and key value chain components needed to create effective market channels for Iraqi production (transportation links, market access, and international promotion of an Iraqi “brand” for key agricultural products).

- Iraqi Private Sector - (List actions required to support private entrepreneurs in ag sector).
- Iraqi Public Sector – (List actions required to support public sector goods to promote development.)

Roles and Responsibilities

(Describe focus of different parts of USG (USAID, USDA, Brinkley Group, US Military, others??) in supporting Government of Iraq to promote private agricultural sector growth.)

USAID – (primarily a private sector focus although not completely – Inma, IRAP, CAP II, CSP, LGP II, Tatweer, Tijara – are all providing support at some level to ag sector development.)

USDA – (primarily a public sector focus)

US Military – (primarily a community focus – generally through grants of seed, fertilizer, production infrastructure, market infrastructure, micro-grants, etc.)

Brinkley Group – (primarily an international investor focus)

Others??

Goals

(At high level, describe “end state” for the activities being carried out, or being planned, by each USG entity. List outputs, timeline, etc. and describe current status. Identify goals for which there is no champion – a gap – explain who will address it and how.)

Annexes

Resources – What was previously committed and or is now committed to promoting agricultural development in Iraq. What resources are needed. These additional resources don’t have to be, really shouldn’t be, US resources.

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
October 11, 2008

Military USAID Conference – 10th Mountain Division and USAID held a day long conference on how to better coordinate our efforts to promote economic development in South Central Iraq. Conference included PRT and ePRT representatives as well as military unit representatives throughout the Area of Operation. This was a productive series of meetings. Attached is a summary of the presentations.

Water User Association Pilot Program – Talked to DAI IRAP. Phase One of the pilot program was approved at \$910,000 for 4 months operation and maintenance as well as strengthening of the Shuahymiyah Ag Association. Grant will be signed next week.

Support for Central Euphrates Farmers Market (CEFM) Startup – Discussions continued on getting support for the CEFM. I spoke to different technical offices in USAID and started planning a trip for staff from the USAID Economic Growth and Agriculture Office out to North Babil to discuss the market and visit the site.

Activities for Next Week – Prepare for transition to new assignment working on agricultural issues with USAID in the International Zone.

Counterinsurgency Progress in North Babil

Some Indicators of Impact



Preliminary Analysis of Impact of CERP, QRF & USAID Funding on Counterinsurgency Indicators

Impact of CERP, USAID and QRF Funding

“Can Hearts and Minds be Bought? The Economics of Counterinsurgency in Iraq”

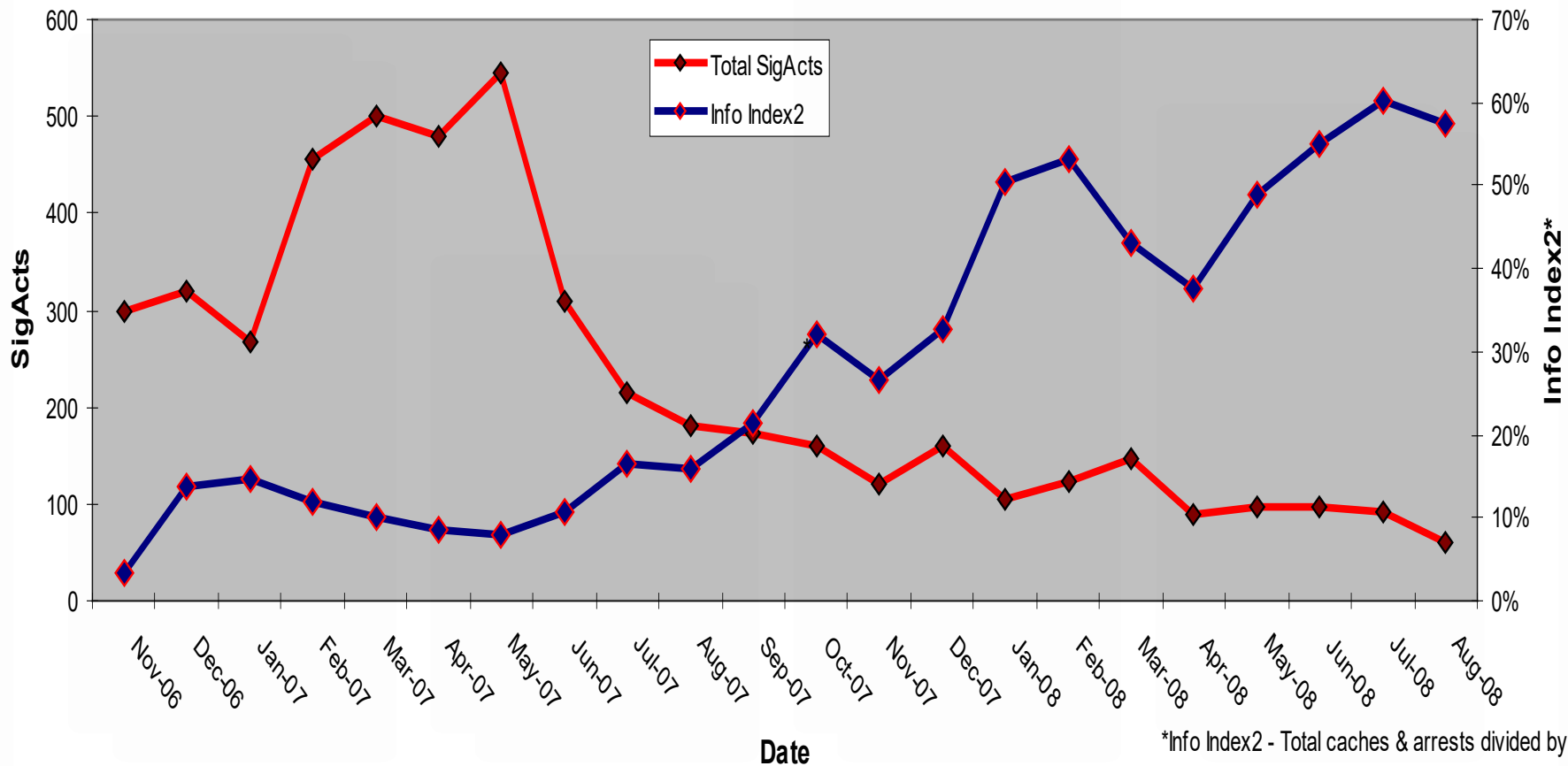
- **Major Finding – CERP funding in counterinsurgency areas increased the willingness of the people to cooperate with government forces.**
- **As government services and quality of life improved, local citizens shared more information with the government forces.**
- **As information sharing went up, effectiveness of counterinsurgency went up and violence (against government forces) went down.**

What happened in North Babil?

- What was impact of CERP funding?
- Was there a different response to different types of CERP funding?
- What was the impact of Economic Development funding (USAID & QRF)?
- What other factors promoted greater local cooperation and a reduction in violence?

Information Flow vs SigActs

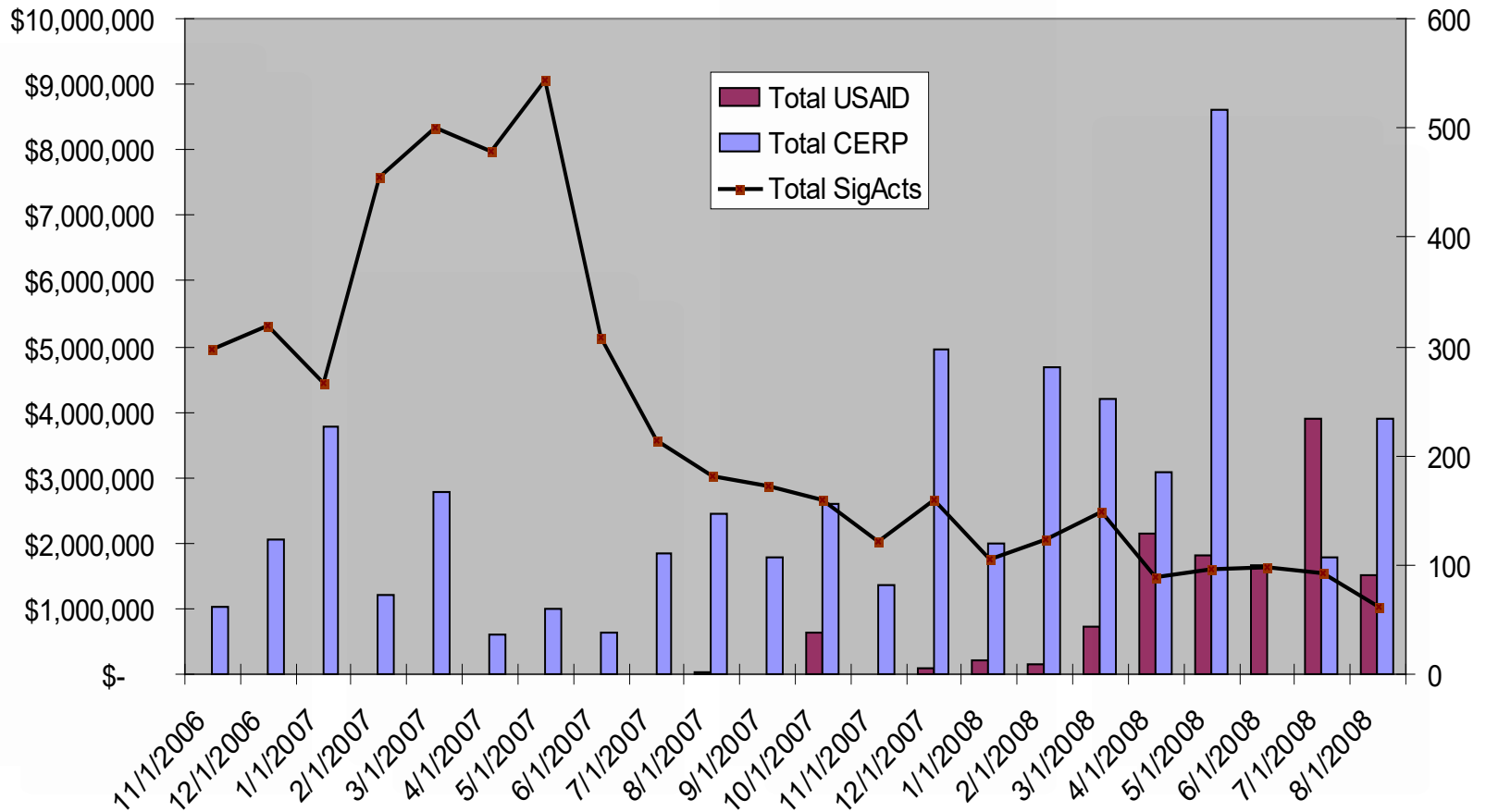
Counterinsurgency Progress
North Babil -- Nov. 2006 - Aug. 2008



*Info Index2 - Total caches & arrests divided by total SigActs.

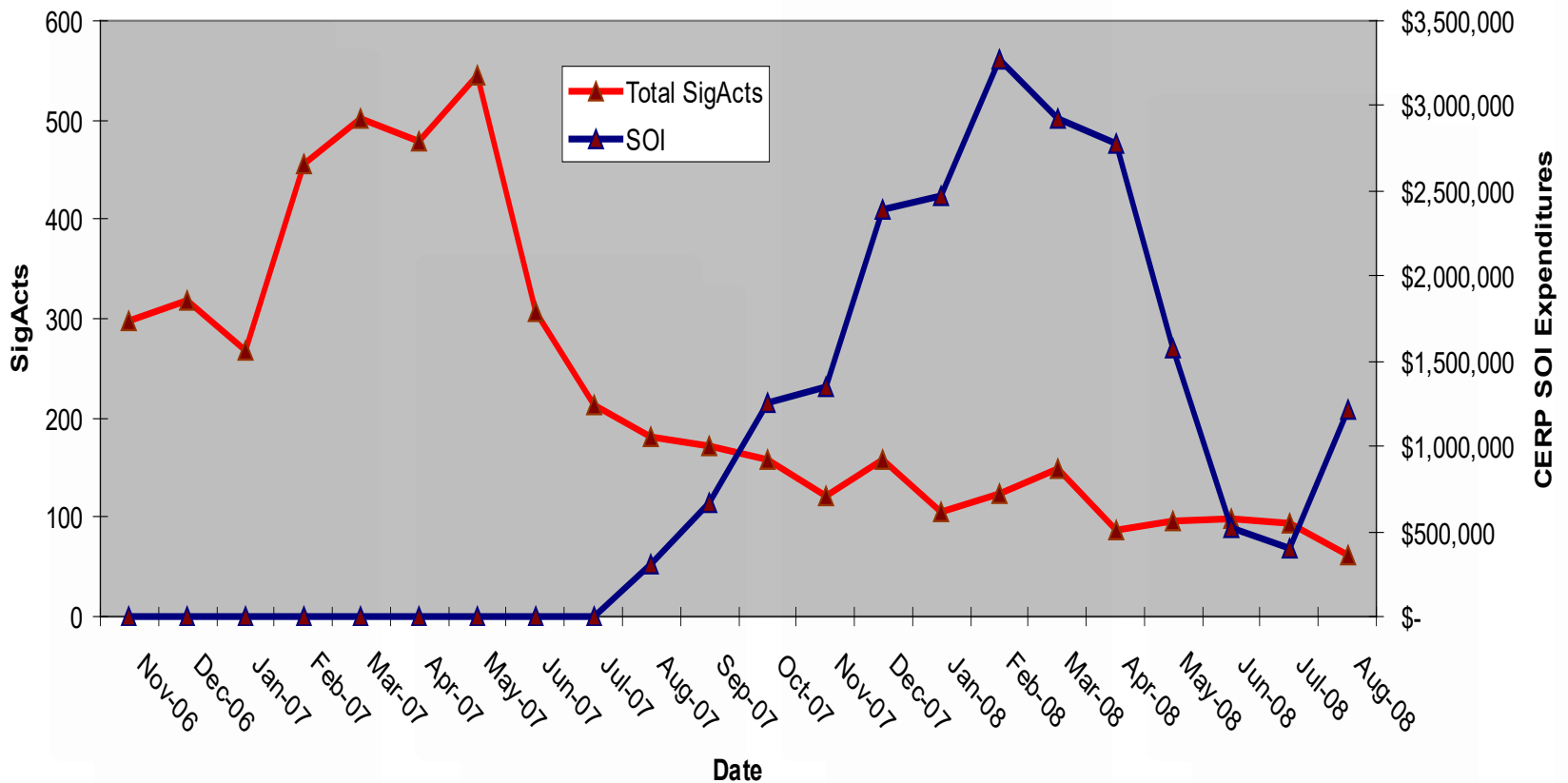
Total CERP & USAID/QRF Funding

Total CERP & USAID Funding vs SigActs November 2006 - August 2008



CERP SOI vs SigActs

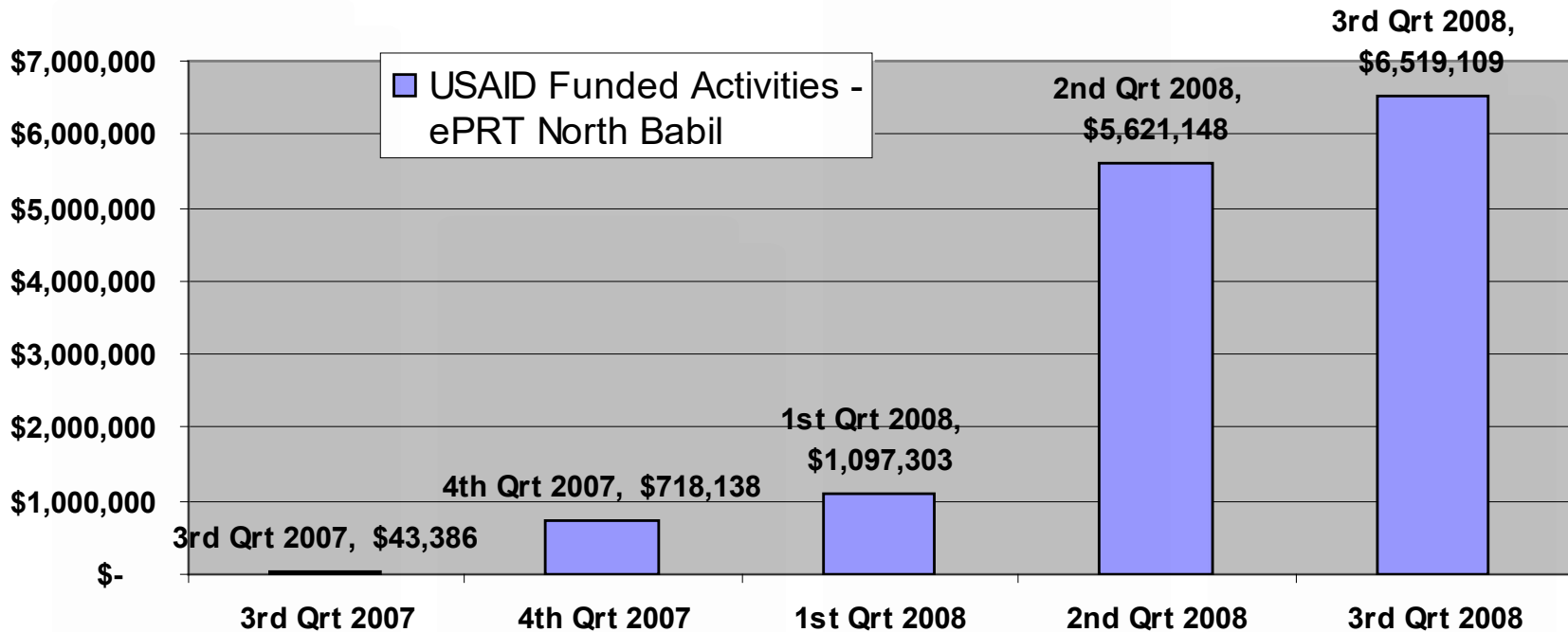
CERP SOI Expenditures vs SigAct
North Babil - 4th BCT 3rd ID
Nov. 2006 - Aug. 2008



USAID Funding – North Babil

August 2007 – September 2008

USAID Activities - ePRT North Babil
Quarterly USAID Funding
August 2007 - September 2008



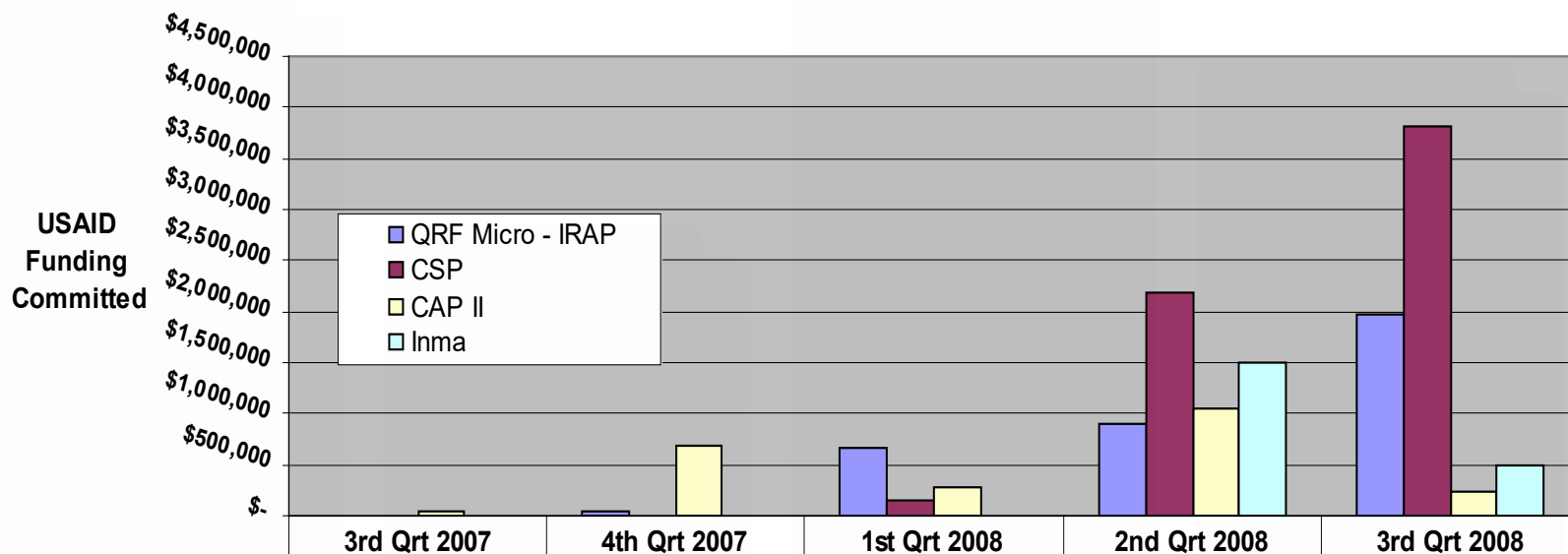
Total USAID Funded Activities - \$13,999,084

Source: Monthly USAID Partner Reports

USAID Quarterly Funding – North Babil

August 2007 – September 2008

USAID Investment in ePRT North Babil
Quarterly Commitment of Funding by USAID Partner
August 2007 - September 2008



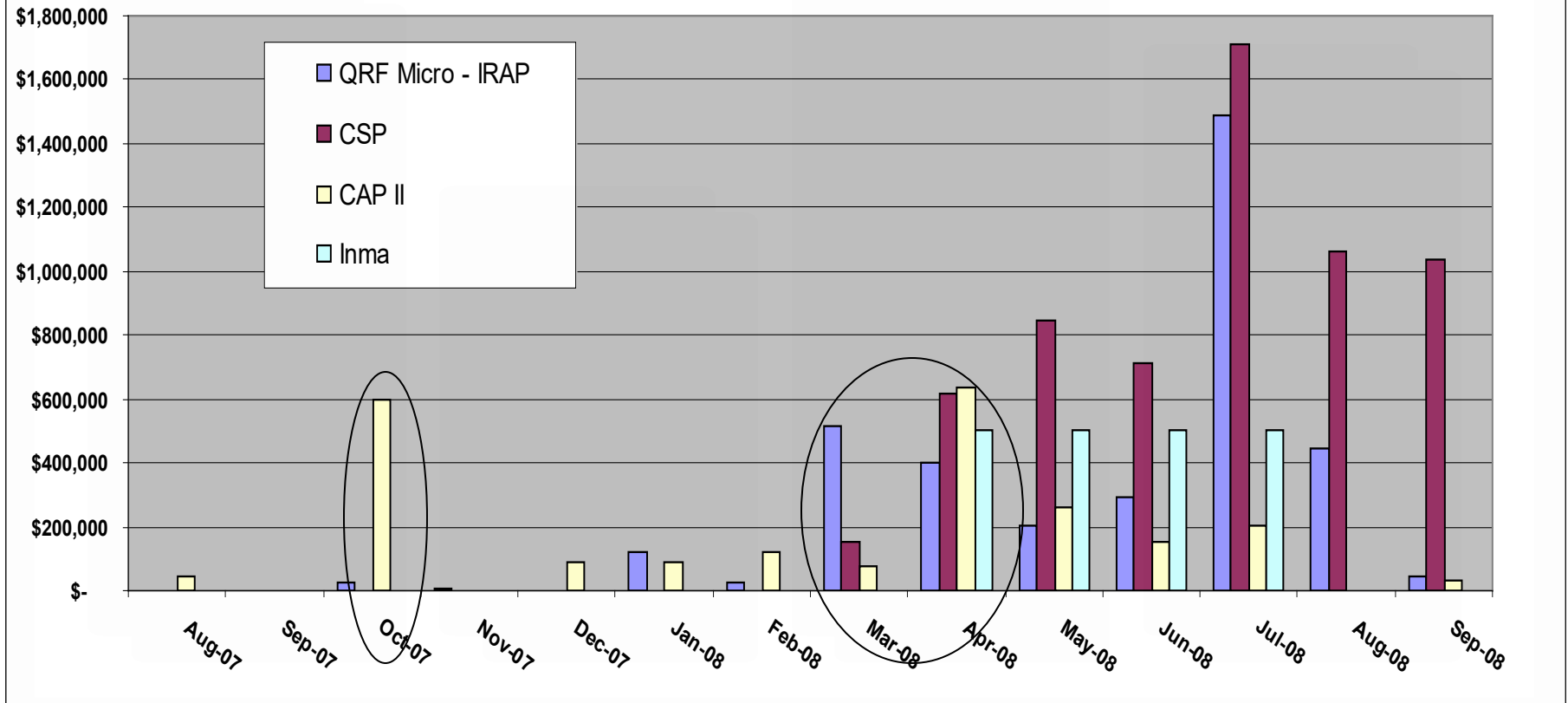
	3rd Qrt 2007	4th Qrt 2007	1st Qrt 2008	2nd Qrt 2008	3rd Qrt 2008
■ QRF Micro - IRAP	\$1,100	\$32,150	\$659,497	\$891,882	\$1,978,750
■ CSP	\$-	\$-	\$149,883	\$2,179,747	\$3,811,074
■ CAP II	\$42,286	\$685,988	\$287,913	\$1,049,519	\$229,285
■ Inma	\$-	\$-	\$-	\$1,500,000	\$500,000

Quarterly Funding by Partner

Monthly Commitment of Funds by USAID Partners in North Babil

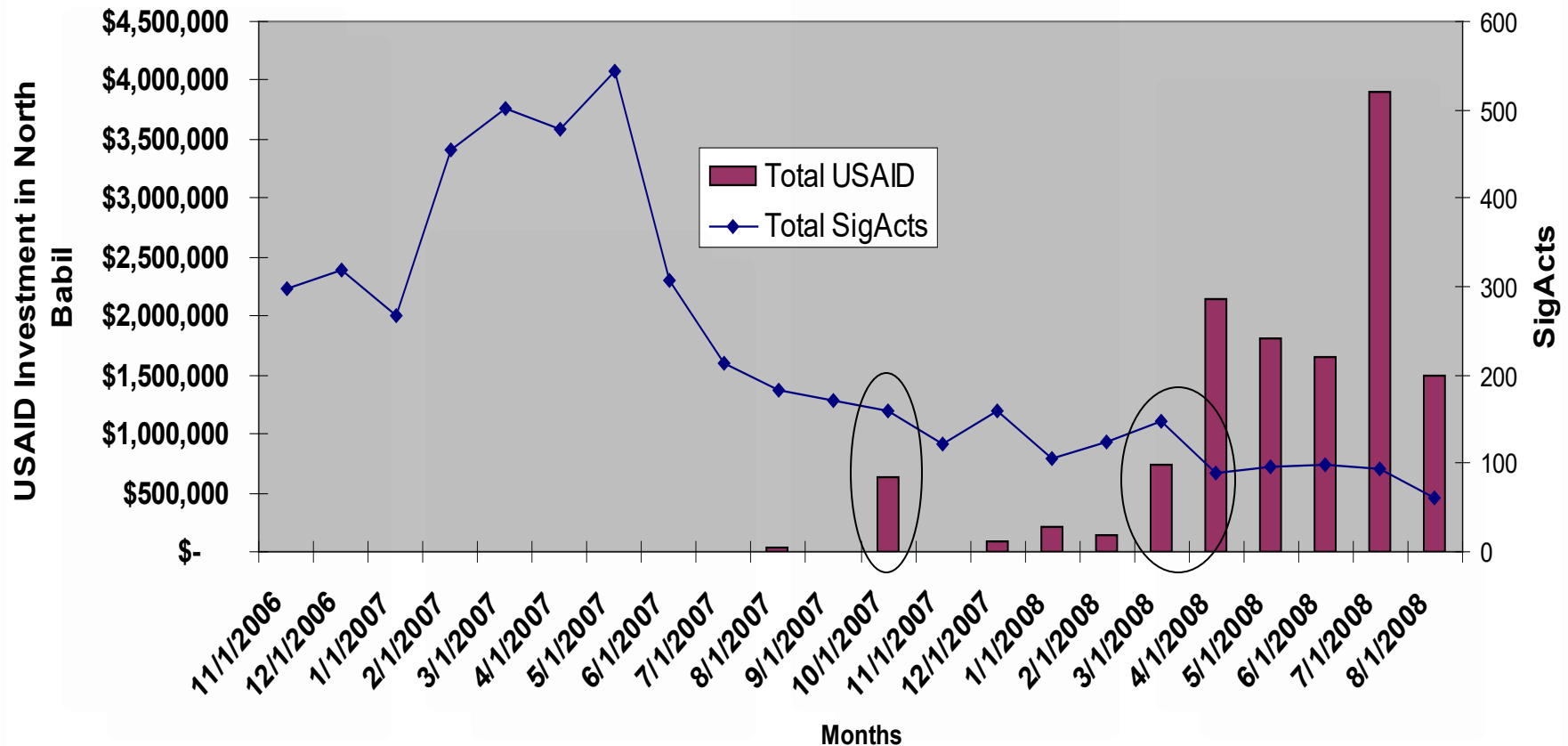
August 2007 – September 2008

Monthly commitment of Funds
by USAID Partners in North Babil
August 2007 - September 2008



USAID/QRF Funding vs SigActs

USAID Funding vs SigActs November 2006 - August 2008



Questions

- What other factors played a role in reduction of SigActs or improvement of information flow?
- Does the transition strategy of SOI to private jobs or recruitment into the army model the potential impact on violence if effort is unsuccessful?
- Has SOI program bought time for move to sustainable economic development or is it a separate and required mechanism to maintain lower violence levels?
- What are we learning here that might be applicable elsewhere?

The End

Weekly Report
Michael Maxey – USAID Rep.
ePRT North Babil
October 18, 2008

Agricultural Strategy Development – The US Government is developing a strategy to be presented to the National Security Council in late October 2008. This is essentially a framework and represents our approach to supporting Iraqi efforts to develop the ag sector. I participated in a meeting with the Embassy Agricultural Policy Group and provided comments on primary constraints to agricultural development in Iraq and the types of actions needed to address those constraints.

Water User Association Pilot Program – DAI IRAP contacted me to move forward on the signing of the grant agreement for Phase One of the pilot program funded at \$910,000 for 4 months operation and maintenance as well as strengthening of the Shuahymiyah Ag Association. With the assistance of our Iraqi Bilingual and Bicultural Advisor we were able to provide the contact information for the Al Shuahymiyah Agricultural Association and identify the person who should act as their representative with IRAP. I followed up with an email to PRT Wasit to inform them that this grant was being signed and that we (DAI IRAP, Inma and me) were planning a visit to there area to work with them in developing this model for a Participatory Irrigation Management (PIM) Program.

Support for Central Euphrates Farmers Market (CEFM) Startup – Trip was scheduled for October 18th to bring out USAID, Tijara and Inma representatives to see the Farmers Market and discuss how to move forward on supporting the development of this market as well as looking at credit issues. Participants will include the Director and Deputy of the USAID Office of Economic Growth and Agriculture, Director of Provincial Reconstruction Team Office, and the USAID Deputy Mission Director.

Transition of New ePRT North Babil USAID Rep. – During the week I worked with Michael Foster to transfer activities to him as the new USAID Rep. We discussed the IRAP Program, how to develop and submit proposals, and the other partners working with USAID and the ePRT in North Babil (CSP, CAP II, Inma and Local Government II).

Activities for Next Week – Depart for new assignment working on agricultural issues with USAID in the International Zone.

North Babil Bank Conference

10:00 Tijara arrives at North Gate

- Meet with Econ Team and brief on dynamics of the meeting

10:45 Banks arrive at North Gate

11:00 - 12:00 Bank Conference

- Introductions – Banks can tell us a little bit about their banks
- Explain ICBG lending process to the four ICBG member banks. Only Bank of Baghdad has been active.
- Discuss lending to the SME sector in Babil.
- What are the challenges facing the banks in lending to the SME sector?
- Bank of Baghdad has disbursed 14 loans in Babil. What can we do to help the other banks to lend to the SME sector.

12:15 Noon Lunch

1:15 Prepare to Depart

- Banks and Tijara Depart
- Embassy Personnel prepare for trip to Farmer's Market

Weekly Report
Michael Maxey, Inma CTO
USAID Iraq
October 25, 2008

Priority Actions on Inma – Participated in Economic Growth and Agriculture Office meeting with USAID Mission leadership to discuss Inma’s pending issues and action required to address them. Followed by several meetings with Inma leadership and staff. Primary areas discussed were:

- Inconsistencies in Contract Scope of Work, Implementation Plan, & 2008/2009 Work Plan – I drafted a narrative highlighting issues and recommending changes that make all documents consistent with the contract scope of work and provide a “way forward” for Inma. This was discussed with Inma leadership. Follow on actions will be taken to make 2008 2009 Work Plan and Inma Implementation consistent with the Contract Scope of Work.
- CTO Role & Activity Manager Role – Communication has been identified as a key issue and a limiting factor in developing a more productive relationship between Inma and the PRTs/ePRTs, Provincial Councils, and Agriculture Associations. I agreed to draft a Technical Letter to USAID Reps on PRTs and ePRTs informing them that their participation will be actively sought by USAID Economic Growth and Agriculture Office as Activity Managers for Inma. This action is pending – draft will be circulating on 10/26/2008.
- Inma Staffing and Increased Field Presence – Need to align Inma’s current staffing to provide an effective field presence. Inma provided staffing information and has been requested to provide a plan for placing ex-pat advisors in the field. Once plan is submitted by Inma a meeting will be held with Contracting Officer to discuss any issues related to funding and staff placement.
- Grant to Loan Program Status – There are issues with this program that remain unresolved. Status of program was provided in a brief at Inma offices last week. Additional information was provided later in the week. An internal review of the information and options will be carried out within the EGA office and a Decision Memo for the Mission Director will be drafted recommending appropriate action to address issues in the program.

Water User Association Pilot Program – Held a good meeting on October 23rd with IRAP DAI and Sr Water Advisor – ITAO, Maged Hussein, to discuss moving forward on the Shuahymiyah Water User Association activity and seek out similar opportunities in Participatory Irrigation Management systems.

Activities for Next Week – Meet with Inma staff to address ongoing management and implementation issues. Attend bi-weekly ag working group meeting. Meet with representatives of Ministry of Water Resources to discuss Shuahymiyah pilot effort.

Memorandum to File

From: Michael Maxey, Inma CTO
Subject: Clarification of Briefing for Amb. Wall
Date: October 30, 2008

The following information was provided to Tim Born, USAID Rep. at PRT Hillah, to clarify briefing material forwarded to USAID.

**AMBASSADOR WALL BRIEF
HATCHERY & FINGERLING PROJECT
EUPHRATES FISH FARM**

Ambassador Wall is scheduled to attend a Rehabilitation Clinic Dedication Ceremony in Al Hillah on November 2, 2008. During this visit he is scheduled to receive a brief on the Euphrates Fish Farm (EFF), Inma's project on the EFF hatchery refurbishing and fingerling contract and a site visit to the EFF with a brief by the owner, Mr. Khudhair Abbas Thwaini. Below is a copy of the proposed brief to the Ambassador.

History: The Euphrates Fish Farm hatchery concept was initiated by the Al Hillah PRT based on the need of quality fingerlings. The EFF is the largest, most modern, best equipped and with trained personnel of any in Iraq. One of the requirements was that hatchery be a licensed hatchery under the Iraqi Government; there are only two licensed hatcheries in the South Central Area. The EFF hatchery and grow out operations had been operating at approximately 20% capacity of when they were in full production. In 2007 they produced approximately 2 million fingerlings, after the refurbishing the 2008 season produced in excess of 12 million fingerlings, more than any time in the past history of the hatchery.

It was decided by Inma Program that instead of projects being paid for by a grant it would be done by a service contract which would service a number of small farms in the South Central Area. The service contract for the water pumping station was to provide a required amount of water daily for a six month period; this water provided water not only to the EFF but to the main irrigation canal that serviced hundreds of small farms. The service contract for the hatchery was for 6 million fingerlings purchased from the EFF at market price to be granted to the area Fish Association by Inma.

Originally the concept was only for the South Babil area and the Fish Association working with the Al Hillah PRT. At the start of the hatchery project Inma Program was contacted by the North Babil PRT and the US Military, 3rd Infantry Division, and requested to expand the grant of fingerlings to the North Babil area to assist in stabilizing the area, rich in fish farms, that had just been cleared of Al Qaida. The US Military very distinctly presented this as a means to bring assets to the area providing employment and

aiding in keeping Al Qaida from returning to the area. A meeting was held with the Al Hillah and North Babil PRTs where a division on distribution of the fingerlings between the two areas was agreed on.

Euphrates Fish Farm

You will visit the Euphrates Fish Farm and be briefed by the owner on the successes and challenges the farm has faced. The farm currently sells 3 tons of live carp per day. The USG, through the USAID Inma program, bought 6 million fingerlings from the farm for USD 3 million (approximately five times their market value) thus allowing the owner to successfully recapitalize the farm. Part of the recapitalization allowed the farm to rebuild a pumping station and a grain mill for fish feed for its operations and for sale to other fish farmers. The fingerlings were given to fish farmers in N. Babil free through fish associations and were sold to fish farmers in S. Babil. While this Inma action did allow the Euphrates Fish farm to successfully recapitalize their operation, other fish farmers complained that it was unfair. Unfortunately, shortly after information regarding the sale of the fingerlings became public (there was a grand opening with senior USG officials) the owner's three children were kidnapped for ransom. While all the children were ultimately recovered, the daughter is still suffering emotional trauma and has withdrawn from college.

***Comments on the statements identified as incorrect by Inma Program staff highlighted in the above portion of the proposed brief to Ambassador Wall.**

- The USG, through the USAID Inma program, bought 6 million fingerlings from the farm for USD 3 million (approximately five times their market value) thus allowing the owner to successfully recapitalize the farm.

***Note:** Many hatcheries in Iraq, primarily non licensed hatcheries, will sell fry, which they refer to as fingerlings, of approximately 1 to 10 grams for between \$0.03 and \$0.10.

- A survey was conducted to determine the market value of 50 gram fingerlings on the open market and the contract was drawn up not to exceed that amount. Survey indicated that a 40 gram fingerling was selling for \$0.40 to \$0.43 each depending on the quality of the fingerling.
- The 50 gram fingerling size was selected due to its increased survivability rate.
- A limited bid process was conducted of licensed hatcheries in Iraq.
- The following is the results of the bid:
 1. First hatchery could not provide the fingerlings and proposed we purchase fry and do a separate contract with growers to grow out to 50 gram size.
 2. Second hatchery could provide a portion of the 6 million but did not desire to produce fingerlings past the 35 gram size at cost of \$0.42 each.

3. The EFF was the only hatchery that could produce 6 million fingerlings to 50 gram size; their bid was \$0.50 each.

- Part of the recapitalization allowed the farm to rebuild a pumping station and a grain mill for fish feed for its operations and for sale to other fish farmers.

***Note:** The water pumping station was a separate project that ran in conjunction with the hatchery and fingerling project. It provided water to the EFF hatchery and farm, but also provided water to the main irrigation canal that provided water to hundreds of small farms.

- No part of the hatchery or water pumping station projects have any involvement or funding of a grain mill
- The EFF does not have a grain or feed mill on site; they do have a mixer and produce fry and fingerling feed by hand.
- The EFF purchased their pellet feed from local feed mills off site.
- The EFF has a small, out of service, pellet machine that produced pellet feed. It has not been operational since the mid 90's, is out of date and would cost more to fix than it would to buy a new one.

- The fingerlings were given to fish farmers in N. Babil free through fish association and were sold to fish farmers in S. Babil.

- The Inma program granted the fingerlings to the North and South Fish Associations for distribution to their members. The respective PRTs provided oversight on the distribution of the fingerlings to the individual farms that were members of the associations. The Inma Program never sold any fingerlings to anyone.
- Inma Program did not grant any fingerlings to individual farmers.
- During separate meetings with the two associations the proposal was brought up of the association selling the fingerlings on credit at a very distinct discounted price. The proposal was to utilize the revenue to purchase aquaculture equipment that could be utilized by all members of the association; e.g. water pumps for filling ponds. The North Babil Fish Association did not utilize this option, the South Babil Fish Association did.

- While this Inma action did allow the Euphrates Fish farm to successfully recapitalize their operation, other fish farmers complained that it was unfair.

- Fish farmers that were not part of the associations and did not receive fingerlings felt their exclusion was unfair. Inma could only grant to an association and Inma sale of fingerlings were prohibited. Inma was not able to satisfy the individual farmer, that was not a member of the association, desire for free or very low cost fingerlings.
- Unlicensed fish hatcheries also felt it was unfair; they were not licensed

and they were not eligible to bid.

- Unlicensed fish hatcheries, that dealt primarily in fry not fingerlings, sold much of their 2008 season fry outside the Al Hillah area, further south.

The bottom line up front the hatchery project was a success in providing 6 million high quality fingerlings to 472 small farmers in the South Central Area.

Pending Actions for Michael Maxey, Inma CTO
10/27/2008

- (1) Contract Scope of Work, Implementation Plan, 2008/2009 Work Plan & PMP – There are inconsistencies among the four documents. CO indicated that the Contract Scope of Work is the controlling document. Action: MM & RA will develop a matrix with narrative highlighting issues and recommending changes that make all documents consistent with the contract scope of work. Deadline: Draft document ready for 10/22/2008 meeting with Inma to discuss with Louis Berger Group team leadership.
- (2) CTO Role & Activity Manager Role – Communication has been identified as a key issue and a limiting factor in developing a more productive relationship between Inma and the PRTs and ePRTs, Provincial Councils, and Agriculture Associations. Action: MM will send out a Technical Letter to USAID Reps on PRTs and ePRTs informing them that their participation will be actively sought by USAID Economic Growth and Agriculture Office as Activity Managers – letter will provide details on improving communication (weekly report from CTO to Activity Managers on Inma activities and important actions, sharing of key documents and information from Inma, etc.). CO will prepare Mission Notice describing role of CTO and Activity Manager which will clearly delineate roles and responsibilities. Deadline: Technical Letter will be finalized in draft by 10/24/2008 and circulated for clearance – final letter should be sent to Inma Activity Managers by 10/29/2008. CO drafted Mission Notice will be ready in near future (date??).
- (3) Inma Staffing and Increased Field Presence – There is an urgent need to determine how best to align Inma's current staffing to provide an effective field presence as indicated by feedback from Inma Activity Managers and increased implementation capacity was discussed. CO indicated that first step is for USAID to have a better understanding of current Inma staffing and then make a decision on our position for where priority staff should be located and how they should operate. Action: MM will request that Inma provide the following information (a) organization chart illustrating management structure, team structure and positions, (b) complete staffing breakdown for long term and short term staff including all positions contracted under the "Short Term Technical Bank", and (c) for each staff position Inma will provide a job description that provides an overview of role and responsibilities, identifies supervisor, and describes level of authority. Once this information is available, schedule a meeting with CO and Inma management to discuss specific staffing, funding and placement issues. Deadline: Request that Inma provide this information to MM & RA on 10/22/2008. Hold meeting with CO by 10/30/2008.
- (4) Grant to Loan Program Status – There are issues with this program that remain unresolved. A complete description of the status of this program will be requested from Inma for 10/22/2008 meeting. Based on information provided and

a review of Inma Project files, an assessment will be drafted and a Decision Memo for the Mission Director recommending appropriate action to address issues in the program or change the program to make it more effective. Action: MM will draft assessment of Grants to Loan Program and Decision Memorandum to the Mission Director recommending most appropriate action. Deadline: Assessment and Decision Memorandum will be in final draft and circulating for clearance by COB 10/26/2008.

- (5) Ninewa \$3 million Earmark – USAID Washington is requesting a response by 10/22/2008 on how Inma intends to meet \$3 million earmark. Preliminary discussion indicates that there are no firm plans by Inma despite a trip to Ninewa in July and some discussion of potential activities there. Action: MM will include this issue as an agenda item for the 10/22/2008 meeting with Inma and recommend that the Grants to Loan – Microcredit be used to establish \$3 million in micro credit programs for the ag sector activities in Ninewa using existing indigenous Microfinance Institutions under limited competition.¹

¹ Assistance would be provided to the PRT Ninewa to develop a proposal which the PRT would submit directly to Inma. Inma would be able to execute the grant under Limited Competition as approved by their Grants Manual and the CO approval of grant proposal.

Discussion Points
Meeting with Soni Hysi, OAA
To Discuss Inma CTO and Immediate Management Issues
Michael Maxey, Inma CTO & Reta Assegid, Inma Alternate CTO
October 19, 2008

- Contract Scope of Work, Implementation Plan & 2008 – 2009 Work Plan – There are inconsistencies among the various program documents that defines what Louis Berger Group and subcontractors will do under the contract. Examples – Job Order Mechanism, Focus of Program Interventions, Importance of Different Sectors, etc. Issue: What document controls – in elaborating technical description of program, how do we do that in a way that stays within the scope and costs of original contract?
- CTO Role & Activity Manager Role – I want to actively engage all USAID Reps on ePRTs and PRTs in their role as Activity Managers for Inma. I want to share copy of CTO Duties letter, Contract Statement of Work, periodic financial information, sector and geographic specific information, etc. Issue: What documentation can be shared with an Activity Manager and what documentation can not be shared?
- Change in Inma Management & Field Presence – Part of the change in Inma to correct implementation capacity includes requesting that they establish field presence in 3 key geographic areas. The idea is to re-assign current staff. Issue: How do we officially request that – how many staff is Inma allowed to have? Only 4 key personnel are mentioned in contract – is their another list (see Mod. 1)? How do I, at a technical level, engage with Inma on staffing issues?
- Grant to Loan Program – This program, to me, appears in trouble – March 8th approval stated start up in 5 to 6 months. RFA process has failed according to Inma staff. They are now selecting banks (one or two). Implementation Plan Amendment #1 put bank capital contribution for loans under the program at 25% -- Decision Memo to Mission Director in March did not include a requirement for bank capital. Inma is now stating that they need to lower the 25% requirement that was under the amendment submitted for Implementation Program Amendment #1. Issue: How do we proceed – decision on the program, document the record for the changes, and demonstrate that we are taking appropriate management decisions regarding this program.
- Ninewa \$3 million Earmark – Inma – USAID Washington assigned to Inma funding a \$3 million earmark for program implementation (we got the earmark but no money). The \$3 million is to be invested in specific areas of Ninewa in order to have an impact on the Christian communities there. I discussed this with Robert Dose, Annual Crops Team Leader, and he was unaware of the earmark. We discussed the possibility of using \$3 million out of the \$5 million already approved for microcredit under the Grants to Loan Program to establish an ag micro credit program in Ninewa. This would be coordinated with the PRT there and we would request that they submit a grant proposal to us (USAID EGA) which we would forward to Inma and their investment committee. Issue: What's possible and what's not?
- Erbil Trade Show – USAID participation in the trade show – Mervyn Ellis will represent USAID with Inma at the Erbil Trade Show.

Decision Memorandum for the Mission Director

Date: November 8, 2008

Subject: 9 Nissan Market Close Out

Reply to
Attn: Michael Maxey, Inma CTO

Background: The 9 Nissan Market was constructed at a cost of \$1.2 million in 2004 by International Relief and Development “IRD” under the Community Stabilization Program with the intent to (1) enhance local security by providing a safe area for fresh fruit and vegetable wholesale and retail sales, and (2) increase economic development by creating 700 new businesses and 1,000 new jobs. The market was never occupied and one of the key constraints was the lack of a management structure. In September 2007 a meeting was convened by ePRT Baghdad 2 and a decision made to rehabilitate the market with USAID support (Inma and IRAP). Inma agreed to establish an association to manage the market, Ninma. ePRT 2 determined that Mr. Esam Al-Timimi, Deputy Qaim Maqam, was the responsible GOI representative with whom to coordinate since the market was on public land. A MOU was executed between the parties and letters of consent were issued to Inma from the Governorate and Dr. Kareem Badai representing the District Area Council. Renovation work has been underway since March 2008 and includes implementation and input from ePRT 2, CSP/IRD, DAI IRAP, Inma and Civil Affairs. Ninma was created and a grant of cold storage facilities were made to them by Inma. The installation of cold storage by Inma costing \$231,320 will complete the USG commitment to the GOI for the 9 Nissan market. The cold storage installation has been contracted, equipment procured, and the work is about one third completed. Ninma is the grant recipient and owner of the cold storage. However, the GOI (Deputy Governor Bassim Al-Ya’qubi) declared that previous agreements were null and that it will take ownership the cold storage. A meeting was held last week and agreement reached with Deputy Governor Bassim under which Ninma would maintain possession of the cold storage for one year and then pass it to the GOI. See attachments.¹

Issue: The USAID Contracting Officer has declared this agreement and the completion of the work by Inma to be unacceptable since Louis Berger Group contract prohibits granting resources to the GOI. The USAID Contracting Officer is in the process of ordering Inma to cease payment for the cold storage equipment and its installation. If the cold storage equipment could be installed, ePRT 2, Inma, CSP and the military would be in agreement that we have completed our commitment and the project would be closed out. All USG parties involved in this activity want to close it out as soon as possible. The key issue is how can we legally provide the assistance required to complete installation of the cold storage?

¹ Attachment 1 provides a description of the activities that were to have been completed by each entity. Attachment 2 provides a summary of the funding to be provided by each entity.

Options: There are basically three options: (1) we can stop the installation of the cold storage and inform the GOI that we have completed as much of our commitment as possible given US procurement regulations; (2) we can request that the military fund the expense of completing the cold storage and take on the responsibility of turning over the market to the GOI; and (3) we can seek an alternate USAID funding source to complete the cold storage (other than the Louis Berger Contract under Inma) and proceed with the close out of the project as was previously agreed

Option 1 would put the USG in a difficult situation regarding the need to enhance local security in and around the already existing street market. There is a military and counter-insurgency objective in establishing the 9 Nissan market in that it makes the area more secure and less susceptible to car bombs. Option 2 was explored by ePRT 2 (per conversation with USAID Rep. Mark Wilt) and it was determined that funding is not available either from CERP (Commander's Emergency Response Program) or from I-CERP (Iraqi funded CERP). Option 3 appears the best approach. A meeting was held with DAI IRAP officials on November 8, 2008 and it was determined that funding could be made available up to \$200,000 for the completion of the installation of the cold storage. This level of funding would appear sufficient to conclude the cold storage installation.

Recommendation: That you approve finding a USAID funding source for completion of the cold storage at 9 Nissan Market other than from the Inma Project, that the cold storage be installed, and the program officially turned over to the Government of Iraq as soon as possible.

Approved

Disapproved

Thomas Delaney
Acting Mission Director

Date

ATTACHMENT
1

E. FUNDING CONDITION

Inma support is conditional subject to USAID approval.

Tasks and Implementation Approach – 9 Nissan District Market

#	Tasks Description	Implementation Methods, Actions, and Responsible Party
1	Construct perimeter fence and secure market	2/69 Armor (Civil Affairs of the Army) – provide Alaskan T-Walls
2	Harden existing 10 th Street Market and Parking Areas next to the Market	2/69 Armor (Civil Affairs of the Army)
3	Install check points for men and women - Supply and Install - IP staff (Iraqi Police)	Armor (Civil Affairs of the Army) + DAC - 2/69 Armor - Mr. Timimi (Deputy Qa'im Maqam) & Dr. Kareem Badai
4	Clear and ready the two parking lots	2/69 Armor (Civil Affairs of the Army)
5	Repair toilets	Contractor (to be selected by Inma)
6	Complete internal wiring of stalls	Contractor
7	Install water to the market stalls	Contractor
8	Prepare entry and exit gates for trucks	2/69 Armor (Civil Affairs of the Army)
9	Identify site for and build cold storage area	Inma + Contractor
10	Clean sewer system	Contractor
11	Construct display stands	CSP/IRD
12	Concrete minor repairs	Contractor
13	Supply and install generator	Inma
14	Prepare areas for fish, poultry and meat	Inma + CSP/IRD
15	Prepare areas for fruit and vegetable sales	Inma + CSP/IRD
16	Tile or Concrete the market squares	Contractor
17	Garbage Bins	Contractor
18	Others: - Licenses and Permits - Project Management - Market Management (post renovation)	Various parties - Inma + Mr. Timimi + Dr. Kareem - Inma - To be finalized by all parties

Company	Item	Prices
D.A.I	Civil working &electrical work ,and plumbing	167,440
I.R.D	Doors , Stands , tables, Hooks.	450,000
NINMA	Cold storage , refrigerator , Genrators.	231,320
Army	Market Yard pavement with asphalt, and the trash bins	NA
INMA	T-Walls	275,000

MND-C AGRICULTURE CONFERENCE AGENDA
13 November 2008
JVB Hotel, Victory Base Complex

0800	Sign in	
0830	Welcome Brief	BG Smith
0845	MAJ Carr & Fred Kessel	Report of Due Outs from July 08 & CMCC
0900	USDA - Floyd Wood	Agricultural Cooperatives in Iraq
0950	Break	
1000	USDA – George Stickels	Central Euphrates Farmers Market
1050	Break	
1100	LTC Linda Capobianco	Mahmudiyah Poultry Production
1150	Break for Lunch	
1300	USDA - Logan Barbee	Agriculture Extension System – Initiatives in Babil Province
1350	Break	
1400	USAID- Mike Maxey	Water Use Association
1450	Break	
1500	Tm Borlaug – Andy Hale	Drip Irrigation Systems
1545	Ag. Distro of Farm Inputs	Dr. Edwin C. Price/?
1630	OPN Guadalupe Peak	MAJ Jason Kalainoff
1650	Break	
1700	MND-C	Way Ahead
1725	Closing	MG Oates
1745	End of Conference	

AGRICULTURE CONFERENCE

13 NOVEMBER 2008

CAMP VICTORY





*You are cordially invited to attend
The Multi-National Division – Center
Agriculture Conference
on Thursday, the thirteenth of November
at half past eight o'clock in the morning
at the Joint Visitors Bureau Hotel*

Sign-in begins at 0800

Please RSVP to CPT LeeAnne Courtney

Email: lee.anne.courtney@iraq.centcom.mil

DSN: 485-3810

Memorandum

Date: November 11, 2008

To: Mervyn Ellis, Director Economic Growth and Agriculture Office,
USAID Iraq

Subject: Privatization of Water Distribution in Iraq

Reply to

Attn: Michael Maxey, Senior Ag Advisor/Inma CTO

This memorandum provides: (1) Background information on strategy to leverage GOI policy to expand private water distribution systems; (2) Description of discussion at a meeting convened by the USG Senior Water Advisor (ITAO Water Advisor, Maged Hussein) with the DG of Planning at the Ministry of Water Resources on October 29, 2008; and (3) “Way Forward” to promote privatization of water distribution.

Background – Attachment One is a narrative describing my efforts to promote privatization of water user associations in Iraq and the strategic approach of leveraging national policy change that I initiated as USAID Rep. to ePRT North Babil. I discussed this initiative with Tatweer CTO and Deputy COP on 9/24/2008– see attached MemCon. I also briefed USAID Front Office on October 21, 2008, on the need to make water resource management a key approach under Inma.

Meeting with DG of Planning at Ministry of Water Resources – Attachment Two is a Memorandum Conversation of the meeting with DG set up by US Mission Senior Water Advisor to discuss various water initiatives. South Rashidiya Irrigation System was discussed and my position was that if it were privatized, USAID could consider assisting the private group that would own the system. I clearly stated that I could not allocate or promise funding but that Inma’s Contract Scope of Work called for support to effective, private water management.

“Way Forward” for USAID and US Mission to Promote Privatization of Iraq’s Water Distribution System – Attached is MemCon of 10/21/2008 meeting with USAID Front Office outlining strategic approach in moving Inma forward on “Water Resource Management.”¹ Attachment Three is a draft presentation on establishing an internal USG mechanism to coordinate water resource management issues and have one voice with the GOI.

Water resource management is a key component of the Inma Contract Scope of Work and is a strategic way to leverage GOI policy change.

¹ Proposal was to develop a strategy and program for formation of private water system management through ‘Participatory Irrigation Management’ groups based on model developed with IRAP funding in Wasit Province. Inma short term potential level of investment - \$10 million – 3 water distribution systems. It was my understanding that agreement was reached on moving forward with this strategic approach.

Attachment One – Background Narrative

The work on this initiative started when I was still assigned to the ePRT North Babil as the USAID Representative. In early August 2008, I attended a joint military – civil conference during which the importance of Water User Associations was highlighted by the Ag Counselor and the USDA Senior Water Advisor. When I got back to my Brigade after the conference I asked my Battalion Civil Affairs Team commander for any information they had on potential water user association formation in our battle space. Shuahmiyah area in Wasit Province was identified and a recon trip was planned for the area. Attached is the trip report of that visit – included in the visit were the Ag Counselor, Foreign Agricultural Service Maged Hussein, and DAI IRAP Program Officer Jon Wiebe. Decision was made to support Shuahmiyah Farmers Association to strengthen its organization to become a “Water User Association.” Grant proposal was drafted for a \$2.3 million effort and first phase of \$910,000 has been funded and is currently being implemented.

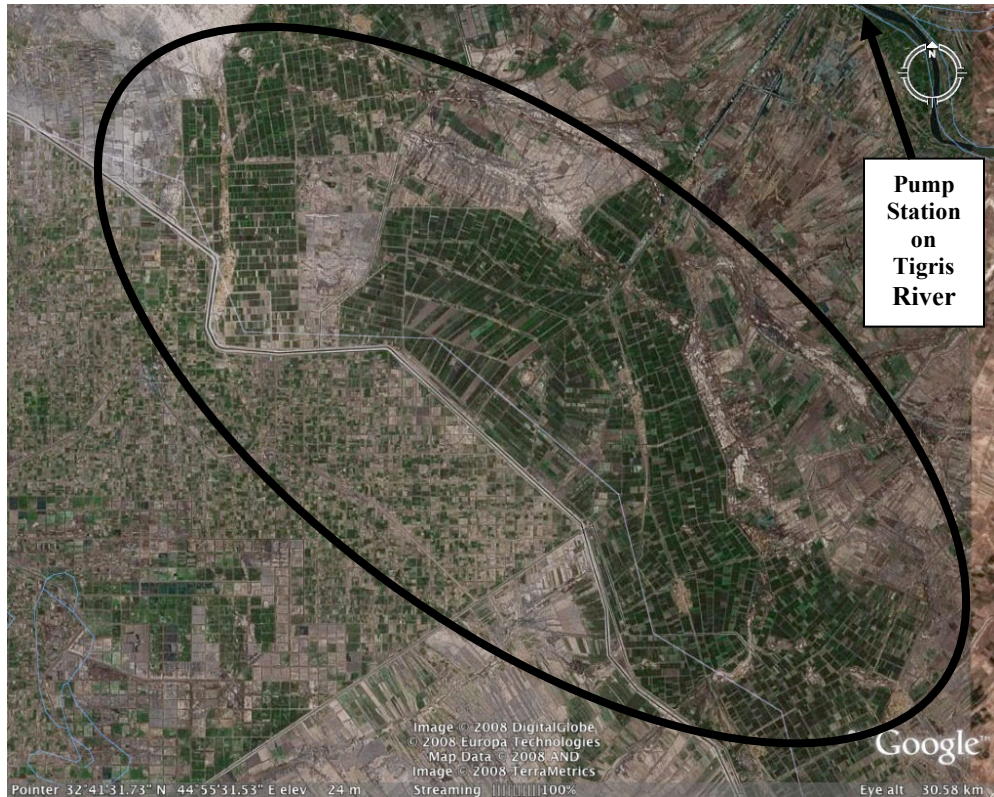
See attachments (1) Trip Report, (2) MemCon of Meeting with USDA/DAI IRAP Personnel, and (3) DAI IRAP Proposal – Shuahmiyah Water User Association.

Trip Report Field Visit to Shumayiyah Water User Association August 27, 2008

USDA, ePRT North Babil and IRAP/DAI representatives visited Shumayniyah water management area west of Suwayrah on August 27th.² We met with local leaders (Shumayniyah Local Council leader, Mr. Hamza; Rep. of DG of Water Resources, Ali Yasser Jassin; and Mr. Salman, leader of the Shumayniyah Ag Association). The purpose of the trip to was to assess the water user association.

A meeting was held in the Local Council building. Mr. Hamza and his colleagues described how water management was carried out in the area. He explained that the main pump station on the Tigris River had been sold by the Ministry of Water Resources to the Shumayniyah Ag Association and that they owned the 4 pumps and generators. The building and land continued to be owned by the Ministry of Water Resources. This pump station should provide water to irrigate 60,000 donum (15,000 hectares) of agricultural land. Below is a Google Earth image of the Shumayniyah water district.

² The Group included the US Ag Counselor, Jonathan Gressel; USDA Senior Water Advisor Maged Hussein; USDA PRT Coordinator Jim Connely; Pat Broyles, USDA Rep. ePRT North Babil; Fouad Hussein, Ag BBA; Michael Maxey, USAID Rep. ePRT North Babil; Jon Wiebe and Karen Campbell, IRAP DAI; Lt. Michael McClain and Lt. Steward, 1-76 Battalion, FOB Zulu.



The group comprised of three key elements of the community – the local council, the Ministry of Water Resources, and the local ag association – indicated that they were ready to take action necessary to collect water user fees and sustain the operation of the pump station. Mr. Hamza indicated that an additional 20,000 donum (5,000 hectares) of land could be brought under cultivation once the four pumps were at full capacity. We discussed the need to plan for domestic water use as well. We also stressed that there needs to be a plan for collecting and managing user fees to sustain the operation of the pump station.

Maged Hussein, Sr. Water Advisor for USDA, indicated that this water district was one of 10 nationwide in which the Ministry of Water Resources sold the facility to the local Ag Association to manage. He stressed that it would be critical to help them become sustainable and a successful program here could provide a model for other communities.

A quick assessment of the generators and water pumps indicated that major repairs were needed. Approximately \$1.5 million is needed to bring the pump station up to full capacity. Jon Wiebe and Karen Campbell of IRAP/DAI requested that the Ag Association and the Local Council leadership provide a cost estimate of the repairs needed to ePRT North Babil.



Three lines of follow up action are planned for this project:

(1) USDA and the Ag Counselor's Office will meet with the Minister of Water Resources and obtain their commitment to support the Shumayniyah Water User's Association as a model program, the Ministry will reconfirm that the equipment is owned by the Association, and the Ministry will agree to allow water rights and water management to reside with the local association.

(2) Lt. McClain of FOB Zulu will obtain cost estimates for repair and operation of Shumayniyah Pump Station – the Association agreed to prepare a cost estimate and obtain engineering plans for needed repairs; and

(3) IRAP/DAI in coordination with ePRT North Babil will develop a Civil Society Conflict Mitigation Program that will (a) repair the pump station and support it coming up to full capacity with the next 3 months, (b) provide a strategy and work plan for institutional strengthening of the Ag Association and its management of the water district (this will include bringing domestic water users into the association); and (c) develop a sustainable water user fee program and provide support to the Association for its implementation.

All parties involved would have to agree as a pre-condition for assistance that they would work together to form a sustainable Water User Association that covers the needs of the agricultural and domestic sectors.

Memorandum of Information
Various Meetings in the International Zone
Michael Maxey - USAID Rep. – ePRT North Babil
September 23 – 26, 2008

Meetings were held with various offices and staff that have an impact on USAID activities or Non-governmental Organization (NGO) activities in ePRT North Babil's Area of Operation.

USDA Shuahymiyah Water User Group – Met with US Ag Counselor, Jonathan Gressel, Senior Water Advisor Maged Hussein, and Farmer Associations Advisor Mark Mitchell to discuss next steps on support to nascent Shuahymiyah Water User Association. They indicated that the Ministry of Water Resources wants to proceed with development of a Participatory Irrigation Management (PIM) program in Shuahymiyah. Mark Mitchell cited the importance of assessing farmers' association operations including a review of their processes for making decisions, managing activities, and generating local buy-in. Attachment Two is US Agricultural Affairs Office memorandum indicating that the Ministry of Water Resources does not object to the development of a USAID funded IRAP (Iraqi Rapid Assistance Program) to support the

PIM program. The Ministry has contacted the Director General of Water Resources in Wasit and requested a report on the status of the pump station in Shuahymiyah. Attachment Three is confirmation email from ePRT North Babil Team Leader concurring with the submission of the Shuahymiyah proposal by DAI to USAID.

Tatweer Pilot Activity with Ministry of Water Resources, Wasit Province – Met with Director and Deputy Director (Steven Hendrix & Rodeina Fattah) of USAID Iraq Capacity Building Office along with their staff and the Deputy Chief of Party for Tatweer, Marc Shiman. I explained the Shuahymiyah Water User Group proposal and asked if it would be possible to have Tatweer provide assistance to the Ministry of Water Resources at the provincial level in Wasit Province in order to build their capacity to support the implementation of the Shuahymiyah program and learn how to replicate that experience with other privately held pump stations in Wasit Province. Steven and Rodeina indicated that they would explore ways to strengthen the capacity of the Ministry of Water Resources at the provincial level to support water user group establishment and development. Attachment Four provides an overview of the meeting and follow up actions.

Inma Meeting – Met with Inma staff³ on September 26, 2008. Attachment Six contains the Talking Points for the meeting. We had a good discussion on Central Euphrates Farmers Market (CEFM), Shuahymiyah Water User Association, feed mill for Babil Province, coordination on training issues, and follow up on Borlaug Group recommendations. We agreed that ePRT North Babil would request a technical team visit to assess the potential for Inma's cooperation with the CEFM. We also agreed to look at possible Participatory Irrigation Management systems modeled on the effort currently underway in Shuahymiyah, Wasit.

³ Herschel Weeks, Chief of Party; Tony Laos, Livestock & Feed Team Leader; Peter Drickell, Sr. Ag Marketing Specialist; John Jeans, Cross Cutting Team Leader; Jorge Alvarado, Perennial Horticulture Team Leader; Franco Scotti, Competitiveness Manager; Eric Richardson, M&E Advisor; Alfred Williams, Sr. Ag Advisor; Ana Pejchinova, Reporting Specialist; Tanya Habjouqa, Communications Specialist.

USDA Support of IRAP Shuahmiyah Water User Group Program



*Agricultural Affairs Office
Embassy of the United States of America*

September 24, 2008

To: Office of Economic Growth and Agriculture, USAID/Baghdad

From: Jonathan Gressel, Agricultural Counselor

Subject: Support for DAI IRAP / As Shuahmiyah Agriculture Association Project

The Embassy Agricultural Affairs Office strongly supports the development of participatory irrigation management in Iraq which is to be addressed by the As Shuahmiyah Agriculture Association Water Resource Assistance project. We believe the development of effective water user associations is vital to meet current and future requirements for the maintenance and operation of pump stations, as well as the irrigation and drainage needs of agriculture of Iraq. Water user associations have proved an effective vehicle for participatory management and operation of irrigation infrastructure in a number of countries in the Middle East and Southeast Asia.

Dr. Maged Hussein, current USDA Water and Soil Adviser and future ITAO Senior Water Consultant, and I visited As Shuahmiyah together with USAID's Michael Maxey and DAI-IRAP's Jon Weibe. We were all impressed by the cooperative relationship between the Nahia Council, Agricultural Association and Ministry of Water Resources Director. The Agricultural Association has successfully operated and maintained this pumping station for a number of years, but the 30+ year old pumps need replacement and sharply increased energy costs have jeopardized the Association's ability to pay for operation and maintenance of the pump station.

Dr. Maged Hussein has discussed the As Shuahmiyah Association with the Minister of Water Resources who has indicated that he has no objection to the USG working with the Association and has requested a report from the Provincial DG of Water Resources on the status of the pump station. USDA's PRT Agricultural Adviser will work with local agricultural officials to improve their capacity to assist farmers in the Nahia, which we understand is currently lacking. To avoid future water management conflicts, we have one suggestion for incorporation into this project. Because of the need to replicate this project, human architecture mapping should be conducted to understand the dynamics of this group of farmers and government officials, how they communicate, and analyze how they make decisions so that an organization and communication chart is developed. This should all be done prior to any capacity building events taking place.

We look forward to this coordinated effort to improve the agriculture opportunities of 40,000 beneficiaries in As Shuahmiyah.

Approval Email for Submission of Shuahymiyah Water User Association

From: Howard A. Van Vranken [mailto:howardvv_99@yahoo.com]
Sent: Wednesday, September 24, 2008 2:55 PM
To: Maxey, Michael (IRAQ/ePRT); Jon_Wiebe@dai.com
Cc: kimberly.peeples@4bct3id.army.mil
Subject: RE: Shuahymiyah Water User Association Pilot

Jon--As Michael mentions below, please proceed with the Shuahymiyah Water User Association Pilot program and let me and Michael know if you have issues or see any problems. Many thanks!

Howard A. Van Vranken

--- On Wed, 9/24/08, Maxey, Michael (IRAQ/ePRT) <mmaxey@usaid.gov> wrote:
From: Maxey, Michael (IRAQ/ePRT) <mmaxey@usaid.gov>
Subject: RE: Shuahymiyah Water User Association Pilot
To: howardvv_99@yahoo.com
Cc: kimberly.peeples@4bct3id.army.mil, Jon_Wiebe@dai.com
Date: Wednesday, September 24, 2008, 12:54 PM
Howard,

As indicated in email below, I met with Ag Counselor Jonathan Gressel today and things appear ready for the Shuahymiyah Water User Association proposal to go forward. USDA is coming back to me by COB tomorrow with a letter stating how their negotiations have gone with the Ministry of Water Resources and that the Ministry is basically on board with the concept of supporting the water user association program. Tatweer may be able to help us as well.

Howard, with the USDA confirmation that things are progressing with the Ministry of Water Resources, I would recommend that you concur via email with Jon Wiebe authorizing him to submit the proposal to USAID. I'll send you a follow up email when I get the USDA communication. Let me know if you have any issues, questions. Joe and I are going to meet with Jon Wiebe on Friday. Jon Wiebe goes on leave next week. Call if you want to discuss this -- my Iraqna # is 0790-191-9907

MMaxey

From: Maxey, Michael (IRAQ/ePRT)
Sent: Wednesday, September 24, 2008 12:38 PM
To: Hendrix, Steven (IRAQ/CBO); AbdelFattah, Rodeina (IRAQ/CBO); Batson, Howard (IRAQ/PRO); 'mshiman@msi-iraq.com'; 'mail@marcshiman.com'; Kasim, Abdul Kareem (IRAQ/CBO); Dumford, Dick (IRAQ/CBO); Al-Taaee, Qusey (IRAQ/CBO)
Cc: Larson, Kent (IRAQ/PRT); Brady, John Patrick (IRAQ/PRT); 'Jon_Wiebe@dai.com'; 'howardvv_99@yahoo.com'
Subject: Shuahymiyah Water User Association Pilot

Thanks for meeting with me this morning to discuss possible Tatweer involvement in a pilot activity via the Ministry of Water Resources and the establishment of a water user association in Wasit Province. As we discussed, there might be a way for Tatweer to provide training and technical assistance (project management & budget planning/execution) to the DG of Water Resources in Wasit Province in support of their efforts to successfully establish a community-based water user association.

We agreed to continue discussing this subject and I indicated I would forward you background material. Attached is my September 13, 2008, Weekly Report which contains three documents related to the Shuahymiyah Water Association activity -- (1) 8/24 trip report with US Embassy Ag

Counselor to Shuahmiah to see the pump stations and meet with the parties involved in establishing a rudimentary water user association (a grass roots effort at the community level came together to collect user fees and keep the the pump stations going in the Shuahymiyah, Wasit area; (2) 9/3 Memorandum of Conversation of a meeting with Ag Counselor and his staff with Jon Wiebe of IRAP/DAI at the USAID Compound to decide on how to structure a proposal; and (3) 9/13 memo on next steps. Also attached is the latest version of the IRAP (Iraq Rapid Assistance Program) proposal prepared by DAI (Jon Wiebe) for presentation to the PRT Office in USAID this week. The proposal calls for a two phase approach valued at \$2.3 million: Phase 1 - \$910,000 to assist the local farmers' association with administrative and financial systems, register it as an NGO, conduct analysis and develop a financial plan for the water user association (key aspect of this will be to determine the needed fee structure to maintain the system -- if there is a shortfall in what can be raised in fees locally, the Ministry of Water Resources will have to commit to financially supporting at least part of this program), and provide 4 months of operation and maintenance support for the pump station; and Phase 2 - \$1,400,000 to provide capital improvements to the pump stations.

I met this morning with the Ag Counselor, Jonathan Gressel, again and two of his staff (Maged Hussein - Sr USDA Water Advisor; and Mark Mitchell - Cooperative/Farmer Association Advisor). They are closely coordinating the development of this pilot activity with the Ministry of Water Resources. They agreed to forward a letter of the progress made in getting the Ministry to acknowledge support (or at this point, at least, no objection) for the pilot effort to strengthen the water user association in Shuahymiyah. When I receive it, I will forward information regarding the commitment of the Ministry of Water Resources. The next step in is the submission of the IRAP DAI Civil Society Conflict Mitigation proposal for a two phase \$2.3 million program to USAID for approval. Upon receipt of the USDA communication (they indicated they would send a letter summarizing their understanding of the Ministry of Water Resources support -- which they characterized as "good"), I'll recommend that ePRT North Babil Team Leader Howard Van Vranken approve that IRAP submit the attached proposal to USAID. I am meeting with Patrick Brady this afternoon and I'll go over the mechanics of the approval process with USAID.

I believe we will have a proposal (at least the first phase) in place soon. Perhaps we could put together an informal outline of how we might possibly work together in getting the Ministry of Water Resources fully engaged and owning the strategic planning/project management process for long term support to the Shuahymiyah Water User Association. As I mentioned, this effort could be, and really should be, seen as a pilot or model for a much larger effort of promoting locally owned water distribution systems in Iraq. There is also a very strong civil society component in this effort in that we are promoting grass roots democracy as the communities come together to jointly manage their critical resources. If you get a chance, the last attachment in my 9/13 weekly report is a summary of the book I mentioned in our meeting, "Inventing Iraq", written by Toby Dodge regarding the British Mandate period 1920 - 1932. One lesson that is key in Dodge's analysis of the history of Great Britain's attempt at nation building in Iraq is the necessity to empower local communities to address their own problems and concerns. Locally managed water user associations coordinating with and supported by the national and provincial governments offers a unique opportunity in this area. Thanks for taking the time to meet. I will be in touch.

Michael Maxey

Summary of Tatweer Meeting, 09/24/2008

Thanks for meeting with me this morning to discuss possible Tatweer involvement in a pilot activity via the Ministry of Water Resources and the establishment of a water user association in Wasit Province. As we discussed, there might be a way for Tatweer to provide training and technical assistance (project management & budget planning/execution) to the DG of Water Resources in Wasit Province in support of their efforts to successfully establish a community-based water user association.

We agreed to continue discussing this subject and I indicated I would forward you background material. Attached is my September 13, 2008, Weekly Report which contains three documents related to the Shuahymiyah Water Association activity -- (1) 8/24 trip report with US Embassy Ag Counselor to Shuahymiyah to see the pump stations and meet with the parties involved in establishing a rudimentary water user association (a grass roots effort at the community level came together to collect user fees and keep the the pump stations going in the Shuahymiyah, Wasit area; (2) 9/3 Memorandum of Conversation of a meeting with Ag Counselor and his staff with Jon Wiebe of IRAP/DAI at the USAID Compound to decide on how to structure a proposal; and (3) 9/13 memo on next steps. Also attached is the latest version of the IRAP (Iraq Rapid Assistance Program) proposal prepared by DAI (Jon Wiebe) for presentation to the PRT Office in USAID this week. The proposal calls for a two phase approach valued at \$2.3 million: Phase 1 - \$910,000 to assist the local farmers' association with administrative and financial systems, register it as an NGO, conduct analysis and develop a financial plan for the water user association (key aspect of this will be to determine the needed fee structure to maintain the system -- if there is a shortfall in what can be raised in fees locally, the Ministry of Water Resources will have to commit to financially supporting at least part of this program), and provide 4 months of operation and maintenance support for the pump station; and Phase 2 - \$1,400,000 to provide capital improvements to the pump stations. I met this morning with the Ag Counselor, Jonathan Gressel, again and two of his staff (Maged Hussein - Sr USDA Water Advisor; and Mark Mitchell - Cooperative/Farmer Association Advisor). They are closely coordinating the development of this pilot activity with the Ministry of Water Resources. They agreed to forward a letter of the progress made in getting the Ministry to acknowledge support (or at this point, at least, no objection) for the pilot effort to strengthen the water user association in Shuahymiyah. When I receive it, I will forward information regarding the commitment of the Ministry of Water Resources.

The next step in is the submission of the IRAP DAI Civil Society Conflict Mitigation proposal for a two phase \$2.3 million program to USAID for approval. Upon receipt of the USDA communication (they indicated they would send a letter summarizing their understanding of the Ministry of Water Resources support -- which they characterized as "good"), I'll recommend that ePRT North Babil Team Leader Howard Van Vranken approve that IRAP submit the attached proposal to USAID. I am meeting with Patrick Brady this afternoon and I'll go over the mechanics of the approval process with USAID. I believe we will have a proposal (at least the first phase) in place soon. Perhaps we could put together an informal outline of how we might possibly work together in getting

the Ministry of Water Resources fully engaged and owning the strategic planning/project management process for long term support to the Shuahymiyah Water User Association. As I mentioned, this effort could be, and really should be, seen as a pilot or model for a much larger effort of promoting locally owned water distribution systems in Iraq. There is also a very strong civil society component in this effort in that we are promoting grass roots democracy as the communities come together to jointly manage their critical resources.

Michael Maxey

Talking Points for Meeting with Inma
Michael Maxey, USAID Rep. ePRT North Babil
September 26, 2008

(1) Central Euphrates Farmers Market (CEFM) - Construction has started on the \$3.2 million (CERP funded) farmers market with about 20% - 30% construction completed. Attached is my latest trip report. This facility will serve 10,000 farmers in 7 ag associations in North Babil. There great potential to create increased market access for our farmers but there are some constraints that need to be addressed. Primarily, I believe we need help in developing a business plan and operations plan for the market that includes cash flow analysis, profit and loss, assessment of incomes streams for the market, evaluation of potential market channels that can be promoted through the market, etc. There may appear a "build it and they will come" approach and we want it tempered with some solid business planning. I sent an email a few weeks asking for a visit by Inma staff to look at some of the CEFM issues. I hope we can discuss a site visit and work on a "way ahead" for Inma's coordination with the 7 ag associations forming the CEFM. In the meantime, our Business Advisor Stephen Wilson is working with Land O Lakes to execute a CERP funded technical assistance contract to get a business planning/start up consultant out to help us get a handle on how to properly handle the start up activities. We want to make sure the Land O Lakes effort is fully coordinated with your strategy for working with CEFM. We also want to make sure we can get you engaged with CEFM as soon as possible. Attached is the original description of the CEFM.

(2) Shuahmiyah Water User Association - Wasit Province - In August we visited an innovative and largely grass roots water user association in Wasit Province. See the Shumayniyah Trip Report. We took IRAP DAI Program Manager Jon Wiebe and US Ag Counselor Jonathan Gressel to see the water association group (comprised of the local Nahia Council, Shuahmiyah Ag Association, and Field Engineer for Ministry of Water Resources). This is a potential 60,000 donum ag production area (primarily basic grains) that is currently only providing irrigation support to 40,000 donum. By establishing a locally owned Participatory Irrigation Management (PIM) program, we have the potential to increase production by 20,000 donum and provide a more reliable flow of water to domestic use in the area. This is a critical activity in that the group represents 2 of the 10 pump stations that the Saddam govt turned back to private, local management as an experiment in the 90s. This group has shown unusual initiative through forming their own grass roots organization and collecting user fees for upkeep and management of the water distribution system. IRAP DAI is proposing a Civil Society Conflict Mitigation Program proposal for a \$2.3 million effort which under Phase 1 (\$910,000) would formally establish the water user association, strengthen it to become a fully functional Participatory Irrigation Management program, provide 4 months of operation and maintenance support, and map out a plan for a sustainable water user association with a realistic cash flow analysis; and under Phase 2 (\$1,400,000) would provide for capital improvements to the pump stations and water distribution system. It would be great to have you consider how you could work with the farmers association to increase

agricultural production as water management is improved. This is also a model that could potentially have a major impact on water management in Iraq -- locally owned and maintained systems would I believe be more efficient and less costly to the GOI, it would strengthen local civil society as communities come together to equitably manage a vital resource, and it would help increase ag productivity through more effective water management. I don't have any specific plans and the IRAP proposal is not yet approved but I'd like to gauge your interest in working with PIMs and how this would fit in your overall development strategy.

(3) Feed Mill - Babil Province - This issue was discussed briefly at the USAID PRT Conference in early September. I just want to get a sense of where you are heading. I understand your economic analysis of working with a feed mill in Babil indicated there would be market issues (negative impact on local, smaller feed mills). Could I get a copy of your analysis or can you brief me on how you reached this decision. I am getting requests for information from both PRT Babil and 4th Brigade Combat Team. If you have already been in direct conversations with Tim Born, USAID PRT Rep. in Babil, please excuse the redundancy. I've been talking with Tim about the issue but my sense was he didn't have a clear understanding of what will or won't be done in Babil.

(4) Investments in North Babil - I want to get a sense of your investments in North Babil. In reporting through our military chain of command I continue to list the \$1.5 million provided for our fish farm program earlier this year (3 million carp fingerlings) but I know Inma did a number of demonstration fish farms in North Babil and I'd like to know the number and value of those investments (any data on job creation and income generation would be great as well). Finally, I understand from Tijara and Dr. Asmaa (the wife of your Babil Rep. Mr. Kaiser) that you are contracting her organization to conduct farmer training -- I'd like to know the magnitude of that training -- how many farmers? what skills? can ePRT North Babil provide input on the types of training needed by the farmers (and farmer associations) that we are working with -- like the CEFM, for example? Finally, I'll share the Borlaug Groups list of activities they are recommending as critical interventions in North Babil. We are attempting to address the constraints they identified with a variety of mechanisms but it would be great to get your input. Do you get a copy of the final Borlaug Report for North Babil? If not, I'll bring one with me tomorrow to share with you.

Update Note
Al-Shuhamiya Water User Association Pilot Program
Michael Maxey, USAID Rep.
ePRT North Babil
September 13, 2008

Attached are copies of August 28th Trip Report and September 4th Memorandum of Conversation of a meeting with Maged Hussein, USDA Water Resources Advisor, and Jon Wiebe, Sr. Program Officer IRAP/DAI.

Next steps are:

- (1) Maged Hussein will request a letter of support from the Ministry of Water Resources that at a minimum provides a “no objection” to proceeding in supporting the development of a PIM in Al-Shuhamiya.
- (2) USDA (lead person to be identified) will discuss plan for PIM initiative with Japanese International Cooperation and Assistance (JICA) water user program in Kerbala and seek to coordinate efforts with Foreign Agriculture Organization (FAO) and its sustainable development focus.
- (3) Mark Mitchell, USDA Senior Ag Ministry Advisor, will help ePRT North Babil coordinate activities planned under a PIM (Participatory Irrigation Management) program with Ministry of Agriculture officials as well as with the Ministry of Water Resources.
- (4) Jon Wiebe, IRAP/DAI, will lead process to develop two phase plan for support to Al-Shuhamiya to establish a PIM. Phase 1 grant will focus on building capacity within the local Ag Association to get them registered as a Non-governmental Organization (NGO), help them develop the administrative and financial systems required to effectively manage a PIM, and to conduct the cost analysis required to ascertain the feasibility of user fee financing. A second phase would be implemented to provide capital investment and further organizational support.
- (5) Meeting will be scheduled for week of September 21st to assess progress. Indications are that DAI will be ready to sign the grant for Phase 1 by September 21st. Estimated amount for Phase 1 is \$500,000 to \$700,000.

**DAI IRAP
CIVIL SOCIETY & CONFLICT MITIGATION**

GRANT PROPOSAL/APPLICATION FORM

The Application Can Be Submitted in English or Local Language

Please type or print

Name of the project: AS SHUAHMIYAH AGRICULTURE ASSOCIATION WATER RESOURCE ASSISTANCE

Name of the organization (in original language):

Address: AS SHUAHMIYAH AGRICULTURE ASSOCIATION
GRID COORDINATES 38S MB 96530 17442, AS SHUAHMIYAH, WASSIT
PROVINCE

Phone and fax numbers; e-mail address:

Hamza Jamad, As Shuahmiyah Nahia Council	07801753832
Sheikh Hadi Farhan , As Shuahmiyah Ag Association	07802781952
Saffan al Shamaray, As Shuahmiyah Ag Association	07807477747
Ali Yasser Jassim, DG Water Resources	07801029305

Project Director/ Organization Representative (name, title):

TBD (There are 3 Farmers Associations in this hydrological unit)

Background of the Project Director (please state the representative's title and background): TBD

Background on the organization (please attach a copy of the registration papers, if available): TBD

Any previous U.S. Government funding: None

Project dates: 4 Month Duration 1 October 2008 – 31 January 2009

Amount requested (in US \$): \$910,000.00

Background:

The agricultural sector is the second largest economic sector in Iraq, employing around 25 percent of the population and providing both subsistence livelihoods and disposal income to millions of Iraqis. Water resources are crucial to the agricultural sector, which consumes as much as 90 percent of the surface water in Iraq. The agricultural sector will remain an important part of the Iraqi economy for many years but numerous reforms are needed to enhance its viability. One area where improvements are specifically needed is the operation and maintenance (O&M) of the irrigation and drainage systems, which serve the majority of cropland in Iraq.

Iraq has an extensive and complex irrigation and drainage system that has been in development since the 1950s. Over the past twenty years, however, the system has deteriorated significantly due to economic sanctions and war. In the 1990's under the former regime ten of the large pump stations situated along the Tigris were relinquished under agreement to Agriculture Associations. Under this agreement, the former maintained ownership of the land and facilities while the latter assumed responsibility for operations and maintenance of the systems at the stations and hydraulic system it supplied.

Since 2003, the Government of Iraq, the US Government, and other international donors have implemented projects to restore and enhance the irrigation and drainage systems throughout the country. Notwithstanding these efforts, there remain significant gaps in infrastructure repair. Agriculture failures throughout Iraq in recent years are attributed to problems of inadequate agriculture inputs, not least of which is insufficient irrigation and drainage of croplands which will continue if gaps in this system are not repaired in order to improve its' efficiency.

Water User Associations:

The UN Food and Agriculture Organization (FAO) defines a Water User Association (WUA) as "*Association of water users combining both governance and management functions (they are not the owners of the infrastructure).*" A WUA is usually a non-profit organization that is managed by a group of water users that share a common water course (usually secondary or tertiary system). Under this model members of a WUA pool financial, material, technical and human resources together. These resources are then used for O&M of the irrigation and drainage system within their jurisdiction for the benefit of all the members.

Participatory Irrigation Management:

Since the 1980's, countries around the world have implemented model programs ranging from Participatory Irrigation Management (PIM) on one hand to Irrigation Management Transfer (IMT) programs on the other with mixed reviews. PIM is the increased "involvement" of irrigation users in all aspects and all levels of irrigation management. This involvement can extend to initial planning and design of new irrigation projects or improvements, as well as the construction, supervision, and financing, decision rules, operation, maintenance, monitoring, and evaluation of the system. However, PIM implies that government irrigation agencies remain the leading player with its role varying depending on the level of "involvement" of water users. IMT on the other hand is the process of a complete transfer of irrigation management and associated responsibilities to water users and their associations. Irrigation agencies remain in control of the regional system but relinquish control (and responsibility) of the local systems to water users. WUAs play a central role in these programs. The implementation of the WUA concept also differs considerably from one country to another. Regional neighboring countries like Turkey, Egypt and Jordan have adapted WUA to address inefficiencies in the management of their irrigation systems. Movement in the direction of this model is the logical way ahead for water resource management and is supported by both UN FAO, USG and GOI.

In 2006, the Japan International Cooperation Agency (JICA) launched a pilot project in **Karbala to develop the first WUA in Iraq**. The program included a capacity building program to 1) to develop the expertise within the WUA's farmers as well as relevant ministries, 2) to build the institutional framework for organizing WUA, and 3) to create the legal and policy enabling environment for formation of WUAs in Iraq. The project is still ongoing, with considerable work on the first and second objectives completed thus far (albeit only in Karbala area).

More recently, FAO prepared a strategy for transitioning its assistance from "emergency response" to "sustainable development" in which FAO will promote WUAs as means for achieving better management of the irrigation system.

As Shuahmiyah Agriculture Associations:

In a traditional model, the Ministry of Water Resources (MoWR) is ostensibly responsible for designing, building, operating, and maintaining the existing irrigation and drainage system, which delivers irrigation water to farmers and collects and disposes of drainage water at the property line. The farmers meanwhile are responsible for maintaining the on-farm irrigation and drainage system. The focus of GOI central ministries however has been on new capital investment projects instead of O&M and rehabilitation of existing infrastructure.

During the 1990 embargoes and UN Oil for Food program Iraqi agriculture was heavily subsidized through various means and the agriculture associations had available cash flow. While never a formally organized WUA, consideration of the hydraulic linkage (however nominal) between the ministry, the farm associations and farmers were a part of

the conditions under which the associations assumed responsibility of the pump stations and associated sub-systems.

As a hydraulic unit, the As Shuahmiyah Agriculture Association controls water resources for an area of over 60,000 donum (15,000 hectares) in agricultural land and serves the livelihood needs of over 40,000 Iraqis. The As Shuahmiyah Agriculture Association has historically had nominal effectiveness in operating and maintaining the pump station, irrigation and drainage sub-systems due to inefficient or substandard organization and management practices. The hydraulic unit is currently self funded through an antiquated assessment and fee collection process that relies on the landed sheikhs for input and does not effectively capture or incorporate all user needs or access. The limited budget, manpower contributions and an apparent leaning towards decentralization by MoWR coupled with the overall down turn in post 2003 agricultural productivity and associated income loss has and will continue to have an overall dilapidating effect on their ability to internally operate and maintain the hydraulic unit (pump station and sub-systems) they control.

The major shortcomings are as follows:

1. Inadequate management and an organizational structure within the Agriculture Association itself that make it unable to efficiently assess and administer needs and trend in a changing environment.
2. Perceived political and/or sectarian biases without and within the subsystem.
3. Lack of enforcement of water allocation amongst users within the subsystem.
4. Lack of incentives to conserve water and soil resources.
5. Difficulty in procuring equipments and parts from the international market necessary for O&M and/or rehabilitation of the system.
6. Agricultural income losses associated with overall sector downturns.

Given current conditions, the As Shuahmiyah Agriculture Association finds itself severely limited in its ability to conduct adequate operations and maintenance with these conditions approaching the point of failure unless efforts to improve the viability of this association in the form of external assistance are implemented immediately.

Project purpose and description: (do not exceed 2 paragraphs)

This grant is the first phase of a two part effort to address one of the underlying causes of tension and conflict in Iraq, mainly that of access to water resources, by strengthening the management capacity of the As Shuahmiyah Agriculture Associations to: (1) manage the irrigation infrastructure and drainage system in the As Shuahmiyah hydraulic district; (2) implement activities; and (3) monitor and evaluate their effectiveness.

Specifically, this grant will provide technical assistance and maintenance funds to the As Shuahmiyah Agriculture Association to achieve the following:

- Provide technical assistance to the farmers association in organizational structure, management and operation of the pump station, irrigation and drainage equipments in the system.
- Ensure continued operation and scheduled maintenance of the pump station equipment
- Introduce users' participation in the water allocation between members.
- Mediate conflicts among farmers regarding water use and limit or eliminate illegal withdrawals.
- Promote understanding of the value of water and subsequently water conservation measures.

Implementation of this grant will facilitate ongoing operations of the As Shuahmiyah pump station resulting in uninterrupted water flow to approximately 40,000 Iraqis through the term of service. Additionally, the program will directly provide ongoing employment of approximately twenty five (25) Iraqis at the pump station and facilitate continued agricultural activities in the As Shuahmiyah area affecting approximately 10,000 agricultural workers.

Beneficiaries: (direct and indirect, by gender)

The primary beneficiaries of this proposal will be the residents of the As Shania hydraulic district. Yet to be determined is the inclusion of two cities in As Shuahmiyah.

Direct Beneficiaries:	40,000
Indirect Beneficiaries:	20,000

Project justification: (identify service gaps, how the project will strengthen social development or promote economic development and/institutions in the area of project activities)

There are three major linkages between conflict and water:

- ***Access to adequate water supplies:*** Conflict is more likely to occur over water when disputes involve access to water of adequate quantity and quality. Even when water supplies are not severely limited, as is the case with As Shuahmiya, allocation of water among different users and uses (agriculture and residents, for example) can become highly contested.
- ***Water, livelihood loss, and civil conflict:*** Water's importance in sustaining human livelihoods can indirectly link it to conflict. Water is a basic resource for agriculture, which is traditionally the largest source of livelihoods, as in the case of As Shuahmiya.
- ***Water management and conflict:*** In most cases, it is not the *lack* of water that leads to conflict, but the inadequate way the resource is governed and managed.

There are many reasons why water management fails, including lack of adequate water institutions, inadequate administrative capacity, lack of transparency, ambiguous jurisdictions, overlapping functions, fragmented institutional structures, and lack of necessary infrastructure.

Cooperation around water issues, which stems from a drive for sustainable development in the face of shared stress, has a long and successful history. This development imperative, not the fear of conflict per se, has proven to be a primary motivator of stakeholders to pursue protracted negotiations. Aggressively pursuing water resource management as an overarching strategy to conflict resolution can provide dividends beyond water utilization for stakeholders. It can build trust and serve as an avenue for dialogue when parties are stalemated on other issues. Water institutions have historically proven resilient, even as conflict is waged over other issues. This strategy can also establish habits of cooperation among stakeholders, even those with little experience.

In principle, irrigation systems perform better with local influence in water decisions as in community water use committees and most effectively under the concept of Participatory Irrigation Management (PIM); when local user needs are incorporated into water management fostering a developed sense of ownership, participation in decision making process as well as O&M of the system components. Many of the key functions related to O&M and rehabilitation of existing infrastructure can be handled more effectively at the local level via strong local institutions. Experience in other developing countries has shown that privately owned pumping stations (although much smaller compared to public pump stations) have been repaired and brought back online to serve their owners faster than those owned and operated by the government.

The increase in violence since 2003 coupled with dilapidated infrastructure and subsequent economic neglect of the area by both the governorate and provincial leadership has severely damaged traditional agrarian economic infrastructure. While political and security operations have successfully decoupled linkages and pushed insurgent activity out, shortages in employment and lack of opportunity will continue to cause further tension and lead to opportunities for insurgent recruitment, specifically within the agrarian populations marginalized by war and violence.

In addition, another central component of conflict mitigation and peace building through development is strengthening civil society's role in community-based conflict mitigation and reconciliation. This grant achieves this basic tenant by building the management capacity As Shuahmiyah Agriculture' Association, a nascent non-governmental organization by providing this organization with technical assistance to allow it to proactively address one of the root causes of conflict, that of access to water resources.

Project sustainability: (show grantee contributions)

The As Shuahmiyah Agriculture' Association currently has the material support of the independent As Shuahmiyah Nahia Council and the Directorate of Water Resources for

the North Wassit. These three entities have collectively come together out of necessity in order to collect fees based upon land ownership for the hydraulic unit. This grant is the first of two grants that will strengthen and improved the efficiency of the As Shuahmiyah Agriculture' Association. The two combined grants will provide organizational, management, O&M and select capital improvements over the course of 11 months. The end result of the first and second grant combined will be the self sustainment of operations by the As Shuahmiyah Agriculture' Association through the incorporation of management efficiencies and the establishment of the effective and accurate self assessment and collection of water use fees. The more effective use of water will result in improvement of agricultural inputs that will sustain and improve agricultural production.

At the present time, the GOI and MoWR are discussing the possibility of re-acquiring the 10 Tigris pumps stations. Major capital improvements to the pump station will remain deferred until which time an accommodation or agreement is made with GOI MWR. The scope of this grant will restrict USG funding to operations, maintenance sustainment and minor capital improvements over the period of the grant. The use of two grants will further minimize allocation of USG funds in the case of actual near term GOI acquisition of the station.

The successful completion of this project also assumes a continuation of the current politico-security situation. Major risks are not expected to occur however, due to fragile security and political situations the project should retain flexibility at all levels.

Detailed description of the project activities: (Include objectives and planned outcomes. Do Not Exceed Two Pages)

This grant consists of several components:

- Strengthening the Organization and Management Capacity of As Shuahmiyah Agriculture' Association
- Implementation of O&M activities for a period of 4 months
- Registration with GOI as a Non-Governmental Organization (NGO)

Strengthen Organization and Management Capacity of As Shuahmiyah Agriculture' Association

This grant will provide funding for technical assistance to the As Shuahmiyah Agriculture' Association to formalize its organizational structure and strengthen its institutional capabilities.

Technical assistance will include:

- Formalizing the Association's organization by establishing an organizational structure, adopting by-laws, establishing a Water Resource Sub-Committee representing all users within the As Shuahmiyah hydraulic unit.
- Develop and adopt standard operating procedures to effectively manage PIM,

- administer financial systems, and O&M schedules.
- Develop and conduct an assessment and cost analysis for efficient and effective administration of user sustainable funding.
 - Renovation of current office space and facilities.

Organizational strengthening will be provided under service contract in the grant through a local NGO.

Implementation of Operations and Maintenance (O&M)

This grant will provide funding for technical assistance to the As Shuahmiyah Agriculture' Association to conduct operations and maintenance of the pump station and main control mechanisms within the hydraulic unit for a period of four (4) months.

The engineer and DG of Water Resources have provided a preliminary scope of work. Additional technical expertise will be provided under service contract in the grant through a local Engineering concern.

Registration with the Government of Iraq as a Non-Governmental Organization

Under this grant, the As Shuahmiyah Agriculture' Association will complete and submit all required documentation for registration with GOI as an NGO. This is a precondition requirement for further funding of phase two of this proposal. Registration fees will be paid by the As Shuahmiyah Agriculture' Association.

Detailed description of the indicators: (quantitative, by gender, # employed, # trained)

Program indicators will target:

- Adoption of by-laws
- Selection of the Water Resources Sub-Committee
- Established financial management systems, administrative guidelines for PIM and standard operational procedures for O&M
- Assessment of users within the hydraulic unit and completion of system cost analysis for user sustainability
- O&M conducted
- Successful registration with GOI as NGO

Grantees Responsibilities: (Budget contributions, administrative roles, activities accomplished under the grant):

The Grantee is responsible for ensuring that the items in the subject grant are secured and used for the purpose of the grant. The grantee will establish the selection process for sub-committee members, provide all invoices for any service agreements provided by the grantee under this grant, provide payment signature sheets as necessary, provide monthly

periodic reporting as specified and submit a final report to DAI within 10 days of the completion of the grant activities.

Detailed budget (use XLS spreadsheet template provided):

(See attached budget)

How will you meet the program and financial reporting requirements (e.g., who will prepare the financial report?):

This is an in-kind grant. All procurement, deliveries and payments will be facilitated by the grantor or its agents. Program income under this grant shall be added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives.

Other sources of support for this project (including the applicant organization):

Hamza Jamad, As Shuahmiyah Nahia Council	07801753832
Sheikh Hadi Farhan, As Shuahmiyah Ag Association	07802781952
Saffan al Shamary, As Shuahmiyah Ag Association	07807477747
Ali Yasser Jassim, DG Water Resources	07801029305

This proposal is additionally supported in principle by the Ministry of Water Resources in coordination with the US Embassy Agriculture Counsel, USDA Foreign Agriculture Services Office, and ePRT North Babil located at FOB Kalsu. The USDA Senior Foreign Agriculture Services Officer is in the process of obtaining a letter of agreement from the Iraqi Minister of Water Resources in support of this program as a pilot for PIM as a way ahead for Iraq irrigation infrastructure.

Other organizations you applied to with the same project and status of your application: None.

References:

1. *Water User Associations and Operation and Maintenance of the Irrigation/Drainage System in Iraq*; Prepared by Dr. Linda Allen, Senior Consultant Water Resources, ITAO & Dr. Maged Hussein, Water and Soil Ministerial Advisor, Foreign Agriculture Services, US Embassy, Iraq.
2. *Water, Conflict and Cooperation: The United Nations and Environmental Security*; Carius, Debelko, Wolf, (http://www.wilsoncenter.org/topics/pubs/ecspr10_unf-caribelko.pdf)

City, date

Signature of Applicant

Attachement Two

Memorandum of Conversation
Meeting with the Director General of Planning
Ministry of Water Resources
Date of the Meeting: October 29, 2008
Drafted by: Michael Maxey, Inma CTO

At the invitation of Maged Hussein, Sr. Water Advisor – Iraqi Transition Assistance Office, I attended a meeting with the Director General of Planning, Mr. Salar Bakr Sami, Director General, General Directorate of Planning and Development; and Mr. Ali Hashim Director General; General Directorate of Operation and Maintenance of Irrigation Projects.

I discussed the Shuahmiyah Water User Association and the model we are trying to promote there for privatization of water distribution through a Participatory Irrigation Management (PIM) system. The South Rashidiya activity being implemented by Inma was mentioned. I said it could be considered as a PIM activity and that it might be one of several sites that could be looked at. I indicated my preference was to continue work with the Shuahmiyah model since funding was already in place under IRAP DAI. When pressed, I said that investment in capital equipment in exchange for a national policy commitment allowing privatization of water distribution systems would be something that could be considered. I specifically said that I had no power to allocate or guarantee funding. I stated that at a technical level investment in capital infrastructure with private groups was something that had been approved for the IRAP DAI initiative and in Shuahmiyah and that Inma had the ability to provide grant support to private groups. If South Rashidiya were to be privatized, it currently is not, that would provide an opportunity to provide grant support in support of a PIM initiative. The meeting ended with agreement to form a Participatory Irrigation Management Working Group and convene a meeting of interested parties.

Current Status 11/11/2008 – I am suggesting that on the USG side we form a PIM working group to bring all the different actors together, coordinate our activities, develop a strategic plan and speak with one voice to the GOI.

Attachment Three

Water Resource Management



Controlling the River Access



Allows water resource management.



Supports Expanded Ag Production

ISSUE: How to Develop a Joint USG Strategy to Support Government of Iraq Efforts to Effectively Manage Agricultural Water Resources.

The Enemy Understands the Importance of Water.

“Al Qaeda systematically destroyed pump stations on the Tigris to deny water resources to predominantly Shia areas. Without water this place turns into the surface of the moon.”

Comments made by US military personnel during field trip to Wasit Province.
USAID Rep. ePRT North Babil – June 2008

“They made a desert and called it peace.”



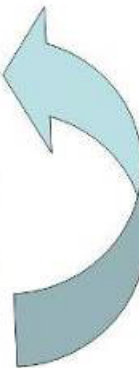
“Ubi solitudinem faciunt, pacem appellant.”
Tacitus’ “Agricola”

Water & Conflict

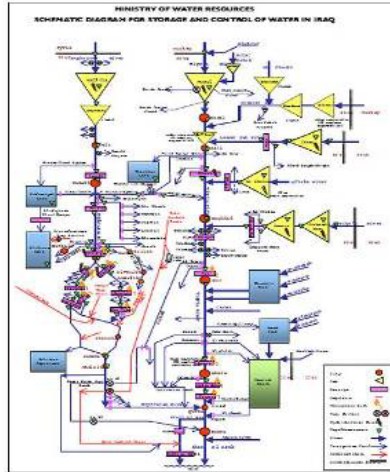
“Among the tribes, brother will fight against brother over the question of a small canal ... (and over) the action of one brother damming up the water so as to avert it on his land...” Thomas Lyell, 1917 –
Magistrate in British Occupation Government

“The Shi’is of Iraq” – Yitzhak Nakash
Pp 36 – 37, Princeton University Press 1994

increase advantage of access to water over those farther down. In the absence of countervailing custom, social sanction, or physical force, the men near the top of the canal satisfied their own needs first before allowing water to flow on down to their less-fortunate neighbors below. Those near the far end of the canal thus often received less water, and in a less timely fashion, than those near the top. Thomas Lyell, who served as assistant factor of land registration and magistrate in the Baghdad district just after the British occupation of Iraq in 1917, remarked: “Among the tribes, [brother will fight against brother over the question of a small canal ... (and over) the action of one brother in damming up the water so as to divert it on to his land, and not removing the dam at the promised time, thereby depriving the other brother of his rightful share and endangering his life.”



Focus of MoWR is on large infrastructure not on agricultural water distribution systems.



How can USG help the GOI most effectively address ag sector water resource management issues?

What are "best practices" for effective water management?

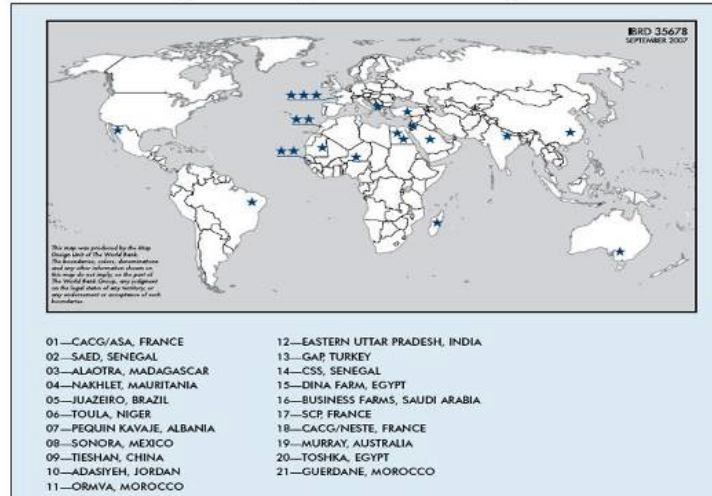
Three key areas are:

Private Management through community owned and managed irrigation systems have proven effective around the world;

Public – Private Partnership have successfully reduced risk and leveraged private investment in Water Resource Management; and

Technical Capacity needs to be strengthened to assist governments in moving toward effective public – private partnerships.

World Bank – 21 Case Studies – Public Private Partnerships – Irrigation/Drainage Initiatives



Water User Association Proposal Participatory Irrigation Management (PIM)

- Concept Paper – Maged Hussein, Water Advisor Ministerial Advisor, Foreign Agricultural Service, USDA; & Linda Allen, Sr. Water – Iraq Transition Assistance Office.
- Participatory Irrigation Management – First step in a process toward total private control of water distribution systems in Iraq.
- Support Development of Water User Associations (WUA) – Start with Ag Associations – select 4 pilot areas and allocate \$2 million each for implementation of PIM. Financing strengthening WUA, repair of pump stations, improve O/M of 2^o & 3^o irrigation/drainage system.
- Outputs – Design equitable water distribution, resolve disputes among users, limit illegal withdrawal of H₂O, collect water use fees, and negotiate with MoWR the funding of O&M for the public irrigation system serving the hydraulic unit.

USAID Initiatives in Support of PIM

- ePRT North Babil – Requested DAI IRAP (Iraq Rapid Assistance Program) support for Wasit Province.
- Goals – Improve water use efficiency, increase ag production, mitigate conflict, and strengthen civil society.
- \$2.3 million Proposal – Phase 1 - \$910,000 with Shuahmiyah Ag Association is funded and underway.

Potential PIM Committee USG Agricultural Working Group

- USAID will consult with USDA & Ag Working Group Partners on potential of setting up PIM Committee.
- Purpose – Develop and finance PIM strategy for implementation by USG partners and Other Donors.

USAID Initiatives in Support of PIM

- Inma – Supporting creation of Water User Association and irrigation training for South Rashidiya.
- Partnership – Tatweer, Inma & MoWR to revitalize 4,000 hectare pilot area.
- Potential Ag Impact – 700 farms in area could work at full capacity – potential for several thousand new jobs.

Next Phase

- USAID in Coordination with USDA, ITAO, Coalition Forces, & Other Donors – Explore the potential for supporting PIM in water systems already turned over to private Ag Association.
- Goal: Leverage Policy Change – Move GOI toward privatization of water resource management --- PIM to Irrigation Management Transfer.
- Potential Impacts – More efficient water use, great agricultural productivity, less cost to GOI, stronger local communities, and local ownership means stronger resistance to insurgent efforts to use water as a weapon.

USAID Iraq Agricultural Sector Support

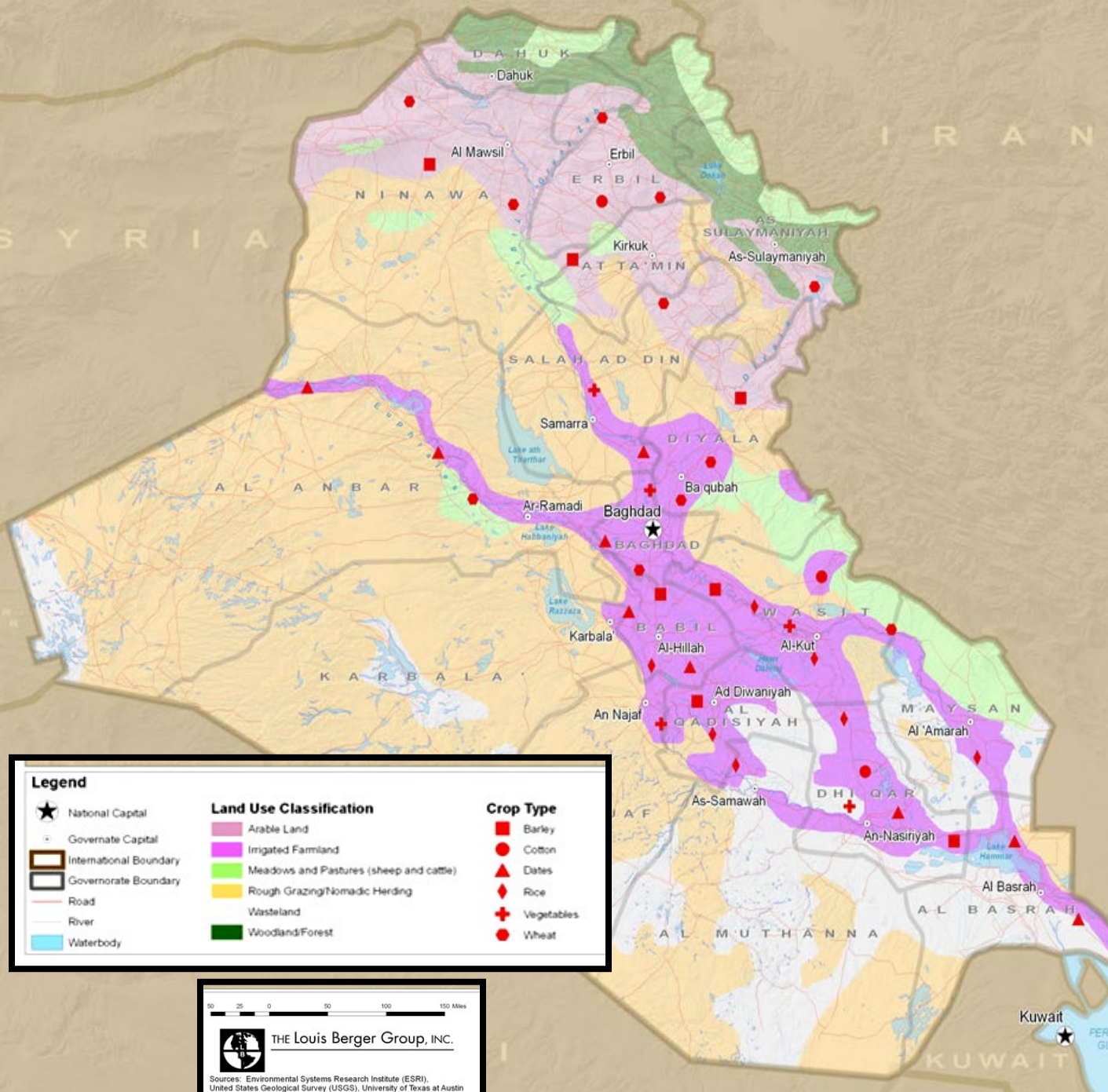
Inma Project

Iraq Rapid
Assistance
Project

Community
Stabilization
Project

Tatweer Project

Tijara



Michael Maxey
Sr. Ag. Advisor
Economic Growth
and Ag. Office
USAID Iraq

Water Resource Management

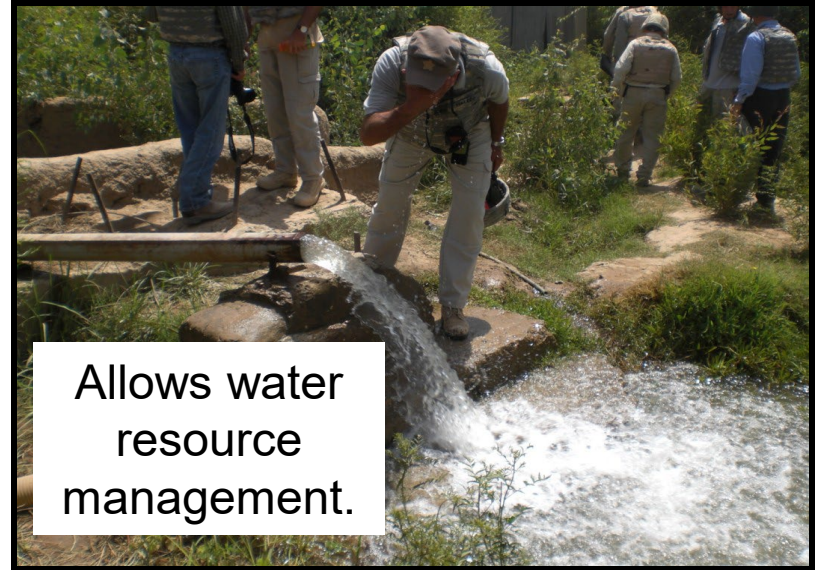
Inma

Community Stabilization Program

Iraqi Rapid Assistance Program

Tatweer

Water Resource Management



ISSUE: How to Develop a Joint USG Strategy to Support Government of Iraq Efforts to Effectively Manage Agricultural Water Resources.

The Enemy Understands the Importance of Water.

“Al Qaeda systematically destroyed pump stations on the Tigris to deny water resources to predominantly Shia areas. Without water this place turns into the surface of the moon.”

Comments made by US military personnel during field trip to Wasit Province.

USAID Rep. ePRT North Babil – June 2008

“They made a desert and called it
peace.”



“Ubi solitudinem faciunt, pacem appellant.”

Tacitus’ “Agricola”

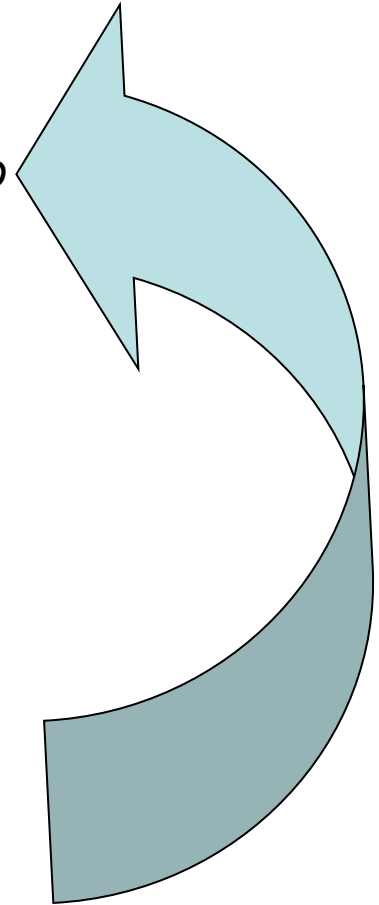
Water & Conflict

“Among the tribes, brother will fight against brother over the question of a small canal ... (and over) the action of one brother damming up the water so as to avert it on his land...” Thomas Lyell, 1917 –
Magistrate in British Occupation Government

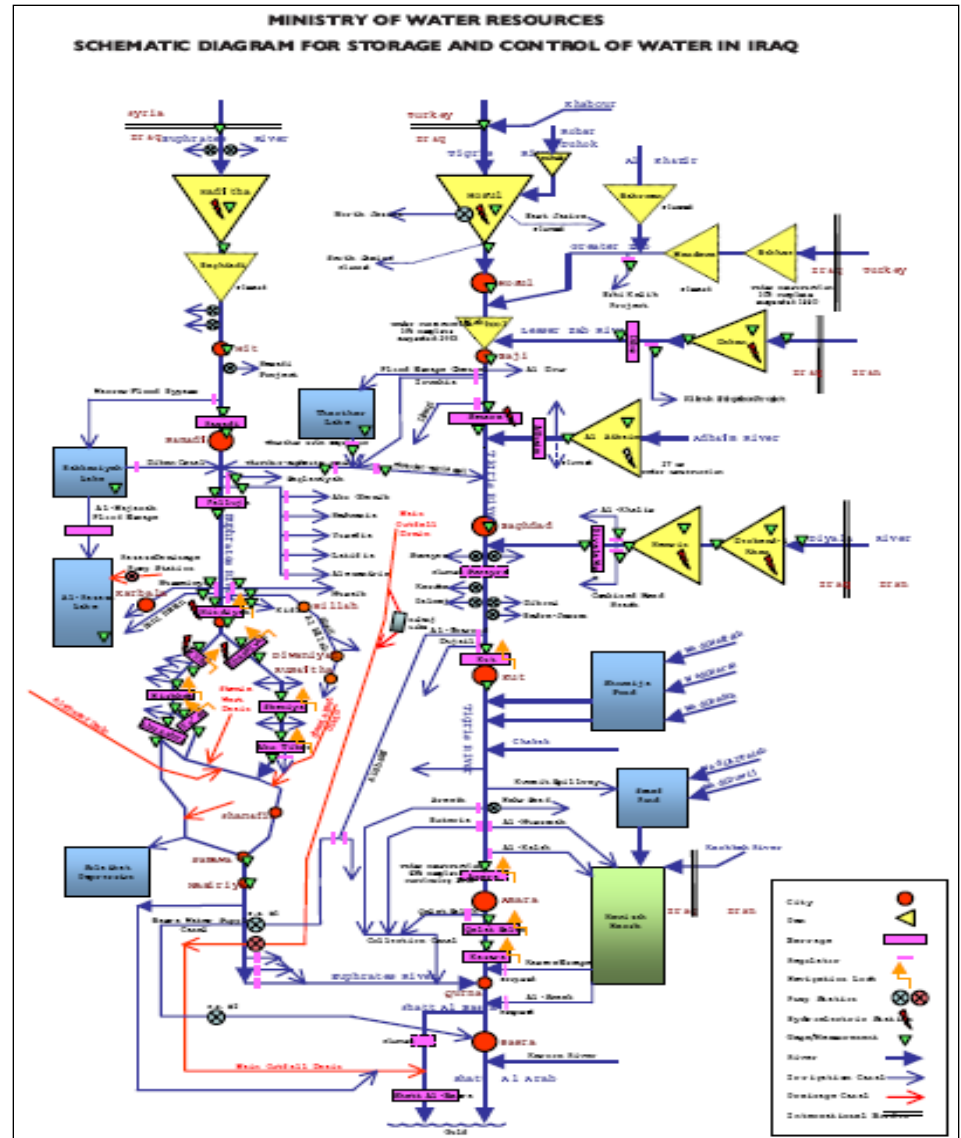
“The Shi’is of Iraq” – Yitzhak Nakash

Pp 36 – 37, Princeton University Press 1994

immense advantage of access to water over those farther down. In the absence of countervailing custom, social sanction, or physical force, the men near the top of the canal satisfied their own needs first before allowing water to flow on down to their less-fortunate neighbors below. Those near the tail end of the canal thus often received less water, and in a less timely fashion, than those near the top. Thomas Lyell, who served as assistant director of land registration and magistrate in the Baghdad district just after the British occupation of Iraq in 1917, remarked: “Among the tribes, brother will fight against brother over the question of a small canal . . . [and over] the action of one brother in damming up the water so as to divert it on to his land, and not removing the dam at the promised time, thereby depriving the other brother of his rightful share and endangering his”



Focus of MoWR is on large infrastructure not on agricultural water distribution systems.



How can USG help the GOI most effectively address ag sector water resource management issues?

What are “best practices” for effective water management?

Three key areas are:

Private Management through community owned and managed irrigation systems have proven effective around the world;

Public – Private Partnership have successfully reduced risk and leveraged private investment in Water Resource Management; and

Technical Capacity needs to be strengthened to assist governments in moving toward effective public – private partnerships.

World Bank – 21 Case Studies – Public Private Partnerships – Irrigation/Drainage Initiatives



01—CACG/ASA, FRANCE

02—SAED, SENEGAL

03—ALAOIRA, MADAGASCAR

04—NAKHLET, MAURITANIA

05—JUAZEIRO, BRAZIL

06—TOULA, NIGER

07—PEQUIN KAVAJE, ALBANIA

08—SONORA, MEXICO

09—TIESHAN, CHINA

10—ADASIYEH, JORDAN

11—ORMVA, MOROCCO

12—EASTERN UTTAR PRADESH, INDIA

13—GAP, TURKEY

14—CSS, SENEGAL

15—DINA FARM, EGYPT

16—BUSINESS FARMS, SAUDI ARABIA

17—SCP, FRANCE

18—CACG/NESTE, FRANCE

19—MURRAY, AUSTRALIA

20—TOSKA, EGYPT

21—GUERDANE, MOROCCO

Water User Association Proposal

Participatory Irrigation Management (PIM)

- Participatory Irrigation Management – First step in a process toward total private control of water distribution systems in Iraq.
- Outputs – Design equitable water distribution, resolve disputes among users, limit illegal withdrawal of H²O, collect water use fees, and negotiate with MoWR the funding of O&M for the public irrigation system serving the hydraulic unit.

Potential PIM Committee

USG Agricultural Working Group

- USAID will consult with USDA & Ag Working Group Partners on potential of setting up PIM Committee.
- Purpose – Develop and finance PIM strategy for implementation by USG partners and Other Donors.

USAID Initiatives in Support of PIM

- Inma – Supporting creation of Water User Association and irrigation training for South Rashidiya.
- Partnership – Tatweer, Inma & MoWR to revitalize 4,000 hectare pilot area.
- Potential Ag Impact – 700 farms in area could work at full capacity – potential for several thousand new jobs.

Inma – South Rashidiya Irrigation Project



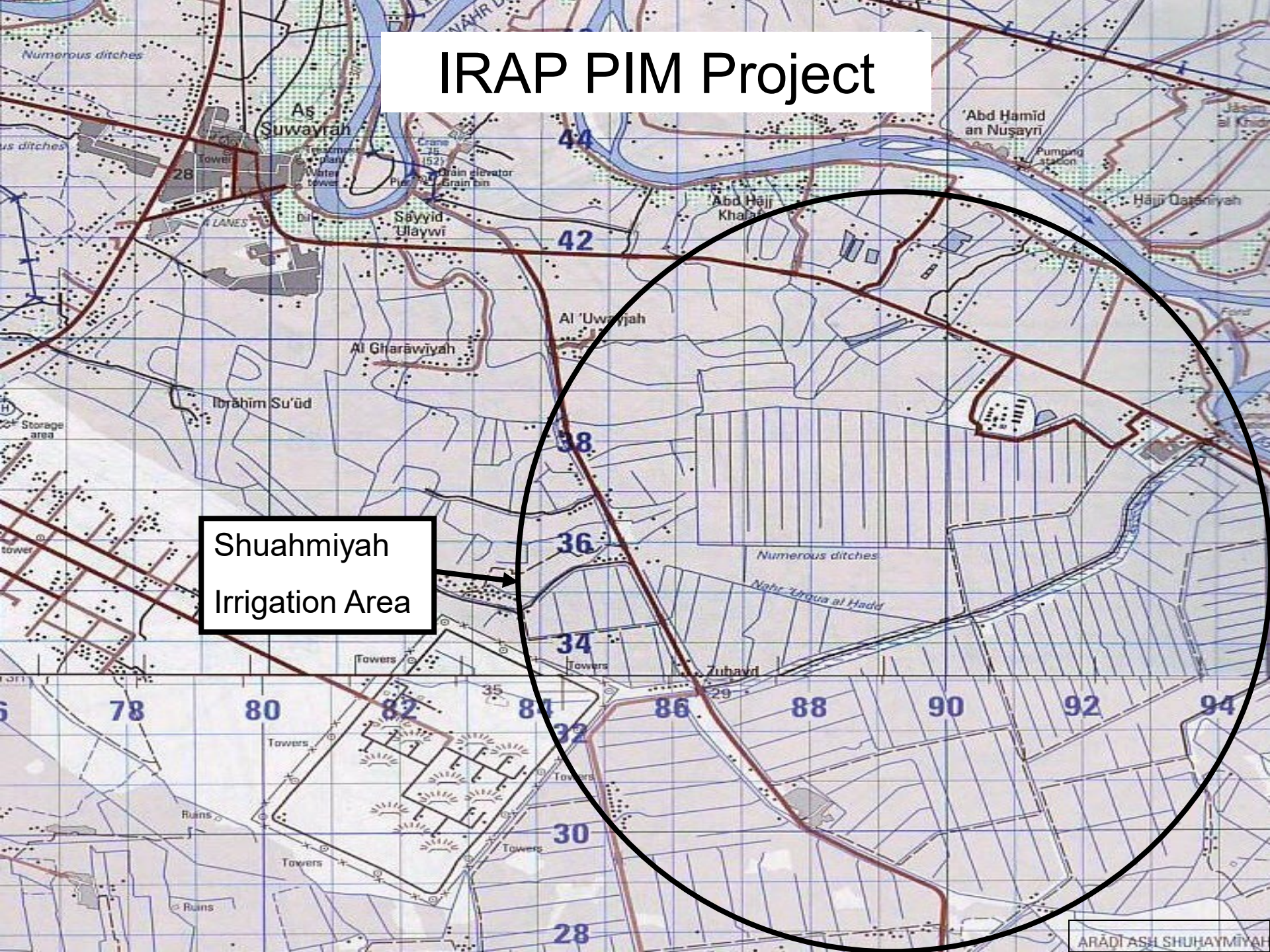
Inma Investment focuses on strengthening WUA and increasing ag productivity. Coordination with Tatweer and MoWR to increase GOI support for improved water distribution.

USAID Initiatives in Support of PIM

- ePRT North Babil – Requested DAI IRAP (Iraq Rapid Assistance Program) support for Wasit Province.
- Goals – Improve water use efficiency, increase ag production, mitigate conflict, and strengthen civil society. Bring an additional 20,000 donum into ag production.
- \$2.3 million Proposal – Phase 1 - \$910,000 with Shuahmiyah Ag Association is funded and underway.

IRAP PIM Project

Shuahmiyah
Irrigation Area



Next Phase

- USAID in Coordination with USDA, ITAO, Coalition Forces, & Other Donors – Explore the potential for supporting PIM in water systems already turned over to private Ag Association.
- Goal: Leverage Policy Change – Move GOI toward privatization of water resource management --- PIM to Irrigation Management Transfer.
- Potential Impacts – More efficient water use, great agricultural productivity, less cost to GOI, stronger local communities, and local ownership means stronger resistance to insurgent efforts to use water as a weapon.

Questions?

USAID/Iraq-CERP Linkages for Success

– 9 March 2007 –

Overview –

USAID/Iraq works closely with the U.S. Military to ensure that U.S. development funds are directed to projects that are coordinated and meet the real needs of Iraqi communities. While the military maintains authority over the use of CERP funds, USAID/Iraq shares information and provides development expertise to help guide CERP spending. USAID officers have regular face-to-face meetings with members of Brigade Combat Teams, bringing together USAID implementers who work in the communities and meet with neighborhood groups and city officials, with military civil affairs officers who also spend significant time out in the neighborhoods speaking to local leaders. These meetings allow USAID/Iraq and the military to share information on projects and community needs at the working level.

Also, in order to coordinate USAID/Iraq and U.S. Military efforts across an entire city or province, Provincial Reconstruction Teams (PRTs) meet daily, bringing together military officers, USAID, and other civilian agency representatives who then coordinate with higher-level city and provincial officials. PRTs gather and prioritize project ideas proposed by Iraqi city and community leaders and matches them with the appropriate source of funds—whether CERP, USAID, or from another source. This cooperation, which is mirrored up the military chain of command to the Division and Multi-National Forces level, ensures projects are sustainable and that provides USAID with the opportunity to contribute its significant development experience.

One example of the success of this cooperation is the recent expansion of the CERP mandate to include small business grants, an area with which USAID has had success in Baghdad and other Iraqi cities (*please see below for additional details*). Another example of close cooperation is where the military employs CERP funds for rehabilitating and equipping vocational education centers, while USAID provides the technical assistance for curriculum development, the training of trainers, and finances stipends for students and apprentices for vocational education graduates.

Specific Examples –

Microfinance: USAID/Iraq Izdihar Private Sector Development Project

USAID and the U.S. Military have collaborated on the expansion of microfinance institutions in Iraq through the strategic use of CERP funds over the past two years. USAID has provided significant guidance in terms of the structure and targeting of CERP small business grants. Approximately, \$450,000 of CERP funding has been used to pay for operational expenses for several microfinance offices in cities across Iraq including Baghdad, Fallujah, and Kirkuk. These funds paid for office space, furniture, equipment, and salaries for loan officers and supervisors. Since CERP cannot be used to directly support private businesses, USAID has contributed approximately \$750,000 in loan capital to these microfinance institutions that is currently being provided to small businesses in these cities. USAID has supported these organizations with essential technical assistance and staff training. This partnership between USAID and the U.S. Military is likely to continue since the expansion of microfinance services

USAID/Iraq-CERP Linkages for Success

– 9 March 2007 –

in Iraq has been identified as a strategic priority of the USG to promote economic development in Iraq.

Agriculture: USAID/Iraq ARDI Project

The Agricultural Reconstruction and Development Program for Iraq's (ARDI) primary mechanism for interface with the U.S. Military was through the Joint Agricultural Task Force meeting held bi-weekly. These meetings provided a forum for ARDI to disseminate best practices and lessons learned to Civil Affairs Officers in the area of agriculture. ARDI hosted numerous site visits for Civil Affairs Officers to various agricultural projects. The objective of these site visits was to identify potential projects and initiatives that could easily be replicated by CERP funds. These visits enhanced the Civil Affairs Officers understanding of best practices in agriculture and enabled the U.S. Military to form partnerships with several newly formed indigenous NGOs working with the USAID ARDI project. CERP funding to these NGOs strengthened the operational capacity of these organizations and thus contributed to their financial sustainability while at the same time assisted the Military achieve some significant results in agriculture around the country.

Examples of projects that were replicated from ARDI and implemented by the U.S. Military include numerous canal cleaning and irrigation network repair projects, the continuation of an agricultural marketing information service in the 18 provinces of Iraq, as well as providing bee keepers with hives, and farmers with sheep-cleaning dip tanks. In addition to these activities, ARDI and the U.S. Military collaborated in providing Iraqi farmer associations with seed cleaners. This joint initiative was structured in a way that best utilized each agency's comparative advantage: the U.S. Military purchased the seed cleaner machines using CERP funds (approx. \$2.8 million for 173 seed cleaners) and the USAID ARDI project provided technical assistance (valued at approximately \$400,000) by training individuals on the operation and maintenance of the machines. The machines were distributed to local farmers association through several large indigenous NGOs during the 2006-2007 winter planting season. It is anticipated that wheat farmers who utilized seed cleaners during the planting season will see yields increase by up to 25%.



SENSITIVE BUT UNCLASSIFIED (SBU) OR UNCLASSIFIED

DECISION MEMORANDUM FOR THE MISSION DIRECTOR

TO: Chris Crowley, Mission Director
FROM: Michael Maxey, Inma CTO
SUBJECT: Approval to Proceed with Deviation Request to M/OAA
for Cold Storage Equipment Grant under 9 Nissan Market Project
DATE: November 19, 2008

1. ISSUE FOR DECISION - The USAID Regional Legal Advisor has determined that a grant by Louis Berger Group (LBG) under the Inma Agribusiness Program to the 9 Nissan Market Agriculture Association (NINMA) of \$327,420 (of which \$231,320 was for cold storage equipment) is a de facto grant to the Government of Iraq (GOI) (see attached RLA Information Memorandum "9 Nissan Market Cold Storage Facility" dated November 13, 2008). ADS 302.3.4.8 only allows grants under contract (GUC) to be awarded to non-governmental organizations. If the cold storage equipment could be installed, ePRT 2, Inma, CSP and the military would be in agreement that we have completed our commitment and the market would be turned over to the GOI. All USG parties involved in this activity want to close the project out as soon as possible. The key issue is how can we legally provide the assistance required to complete installation of the cold storage? The RLA has determined that the most appropriate way to proceed is for the Mission OAA Office to request a deviation of ADS 302.3.4.8 for the provision of a GUC (be aware, the grant by Inma is to NINMA, a local non-governmental organization it established but because the GOI is requiring NINMA to turn over the cold storage within one year, the RLA considers this a "pass through" GUC from LBG to GOI).

2. BACKGROUND - The 9 Nissan Market was constructed at a cost of \$1.2 million in 2004 by International Relief and Development "IRD" with the intent to (1) enhance local security by providing a safe area for fresh fruit and vegetable wholesale and retail sales, and (2) increase economic development by creating 700 new businesses and 1,000 new jobs. The market was never occupied and one of the key constraints was the lack of a management structure. In September 2007, a meeting was convened by ePRT Baghdad 2 and a decision made to rehabilitate the market with USAID support (Inma and IRAP). Inma agreed to establish an association to manage the market, NINMA. ePRT 2 determined that Mr. Esam Al-Timimi, Deputy Qaim Maqam, was the responsible GOI representative with whom to coordinate since the market was on public land. A MOU was executed between the parties and letters of consent were issued to Inma from the Governorate and Dr. Kareem Badai representing the District Area Council. Renovation work has been underway since March 2008 and includes implementation and input from ePRT 2, CSP/IRD, DAI IRAP, Inma and Civil Affairs. NINMA was created and a grant of cold storage facilities made to them by Inma. The installation of cold storage by Inma costing \$231,320 will complete the USG

commitment to the GOI for the 9 Nissan market. The cold storage installation has been contracted, equipment procured, and the work is about one third completed. However, the GOI (Deputy Governor Bassim Al-Ya'qubi) in a recent meeting with Baghdad PRT representatives declared that previous agreements were null and that it would take ownership of the cold storage. A meeting convened by Baghdad PRT resulted in agreement with Deputy Governor Bassim that NINMA would maintain possession of the cold storage for one year and then pass it to the GOI.

3. DISCUSSION - There are basically three options: (1) we can request that the military fund the expense of completing the cold storage and take on the responsibility of turning over the market to the GOI; (2) we can seek an alternate USAID funding source to complete the cold storage (other than the Louis Berger Contract under Inma); or (3) we can request a deviation of ADS 302.3.4.8 to allow LBG under the Inma Agribusiness Program to complete the grant of cold storage to NINMA which would in one year turn the equipment over to the GOI. Option 1 was explored by ePRT 2 (per conversation with USAID Rep. Mark Wilt) and it was determined that funding is not available either from CERP (Commander's Emergency Response Program) or from I-CERP (Iraqi funded CERP). Option 2 has been determined unworkable by the RLA – "... the totality of impediments associated with GUCs under IRAP probably preclude financing the cold storage facility through IRAP" – based on among other things the RLA's determination that IRAP does not have a valid deviation to provide GUC to government entities. Option 3 is, according to the RLA, the most viable approach.

4. RECOMMENDATION

That you approve the Mission OAA Office request a deviation of ADS 302.3.4.8 for the provision of a GUC to NINMA by Louis Berger Group under the Inma Agribusiness Program. This action would allow Inma to finalize the cold storage and have implementing partners proceed with the close out of this activity as was previously agreed.

Approved:

Chris Crowley
Mission Director

Date

Attachment(s)

Attachment One – RLA Memorandum of Information, November 13, 2008

Attachment Two – Description of activities completed by each entity involved in the design and implementation of 9 Nissan Market.

Attachment Three – Summary of funding provided by each entity.

UNCLASSIFIED

-3-

Drafted: Michael Maxey, Inma CTO, 11/19/2008

CLEARED:

EGA: MEllis _____ Date _____

PRO: EHollerman _____ Date _____

OAA: EMckee _____ Date _____

RLA: MDriver _____ Date _____

PRT:JDobson _____ Date: _____

PRT:MWilt _____ Date: _____



USAID | IRAQ

FROM THE AMERICAN PEOPLE

INFORMATION MEMORANDUM

TO: Mike Maxey, CTO - INMA

FROM: Mark Driver, RLA

RE: 9 Nissan Market Cold Storage Facility

Date: November 13, 2008

ISSUE: Funding Options for the 9 Nissan Market Cold Storage Facility

Background:

INMA was contracted to renovate and rehabilitate the 9 Nissan Market. To further this objective, INMA established Ninma, an association whose purpose is to manage the market, which apparently is located on public land. INMA is planning to provide the market a cold storage facility through a grant under contract to Ninma. The value of the facility, including installation is \$231,380. Although Ninma thought it had approval to construct the market and cold storage facility, the Deputy-Governor for Baghdad apparently declared prior agreements concerning the market and its location were null and that it would take ownership of the cold storage facility. Apparently, after a meeting with the various stakeholders, an agreement reached with the Deputy Governor under which Ninma would maintain possession of the cold storage facility for one year and then pass it to the GOI. Ninma will still manage the market.

Discussion:

USAID financing of the cold storage facility is now complicated because of the GOI's involvement and decision to take over possession and control of the cold storage facility.

ADS 302.3.4.8 only allows grants under contract (GUC) to be awarded to non-governmental organizations. The GOI's decision to take over possession and ownership of the cold storage facility likely makes it a de facto grantee. As such, financing the facility through a GUC without a proper deviation likely would be contrary to the ADS 302.3.4.8 limitation on GUC awardees.

Available Options:

1. Financing under INMA. Inma financing is a possibility. However, a one-off deviation from the ADS will be required since the GOI appears that it will be the ultimate beneficiary and the de facto grantee of the cold storage facility. AIDAR 701.4 sets forth the criteria needed for a deviation. AIDAR 701.402 provides:

It is the policy of USAID that deviation from the mandatory requirements of the FAR and AIDAR shall be kept at a minimum and be granted only if it is essential to effect necessary procurement and when special and exceptional circumstances make such deviation clearly in the best interest of the Government.

The procedure for obtaining a deviation is set forth in AIDAR 701.470:

Procedure.

(a) Deviation from the FAR or AIDAR affecting one contract or transaction.

(1) Deviations which affect only one contract or procurement will be made only after prior approval by the head of the contracting activity. Deviation requests containing the information listed in paragraph (c) of this section shall be submitted sufficiently in advance of the effective date of such deviation to allow adequate time for consideration and evaluation by the head of the contracting activity.

(2) Requests for such deviations may be initiated by the responsible USAID contracting officer who shall obtain clearance and approvals as may be required by the head of the contracting activity. Prior to submission of the deviation request to the head of the contracting activity for approval, the contracting officer shall obtain written comments from the Office of Acquisition and Assistance, Policy Division (M/OAA/P), hereinafter referred to as "M/OAA/P". The M/OAA/P shall normally be allowed 10 working days prior to the submission of the deviation request to the head of the contracting activity to review the request and to submit comments. If the exigency of the situation requires more immediate action, the requesting office may arrange with the M/OAA/P for a shorter review period. In addition to a copy of the deviation request, the M/OAA/P shall be furnished any background or historical data which will contribute to a more complete understanding of the deviation. The comments of the M/OAA/P shall be made a part of the deviation request file which is forwarded to the head of the contracting activity.

(3) Coordination with the Office of General Counsel, as appropriate, should also be effected prior to approval of a deviation by the head of the contracting

.....

(c) Requests for deviation shall contain a complete description of the deviation, the effective date of the deviation, the circumstances in which the deviation will be used, a specific reference to the regulation being deviated from, an indication as to whether any identical or similar deviations have been approved in the past, a complete justification of the deviation including any added or decreased cost to the Government, the name of the contractor, and the contract or task order number.

IMNA cannot fund the facility through a GUC without a deviation. The above criteria will have to be established and comments solicited from M/OAA/P before a deviation can be approved.

2. **Financing under IRAP.** Another financing option is to finance the cold storage facility through the Iraq Rapid Assistance Program (IRAP). A class deviation under IRAP approved on December 15, 2007, allows DAI, the implementer to award grants under contract to governmental entities in amounts not to exceed \$200,000. Theoretically, IRAP could fund \$200,000 towards the cold storage facility.

However, this option is not without issues. First, the primary rationale for the deviation under IRAP was that "...in most areas of operations, non-government organizations are inexistent [sic] or lack the institutional framework and management structure that will make them eligible for administering USG funds or simply cannot operate in high risk, non-permissive environment that is today's Iraq." In this particular instance, Ninma is a viable NGO that is successfully operating in Baghdad. The primary reason for the deviation under IRAP does not exist in this case. This would not necessarily invalidate the deviation but it could be an audit issue.

However, two things further complicate using the deviation under IRAP. First, we were not able to confirm that the deviation was properly obtained. USAID/Iraq/ OAA records do not show that M/OAA/P provided written comments as is required under AIDAR. Secondly, based on conversations I have had with OAA, I understand that there may be an issue on the use of GUCs by DAI, the implementer for IRAP. OAA is currently working to fix that issue. The totality of the impediments associated with GUCs under IRAP probably preclude financing the cold storage facility through IRAQ.

3. **CSP Financing.** CSP was determined not to be a viable option for programmatic reasons. Namely, I understand that CSP would not likely have the resources necessary to monitor the purchase and installation of the facility in light of the pending closeout of the CSP project. CSP is financed through a cooperative agreement by IRD. I did not review the agreement. However, because CSP is financed under a cooperative agreement there would not be the same legal impediments/issues we have under INMA or IRAP and the use of a GUC for financing the facility.

Conclusion:

The purpose of this memorandum is to inform you of the legal issues related to the various financing options considered for the 9 Nissan Market cold storage facility. Based on the information I have at this time this memo was written, it appears that using a GUC under INMA after obtaining a deviation is the most viable alternative.

Attachment Two

E. FUNDING CONDITION

Inma support is conditional subject to USAID approval.

Tasks and Implementation Approach – 9 Nissan District Market

#	Tasks Description	Implementation Methods, Actions, and Responsible Party
1	Construct perimeter fence and secure market	2/69 Armor (Civil Affairs of the Army) – provide Alaskan T-Walls
2	Harden existing 10 th Street Market and Parking Areas next to the Market	2/69 Armor (Civil Affairs of the Army)
3	Install check points for men and women - Supply and Install - IP staff (Iraqi Police)	Armor (Civil Affairs of the Army) + DAC - 2/69 Armor - Mr. Timimi (Deputy Qa'im Maqam) & Dr. Kareem Badai
4	Clear and ready the two parking lots	2/69 Armor (Civil Affairs of the Army)
5	Repair toilets	Contractor (to be selected by Inma)
6	Complete internal wiring of stalls	Contractor
7	Install water to the market stalls	Contractor
8	Prepare entry and exit gates for trucks	2/69 Armor (Civil Affairs of the Army)
9	Identify site for and build cold storage area	Inma + Contractor
10	Clean sewer system	Contractor
11	Construct display stands	CSP/IRD
12	Concrete minor repairs	Contractor
13	Supply and install generator	Inma
14	Prepare areas for fish, poultry and meat	Inma + CSP/IRD
15	Prepare areas for fruit and vegetable sales	Inma + CSP/IRD
16	Tile or Concrete the market squares	Contractor
17	Garbage Bins	Contractor
18	Others: - Licenses and Permits - Project Management - Market Management (post renovation)	Various parties - Inma + Mr. Timimi + Dr. Kareem - Inma - To be finalized by all parties

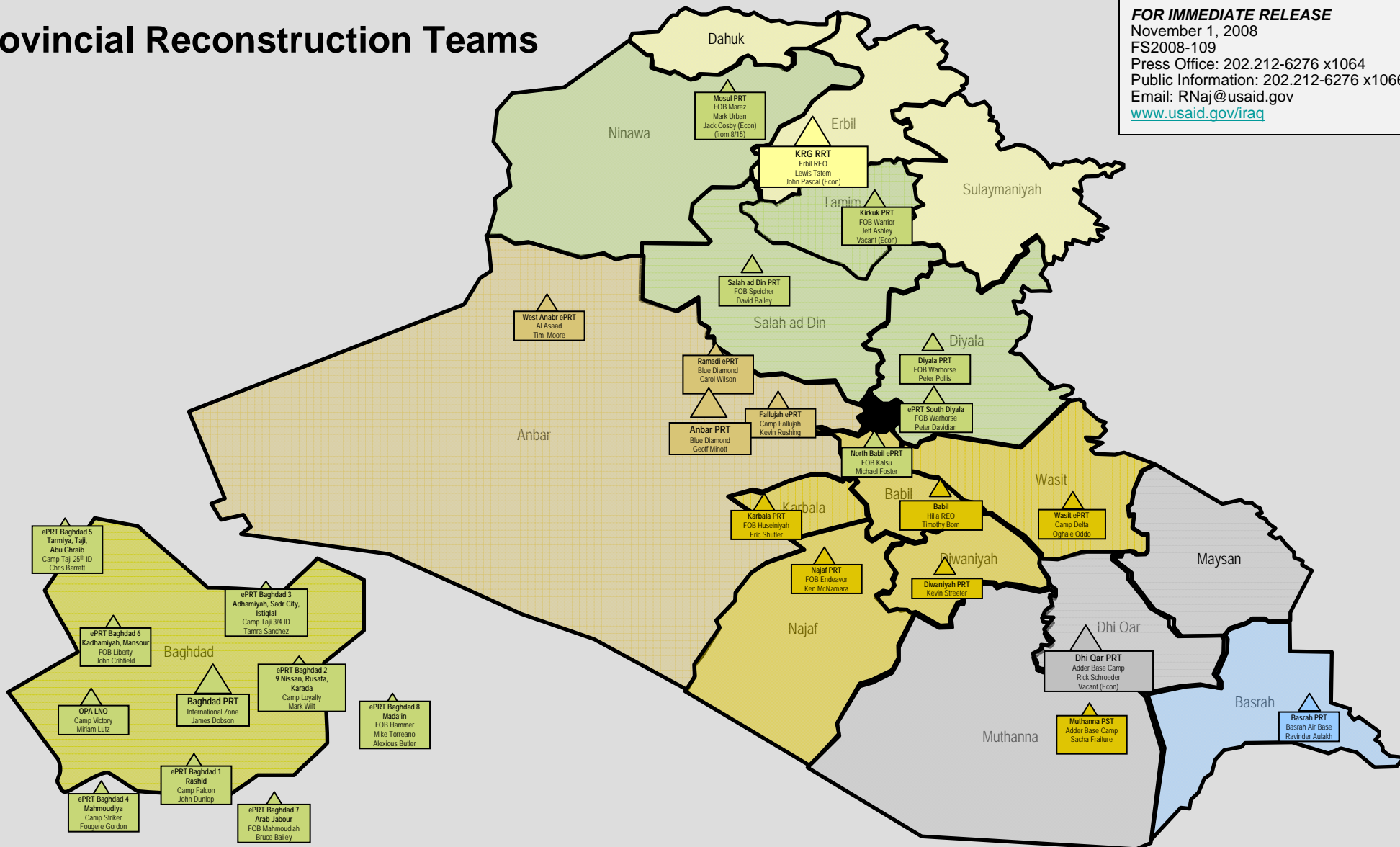
Attachment Three

Company	Item	Prices
D.A.I	Civil working & electrical work ,and plumbing	167,440
I.R.D	Doors , Stands , tables, Hooks.	450,000
NINMA	Cold storage , refrigerator , Genrators.	231,320
Army	Market Yard pavement with asphalt, and the trash bins	NA
INMA	T-Walls	275,000



Provincial Reconstruction Teams

FOR IMMEDIATE RELEASE
November 1, 2008
FS2008-109
Press Office: 202.212-6276 x1064
Public Information: 202.212-6276 x1066
Email: RNaj@usaid.gov
www.usaid.gov/iraq



Memorandum of Conversation
Meeting Inma and USAID Representatives to Discuss Program Implementation Issues
November 12, 2008

Meeting was held at USAID Compound to discuss pending implementation issues with new Inma Chief of Party Ross Wherry and Louis Berger Program Manager Shehnaz Atcha. USAID personnel included Soni Hysi, Contracting Officer, Adel Yamak Sr. Procurement Specialist, Michael Maxey, Inma Cognizant Technical Officer (CTO) and Reta Assegid Roro. Attached is the agenda covered during the meeting. The main points are summarized below along with a list of follow up actions and deadlines.

I. Contractual vs. Implementation Context:

Discussion centered on implementation and the need to identify activities, milestones, deadlines and activity managers. There needs to be delegation of authority and ownership of activities. As it stands right now, INMA's SOW is inconsistent with all three management tools – the Implementation Plan, the Annual Workplan and the PMP. The major discrepancies have to do with the fact that activities were added and IRs revised through the recent PMP. Furthermore, through the implementation plan, all activities were organized around commodity and cross-cutting clusters and no longer correspond to the old IRs in the SOW.

Next Steps: LBG will provide a detailed Implementation Plan, by activity, and provide timelines, milestones, area of operation and person responsible for each activity in a Gantt chart and narrative for the next 18 months that are left in the contract base period along with proposed activities into the subsequent 24 month option years of the contract (it was made clear that this is only a planning exercise and does not imply that the option years will be approved). Furthermore, they will propose a realignment of the SOW and deliverables (keeping the scope the same) so that there is consistency between the deliverables and actual activities as tracked through the implementation plan and the PMP. The starting point for the alignment of activities will be Performance Monitoring Plan. Inma will present a detailed Implementation Plan and recommendations for SOW realignment to USAID.

Due Date: December 4, 2008 (Detailed Implementation Plan and SOW realignment)

II. Project Management and Staffing:

One of the major issues with INMA both from a technical/programmatic perspective and contractual standpoint is its organizational structure and the fact that there is no ownership of any given activity. INMA should not be directing questions on their procurements to the USAID CO, which they often do. LBG understood and committed to the following next steps:

Next Steps: It was agreed that Inma will establish staffing that provides for delegation of authority and accountability for results. Area Managers will be named for the key

geographic areas. Direct reporting by technical staff to the Area Managers was unclear but Inma agreed to work out the details and provide a revised staffing chart to USAID will clear description of role and responsibilities of the staff. On the support side, LBG will create a Procurement Unit, which will encompass both the Grants and Sub-contracting functions. The Procurement Director/Manager will have overall responsibility over all areas of procurement and be the principal liaison with USAID Contracting Officer. Attached is the current Inma staffing chart (it is the latest one I had). INMA agreed to update the staffing chart and submit to USAID for review. While not all the positions on the proposed chart are filled, INMA/LBG anticipates building capacity soon.

Deadline: November 30, 2008 (Staffing Chart Revised and Presented to USAID)

III. Grants to Loan:

Concept paper for credit program – micro and SME – will be developed. Once approved the new structure of Grants to Loan will be incorporated both in the Implementation Plan and the SOW to formalize the change. The concept paper for credit program – micro and SME – will be presented to USAID by November 30, 2008. USAID CTO and CO will review. Final credit concept will be incorporated into the Implementation Plan due on December 4, 2008. The idea discussed was to make available capital grants to established micro-finance institutions (MFIs) and SME banks that will include those established and built by Tijara, which will be utilized to increase lending to agriculture specific projects. The concept paper will include funding level, how the program will be implemented (e.g., in coordination with Tijara), selection criteria for banks, how grants will be managed, amount of grant – minimum and maximum grant amounts – terms of grant, PMP indicators for grants to micro and SME activities and timelines and milestones. It was agreed that no revision is needed of the Implementation Plan in order to change current status of Grant to Loan.

Deadline: November 30, 2008 (Concept Paper) & December 4, 2008 - Credit Program included in Implementation Plan

IV. Ag. Extension Institute:

Discussed status of this program. CO cited correspondence which requires a response letter to Louis Berger – CO will draft letter to Louis Berger expressing concerns. CTO agreed to formally forward unsolicited proposal and concept outline of the ag extension institute. This activity can not be done with Iraqi universities since they are under the Ministry of Education and ADS 302 prohibits grants under contracts going to government entities.

Deadline: December 4, 2008 - Inma will propose a way to implement the Ag Extension Institute as part of Implementation Plan.

Agenda USAID – Inma Meeting
November 12, 2008

Meeting Participants: Ross Wherry, Chief of Party, Louis Berger Group;
Shehnaz Atcha, Program Manager, Louis Berger Group; Michael Maxey, CTO – Inma;
Reta Assegid, Alternate CTO – Inma; Soni Hysi, Contracting Officer

Program Overview - Mission wants to see a significant increase in implementation capacity and this means moving forward on ongoing initiatives and developing new ones as allowed with the Contract Scope of Work.

Description of Program Context - Based on three primary documents -- Contract Scope of Work & modifications, Implementation Plan, and Work Plan 2008 - 2009 -- observations on what is allowed, where we are, where we need to be, including a discussion on what needs to change in order to render the three documents consistent-- the SOW takes precedence as the only contractually binding document.

Project Management - Discussion of budget pipeline, presentation of actual timeline on approval of grants and procurements, discussion on need for more transparent project management with milestones, deadlines, clear delegation of authority and staffing structure, and a way to periodically track progress and get update from "owners" of each activity.

Project Implementation - Discuss major implementation mechanisms under the program and where we are in each -- Grants to Loan, Feed Lot RFA, Training, Unsolicited Proposals -- and discuss new initiatives in water resource management and access to technology. Obtain LBG commitment to clear timelines, milestones/deliverables and ownership for each mechanism and the activities under them.

USAID Grant and Procurement Procedures - (Soni Hysi) - Summary of Inma Grants Management and Administration Guidelines and comments on key issues related to management of Louis Berger contract activities; the discussion will include internal LBG capacity to operationalize the procurement guidelines as approved in the Grants Manual and in the subcontracting procedures; and

Coordination with Tijara – Identify key areas where the two projects implemented by Louis Berger may coordinate and benefit from one another, in order to best utilize the resources provided and accomplishments already made (Examples: SBDCs, SME Lending, etc).

USAID - Inma Agenda
Ross Wherry Email 11/11/2008
Nov. 12, 2008

Organizational chart revision – Inma isn't set up for teamwork and I want to streamline somewhat.

Ninewa plain earmark – PRT Mosul has observations and Inma has at least one quick response to the earmark.

Pomegranate deal – exports could start in as little as 10 days, so that we can catch the last half of the season.

Carp broodstock deal – short fuse, lots of players

Trees and vines deal – short fuse, just one ePRT involved?

Feedlots – I have a lot of questions

Finance – Need to open the dialog on relationships between microfinance, SME finance, and jumbo loans

PRT expectations – I knew this job was dangerous when I took it. What expectations are out there?

Requirements for trips in Nov 13, 15, and 18

COP
Herschel Weeks

Agri. Marketing Specialist / DCOP Technical
Fred Mann

Administrative Assistant
Zainab Hassan

Fruit Production Marketing Specialist
Jorge Elegandro

Agribusiness Development Team Leader
Tony Laos

Team Leader Annual Horticulture
Robert Dose

Technical Pool

Agribusiness Development Field Officer
Thaer Al Joher

Expert Advisor
Franco Scotti

Agri Process Specialist
Mohammed Ilyas

Agriculture Economist
Edgar Alza-Nino

Agriculture Production Specialist Horticulture
Alfred Williams

Vegetable Processing Specialist
Kamal Hayder

Senior Project Engineer/ Acting Team Leader
Hassan S Bodeam

Project Engineer
Zainab Al Saady

Site Engineer
Atheer Adnan

Project Engineer
Atheer Kheder

Field Staff
Layth jarjees jaloo / Ninewa
Osman Abdullah / Erbil
Sherwan Shariff / Erbil
Taha Ahmed Rasheed / AI
Muthana
Waqas Assad Ali / Tameem

Regional Manager
Patricia Buckles

Administrative Assistant
Noor Basli

Microfinance/ Agr. Finance Specialist
Alexander Paton

Bank Liaison & Doc. Officer
Vacant

GCL & Microfinance Assistant
Vacant

Agr. Finance Grant Prog Director
Qasier Nadeem

Grant/Sub Contracts Officer
Mohammed Tomma

Grant Assistant
Marwa Waleed

M&E Advisor
Eric Richardson

M&E Specialist
Ubaida Amer

M&E DC
Mohammed Thabit

M&E DC
Moyada Yahya

Cross Cutting Activities Manager
John J. Jeans

Administrative Assistant
Suha Hazim

Training Coordinator
Evet Harant

Training Specialist
Imad Khalid

Project Planner & Process Coordinator
Mowafaq A. Aljanabi

Database Administrator
Efrel Boya

Helpdesk Support Specialist
Amjed Al Jasaf

Helpdesk Support Specialist
Oday Raad

Web Programmer
Sangar Saber

Senior Regional Field Liaison Promotion manager
Fahdel Baktash

Acting Local Partners Coordinator
Hayder Mekki

Strategic Planning Officer
Ammar Sadiq

Regional Field Representative
Abbas Mahdi Jassim/ Bahsra
Abdulqader M. Mahmood/ Sulaymaniyah
Adnan Aljafari/ Najaf
Fahdil Awad Meshaan / Al Anbar
Mardan M. Al Kutub / Tameem
Mohamme Juma Kareem / Thiqr
Nejdet I. Kawther / Tameem
Ryadh Jabbar Mansoor / Missan
Sabah D. Abid / Wasit
Emad Juma / Al Anbar

Operation Manager, Contracts & Compliance Manager
Diana Landsman

HR Manager
Safa Al Mujamaai

Procurement Manager
Jamal Shihab

Regional Operation Manager
Shant Avakian

HR Assistant
Rawan Salah

Procurement Assistant
Amaer Hatem

Procurement Assistant
Rammen Youarsh

Service Spacialest
Dalkash Hamed

Translator
Ayad Ibrahim

Admin. Coordinator
Abber M. Salih

HR Ass./ Sec. Support Coordinator
Omar Al Kady

Admin Manager
Janet Issa

Translator
Mohamed Khalid

Translator
Salam Kahdum

Service Specialist
Daoud Gorges

Logistic & Travel Coordinator
Salwa Hanaa

Driver
Oday Gazy

Service Specialist
Sabah Ikekhar

Receptionist
Arwa Haltham

Facilities/ Life support management
Karam David

Facilities/Life Support management
Ramzia Nissan

Store Keeper
Omer Khalil

Travel Expeditior
Nawar Bades

Information Management Assistant
Saba M. Muhamed

Payroll Officer / Expense REIM
Firas Jaffer Yassen

Finance Coordinator /FCR
Neeran Akram

Finance Ass. Translator
Noora Al Qaisey

Finance Assistant / Grant
Lena Kamil

Finance Ass. Estimator
Sahib Mohammed

Finance Manager
Omchard Mahdu

Deputy Finance Manager
Hayder Majeed

Assistant Finance Manager/Accounts & payable Subcontracts
Abdulhakeem Ali

Memorandum of Conversation
Meeting among Tatweer, Inma and USAID Staff to Discuss
Coordination of Water User Association Development Activities
Michael Maxey, Sr. Ag Advisor, USAID
November 24, 2008

Iraq Agriculture: A Strategic Approach



Michael Maxey
Sr. Agricultural Advisor
USAID Iraq

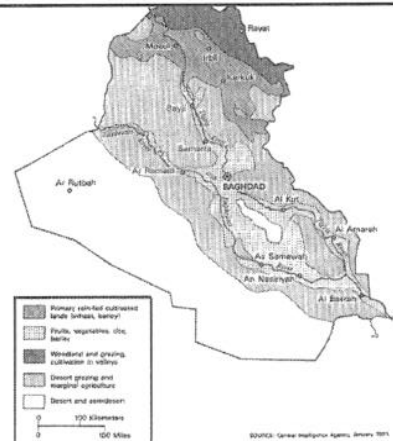
Importance of Ag Sector

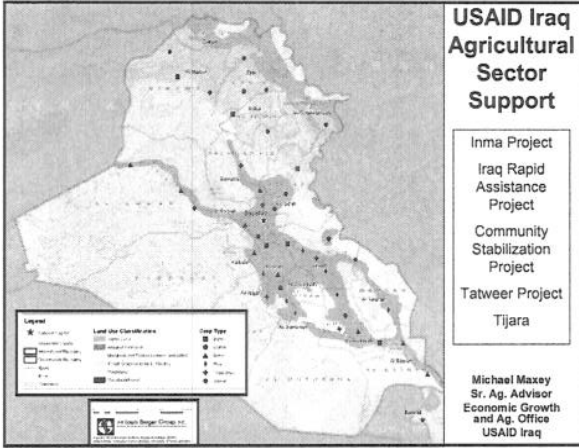
- Almost one third of Iraqis live in rural areas.
- Median age of rural inhabitants is lowest in country – 19 years.
- Insufficient employment in rural sector.
- History shows rural sector as the traditional insurgent manpower base.

Ag Sector

- 44 million hectares (Wyoming & South Dakota)
- 22% (9.5 million hectares) is in agricultural production.
- One half is marginal – used for seasonal grazing.
- Around 4 million hectares are in annual production with 75% of crop area dedicated to grains (wheat & barley).

Iraq Agriculture Production Zones

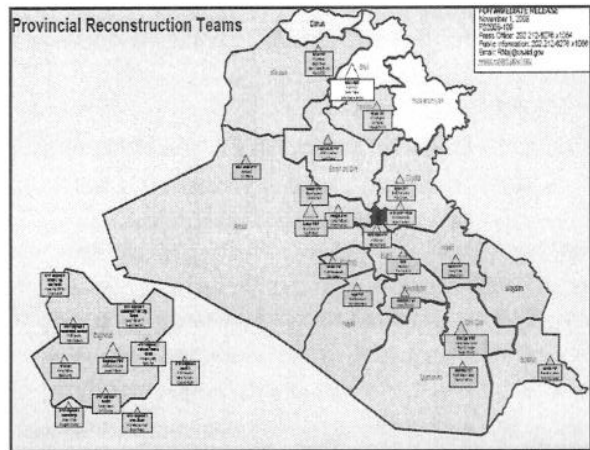




USG Agricultural Strategy for Iraq

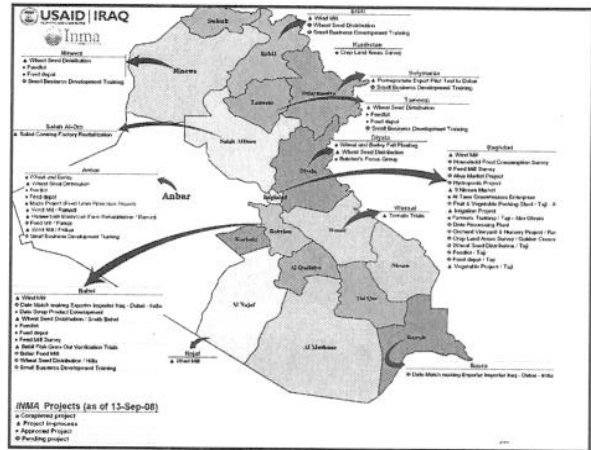
Strategic Statement – Promote a dynamic food and agricultural system in Iraq characterized as competitive, sustainable and globally integrated, which contributes to peace and security; and establishes an economic foundation for a stable, democratic and prosperous Iraq.

- Strategy Implementation**
- Use Provincial Reconstruction Teams to leverage impact.
 - Focus diverse efforts & coordinate efforts.
 - Promote private, market-led development.



Inma

- Longer term focus.
- Private sector focus.
- Targets key markets.
- Addresses larger ag sector issues.



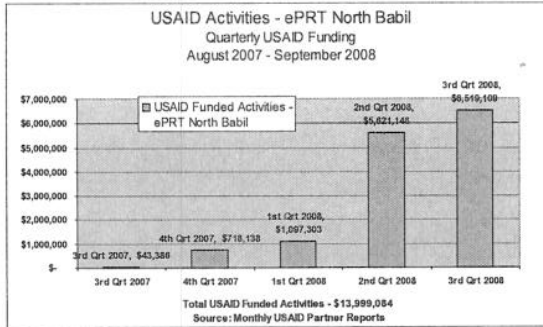
Combine Resources & Leverage Impact

- Use CERP, ICERP, USAID and QRF to leverage impact.
- Example of what was done in North Babil.
- IRAP was the key – quick and flexible – linked to longer term initiatives.

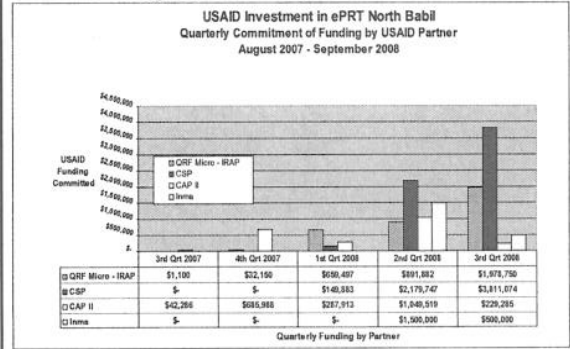
IRAP Grants

Provinces	Grants	Value	Civil Society Conflict Mitigation	
			Grants	Value
Madain	5	525,690		
Mahmoudiyah	8	913,313		
North Babil	15	3,101,100	1	\$197,960
Babil	10	1,301,272		
Karbala	1	47,145		
Diwaniyah	2	147,510	1	\$40,892
Wasit	6	\$1,232,965		
Dhi Qar	3	\$339,125	1	\$135,183
Maysan	9	\$647,377		
Muthanna	3	\$562,285	1	\$167,075

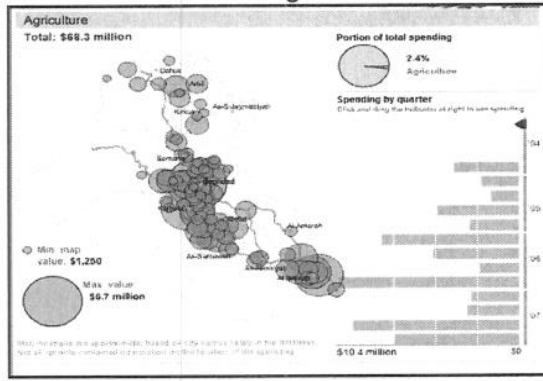
USAID Funding – North Babil August 2007 – September 2008



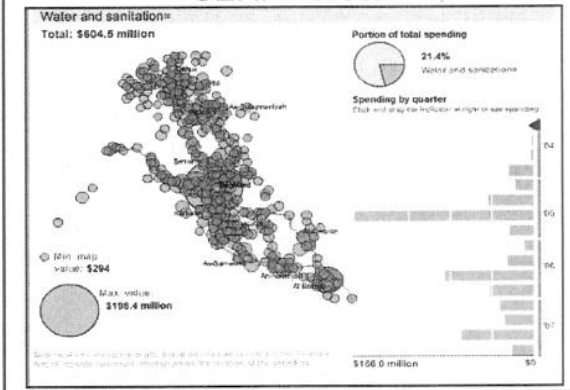
USAID Quarterly Funding – North Babil August 2007 – September 2008



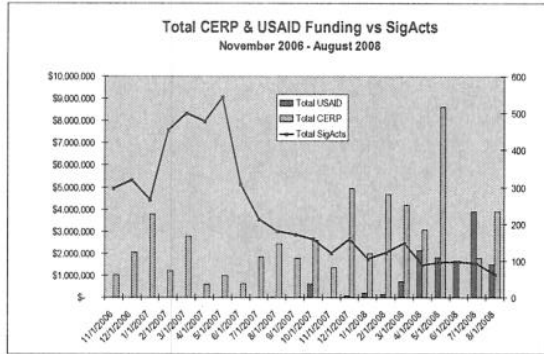
CERP - Agriculture



CERP - Water

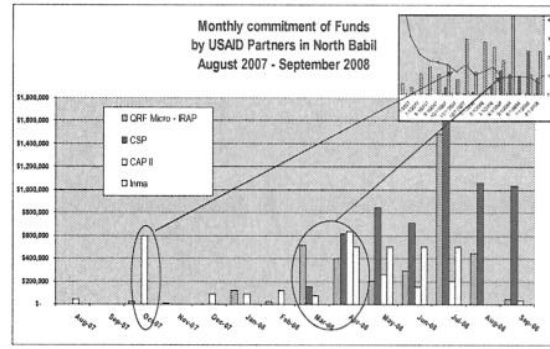


Total CERP & USAID/QRF Funding



Monthly Commitment of Funds by USAID Partners in North Babil

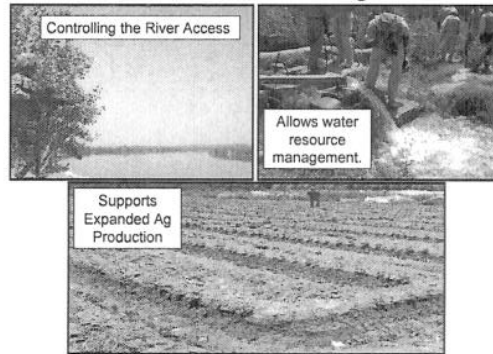
August 2007 - September 2008



Focus on Key Sectors

- Water Resource Management
- Credit
- Access to Technology

Water Resource Management



ISSUE: How to Develop a Joint USG Strategy to Support Government of Iraq Efforts to Effectively Manage Agricultural Water Resources.

How can USG help the GOI most effectively address ag sector water resource management issues?

What are "best practices" for effective water management?

Three key areas are:

Private Management through community owned and managed irrigation systems have proven effective around the world;

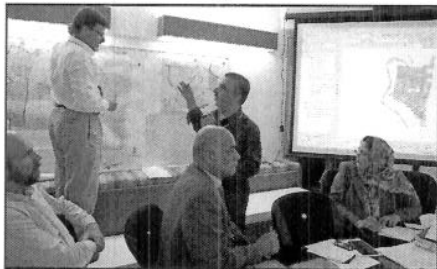
Public – Private Partnership have successfully reduced risk and leveraged private investment in Water Resource Management; and

Technical Capacity needs to be strengthened to assist governments in moving toward effective public – private partnerships.

Water User Association Proposal Participatory Irrigation Management (PIM)

- Concept Paper – Maged Hussein, Water Advisor Ministerial Advisor, Foreign Agricultural Service, USDA; & Linda Allen, Sr. Water – Iraq Transition Assistance Office.
- Participatory Irrigation Management – First step in a process toward total private control of water distribution systems in Iraq.
- Support Development of Water User Associations (WUA) – Start with Ag Associations – select 4 pilot areas and allocate \$2 million each for implementation of PIM. Financing strengthening WUA, repair of pump stations, improve O/M of 2^o & 3^o irrigation/drainage system.
- Outputs – Design equitable water distribution, resolve disputes among users, limit illegal withdrawal of H₂O, collect water use fees, and negotiate with MoWR the funding of O&M for the public irrigation system serving the hydraulic unit.

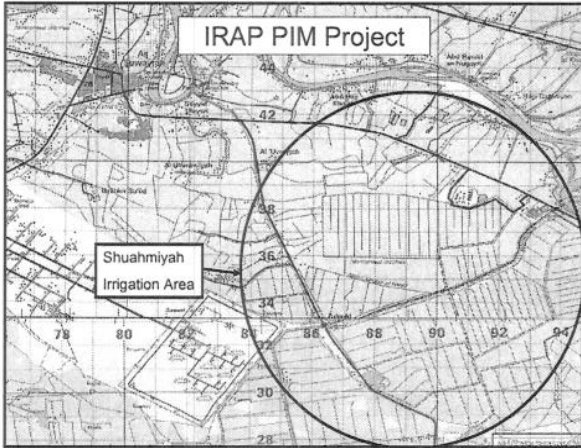
Inma – South Rashidiya Irrigation Project



Inma Investment focuses on strengthening WUA and increasing ag productivity. Coordination with Tatweer and MoWR to increase GOI support for improved water distribution.

USAID Initiatives in Support of PIM

- ePRT North Babil – Requested DAI IRAP (Iraq Rapid Assistance Program) support for Wasit Province.
- Goals – Improve water use efficiency, increase ag production, mitigate conflict, and strengthen civil society. Bring an additional 20,000 donum into ag production.
- \$2.3 million Proposal – Phase 1 - \$910,000 with Shuahmiyah Ag Association is funded and underway.



Credit

- Work with Tijara to develop SME credit lending in private banks.
- Also focus on micro – credit for ag production credit.
- Pilot efforts will be launched soon in Ninewa under Inma.

Access to Technology

- Ag Extension Institute
- Develop linkages between farmers and agribusinesses and applied technology.
- Coordinate with Ministry of Agriculture training and extension initiative.

Bring it down to the local level.

- Brigade Combat Team
- Embedded Provincial Reconstruction Team
- Provincial Government

Questions?

Scope of Work
Program Evaluation of Inma Agribusiness Program
Six Week Level of Effort – Key Deliverable – Evaluation Report
January – February 2009
USAD Iraq

The USAID Inma Agribusiness Program is focused on long term sustainable results critical to building and maintaining stability, security, and prosperity in Iraq. The Inma vision is to establish the foundation for a viable and profitable commercial agribusiness sector through capital and infrastructure investment, training, improved market systems and new technologies. These activities will address critical value chain constraints, increase productivity, lower production and marketing costs, and increase income of farmers and agribusinesses. Inma LOP funding is \$208 million for three year period (May 2007 – May 2010) with two potential option years that would increase funding to \$342 million.

At the half way point in program time period, Inma has disbursed less than 20 percent of LOP funding and has suffered a series of delays in delivering project outputs and in starting up activities. There is an apparent lack of strategic focus that clearly drives overall analysis of opportunities/constraints, targeting of activities, and design of sector/value chain initiatives. Activities have been delayed, programs have been dropped or changed due to an inability to execute timely grant and contract awards, field technical staff or effectively engage with partners who could. The technical quality of Inma initiatives have been questioned by some stakeholders. There is a need to assess Inma's strategic approach in the design and implementation of program activities, determine what has been the impact of those activities to date, assess what constraints are still present in key ag sector value chains, and recommend how Inma could best address those constraints.

Key Tasks & Questions to Be Answered

Review Inma accomplishments through first 18 months of the program implementation, assess impact at a technical level, identify significant remaining constraints, and recommend appropriate action to address those constraints. This would include verifying the value chain analytical approach and whether effective interventions were designed and implemented based on that analysis. Key questions to be answered include:

1. Value Chain Methodology - Was a value chain analysis conducted for each ag sector area of intervention (annual crops, perennial crops, livestock, and cross cutting activities – irrigation, training, etc.)? Did the analysis define market opportunity, identify key constraints in the value chain that needed to be addressed, and was there a prioritization of investments based on greatest potential for development impact? Was there a method that guided investments and was that method focused on understanding market potential of a commodity

and the value chain required for a farmer or agribusiness to successfully compete in that market?

2. Appropriateness of Program Activities – Based on Inma’s value chain analysis was the strategic intervention designed by Inma and the specific activities for each value chain appropriate – that is, would one reasonably expect an investment in these activities to have a significant impact of removing a constraint to the successfully production and marketing of the targeted agricultural commodity?
3. Impact of Program Activities – For those activities which were appropriately designed and proceeded to be implemented, what was the impact? Were the expected results achieved? Did results contribute to a change in the value chain approach to that specific commodity sector (e.g., was a new technology adopted, more efficient production systems put in place, cost saving approaches adopted, etc.). What was the “so what” of Inma’s intervention – was it clear and was it something that fit Inma’s overall strategic approach? Was Inma implementing a discrete set of activities that were essentially unrelated to an overarching strategic approach or was there a clear focus on critical constraints and an effort to highlight to key stakeholders the importance of changes and the potential of change in improving efficiency, reducing costs and increasing farmer and agribusiness incomes.
4. Validity of Current Strategy – After a review of value chain approach and appropriateness of program interventions and their impact, the Contractor shall determine if current Inma strategy is valid given the operating environment in Iraq, the difficulty in leveraging private investment and credit, and the structural and environmental constraints (e.g., widespread salinity, lack of sufficient water resources in some areas, etc.).
5. Recommendations on Strategic Approach – If current approach is valid and constraints are not insurmountable, the Contractor shall indicate what changes can be made to most effectively improve program performance. This would include an assessment of the different program initiatives with a recommendation on how to improve implementation of the ongoing activity or whether to re-direct resources in a way that would leverage greater economic impact. The key question is – how can Inma best implement its programs to have maximum impact? What changes are needed? What areas should receive more attention and what areas should be scaled back or stopped?

The deliverable under this contract is an evaluation report that addresses the areas described in this scope of work and answered the key questions related to Inma’s performance and strategic approach.