

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.

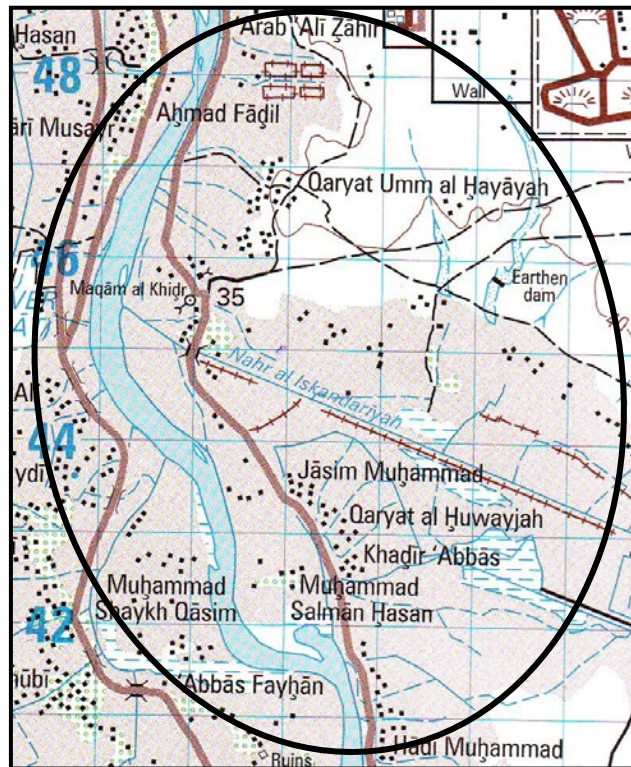


Shia Holy Shrine in Khidr – completely destroyed by Al Qaeda in December 2008

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, (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, (jmyertydy@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 are a 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.



Shia Shrine in ruins in background with superimposed photos of local students and LTC Newsome in the foreground are superimposed photos of people re-building their homes.

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.



Michael Maxey with local school children in Khidr.



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.

PROPOSED PARTNERSHIP

WHAT	WHEN	WHO	HOW MUCH?
Babil Area Development			
Strengthen Extension Service	1 JUN 08	INMA	\$ 200,000
Strengthen Farmers' Associat. (establish also)	1 MAY 08	INMA	\$ 300,000
Establish Micro-Finance Loan System for feed	9 APR 08	INMA	\$3,000,000
Establish Distribution point for Demo Feed (imported)	1 MAY 08	INMA	\$ 300,000
Leverage IMMD Lending for Large Firms	1 MAY 08	INMA	\$ 100,000
Irrigation and Drainage canals cleaned/repaired	1 JUN 08	MIL	\$5,000,000
Marketing Information for Babil Study	1 APR 08	INMA	30,000
ID Infrastr. Needs (Feed Depots, Feed Lots, Markets)	1 MAY 08	INMA	\$ 200,000
Involve local and national government in support serv.		MIL	
Electricity availability and access improved		MIL	
Roads improved		MIL	
Security		MIL	
Phase I - Livestock Sector			
Establish Euphrates Fish Farm			
Purchase Fingerlings	1 MAY 08	INMA	\$3,000,000
Fingerling Distribution	20 JUN 08	INMA	200,000
Pumping Capacity Installed	20 JUN 08	INMA	600,000
Import High Quality Feed	1 MAY 08	MIL	\$3,500,000
Conduct Training	1 APR 08	INMA	200,000
ID & Strengthen Associations			
Strengthen Feed Mill/Feed Lot systems	12 MAR 08	INMA	\$ 50,000
Wholesale Fish Market established in Baghdad	1 NOV 08	INMA	\$1,000,000
Improve Live Haul capabilities	1 SEP 08	INMA	\$ 500,000
Chicken Slaughterhouse	1 MAY 08	MIL	\$ 500,000
Calf Fattening	?	IMMDF	\$500,000
Feed Mill Capital Loan	?	IMMDF	\$ 250,000
	2009	INMA	\$6,000,000
Phase II - Horticulture			
Wholesale Vegetable Market (Babil)			
Modern Veget Packing Shed & Cold Storage	1 OCT 08	MIL	\$1,000,000
Vegetable Production Improvement	1 SEP 08	INMA	\$1,000,000
	2009	INMA	\$ 2,000,000
TOTALS			
		MIL: \$10,000,000	
		INMA: \$18,930,000	
		IMMDF: \$ 750,000	



Inma
AGRIBUSINESS PROGRAM

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

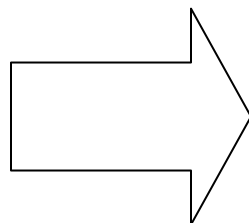
Community Action Program (CAP) II – Small business financing, infrastructure improvement, & victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.

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	• Al Juboori
	Khudair Unayed Al Janabi	Vice President	• Al Janabi
	Khudair Aliwi Al Jubori	Treasurer	• Al Masoudi
	Ibraim Bedaiwi Hassan	Secretary	• Al Ghirtani
	Hussein Abid Ali	Board Member	• Bani Saad
Al Reef (Jiff Jaffa)	Turky Salman Hijel	Chairman	• Al Juboori
	Hamid Merza Hatrosh	Vice President	• Al Masoudi
	Sayeed Hussein Alwan	Treasurer	• Al Khafaji
	Kabdil Shyaa Abdil Hussein	Secretary	• Al Greaat Bani
	Basim Abdul Amer Abdullah	Board Member	• Temeemi
Sheik Taha (Al Haq)	Ismail Dayih	Chairman	a Al Janabi
	Fadel Kudair	Vice President	• Al Juboori
	Ahmed Abbas Ahmed	Treasurer	• Al Masoudi
	Ziyad Taha	Secretary	• Bani Ajeel
	Mandi Muhsin Munir	Board Member	• Al Jorani
			• Muhaimraa
Al Baraka (Diyarah)	Jasim Mohammed Muhsin	Chairman	• Al Janabi
	Hatem Hasoon	Vice President	• Al Sultan
	Marzook Ehraiz	Treasurer	• Al Khafaji
	Nasir Madloom Muhammed	Secretary	• Al Jubori
	Rashid	Board Member	• Al Khazraj
			• Albo Ajeel
			• Al Gharan
			• Al Ubaid
			• Al Echaish
			• Al Esar

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.

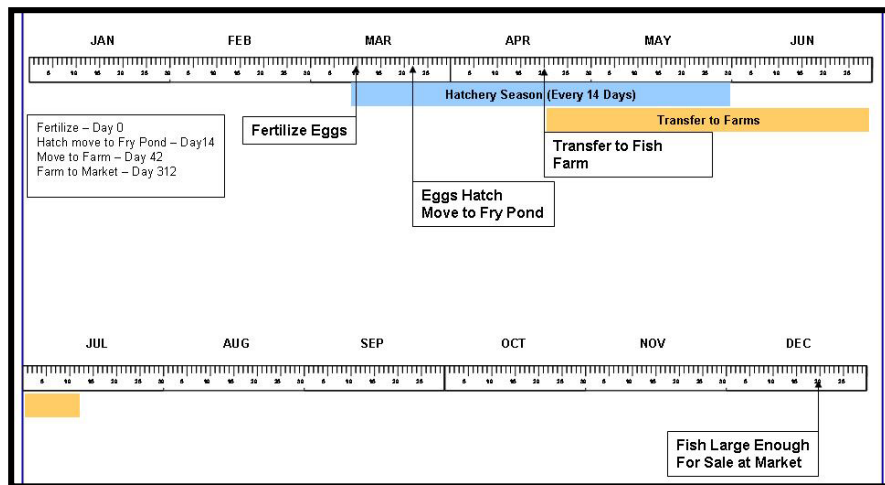
We said we would draft a Scope of Work and present to the Dr. Hussain and the Fish Farmer Association and request a proposal from them on the cost of providing technical assistance for all aspects of common carp production and marketing with Fish Farm Association members this year. A QRF grant would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



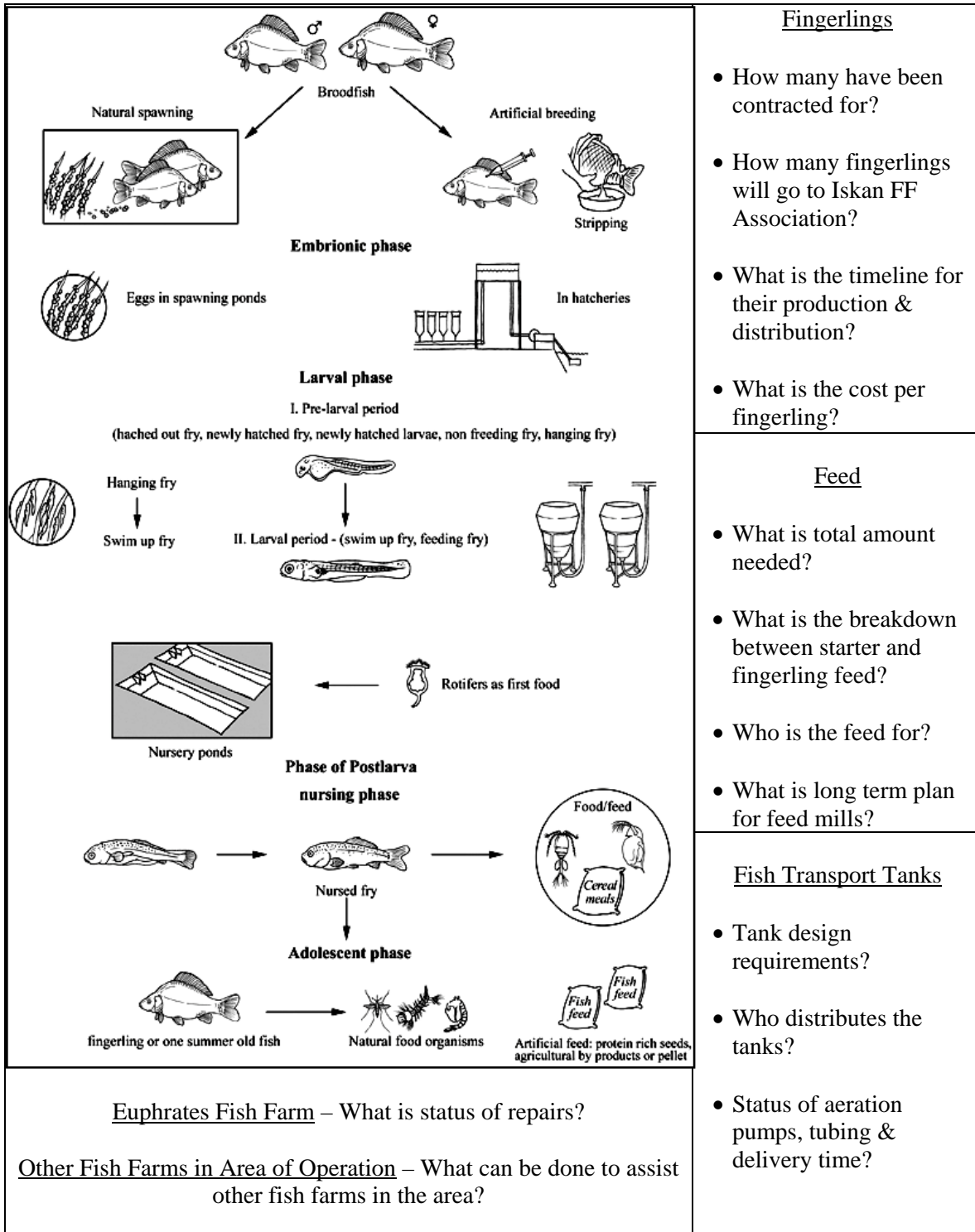
LTC Shuck, Major Peeples & Director General of Municipalities

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*

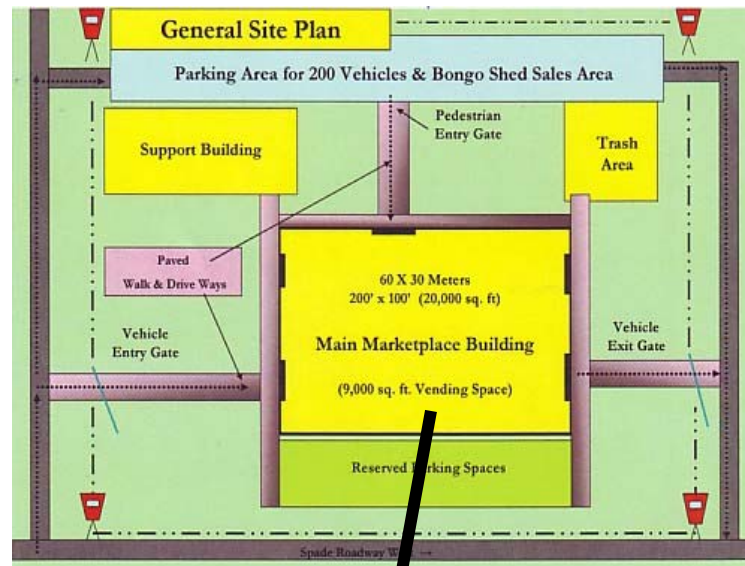


* EPRT North Babil is contracting a local aquaculture expert to provide technical assistance for entire production season. See attached Scope of Work.

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)



The image shows a cylindrical agricultural tank with a dished end, mounted on a metal chassis with two wheels. It has a hitch at the front for tractor attachment. The tank is white and the chassis is dark green.



Logo of the State Company for Mechanical Industries, featuring a gear, a hammer, and a pickaxe, with the text 'STATE COMPANY FOR MECHANICAL INDUSTRIES' and Arabic text.

Iraq - Babylon - Iskandariya العراق - بابل - الاسكندرية
E-mail: scmi_ha@yahoo.com المدير العام
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.

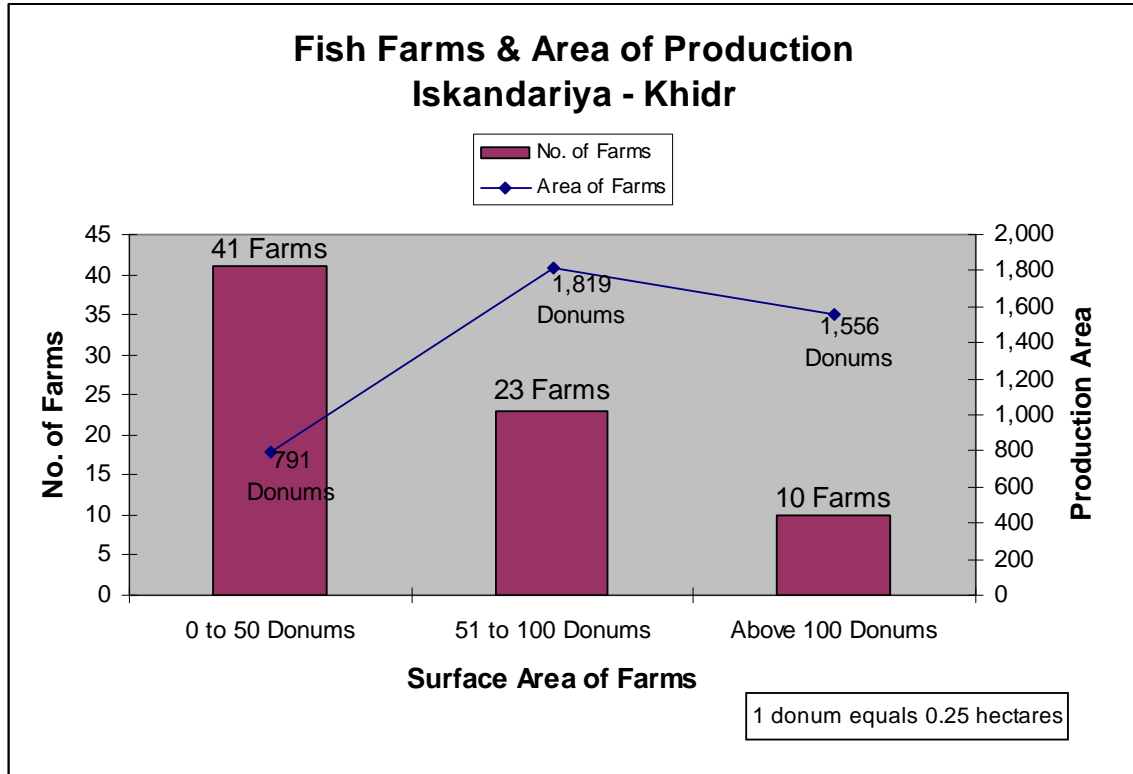
Case Study – Iskandariya – Khidr – Counter Insurgency Initiative – 4BCT leadership wants to write a case study on Brigade and EPRT North Babil efforts to implement counter insurgency activities in the Iskandariya – Khidr Area. The USAID contribution focused on economic growth, governance and essential 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		0
37	Kadhim Abid al-Aziz Rashid Ali al-Janabi	10	78		0
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.

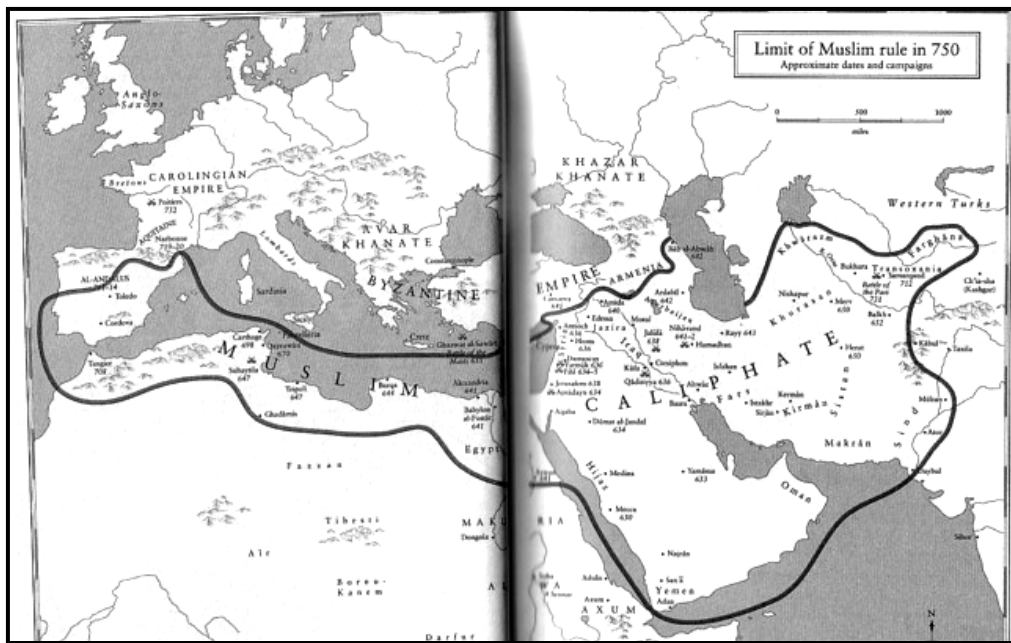
Islam also provided the basic strategic framework for all the conquests. Upon the death of Mohammed, the different tribes of Arabia began to assert their independence. A series of wars, the “ridda” wars⁶, brought all the tribes under Muslim control led by the Quraysh tribe of Mecca allied with Bedouin. 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,

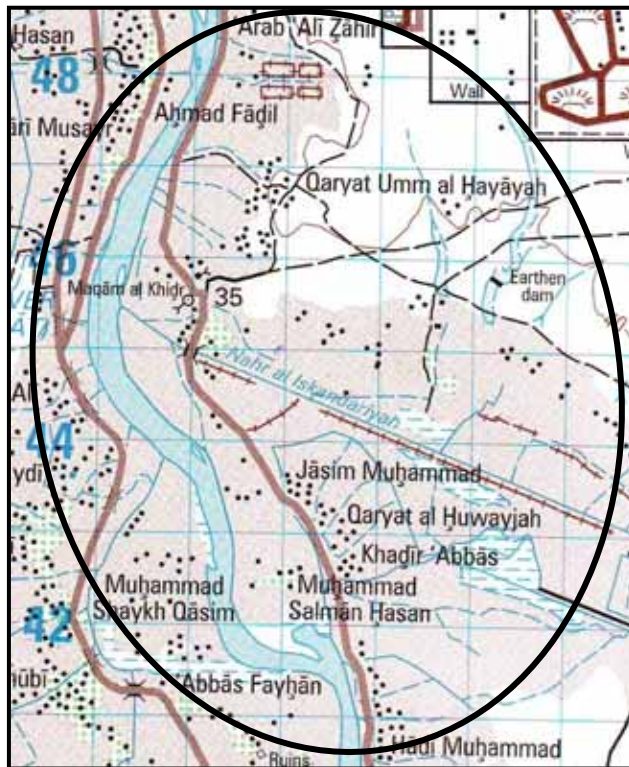
there are other interested parties; I will attempt to keep them informed as the program moves forward.

- 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



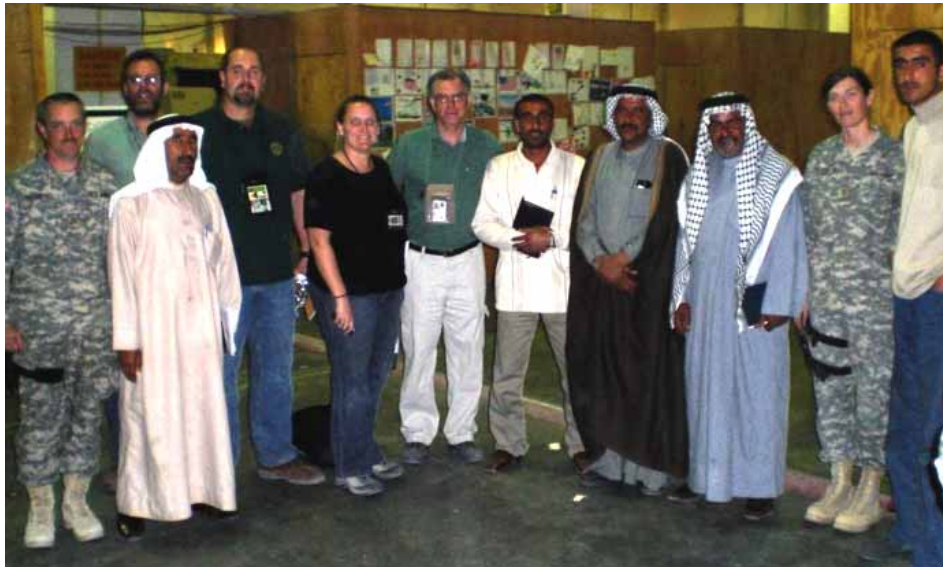
has a number of partners managing IDP activities in Iraq (one of which is IRD) and they are involved in providing temporary shelter, potable water, etc. The OFDA IDP program also interfaces with the Ministry of Migration payments to help people meet basic needs while they get back on their feet. Jon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



Shia Shrine in ruins in background with superimposed photos of local students and LTC Newsome in the foreground are superimposed photos of people re-building their homes.

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.



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

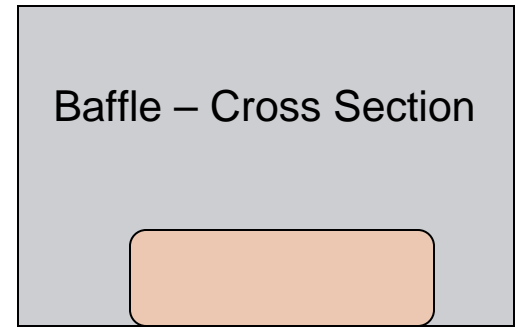
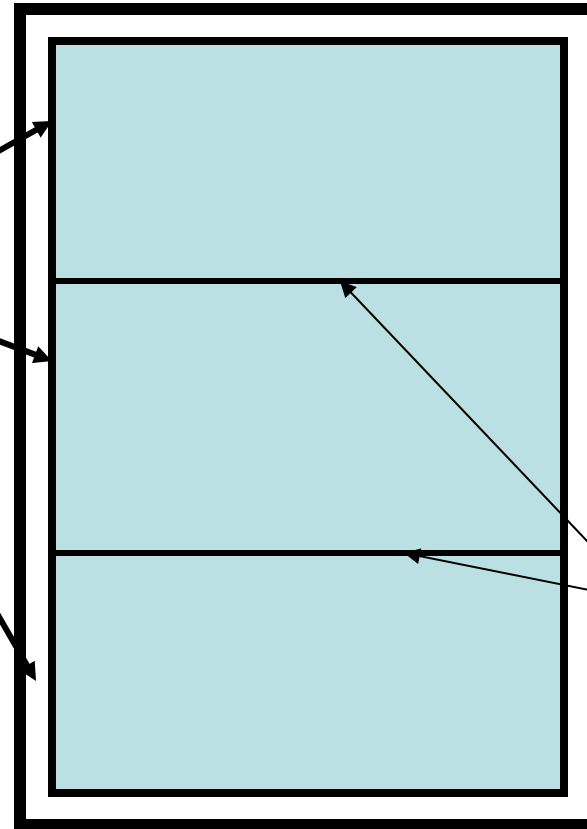
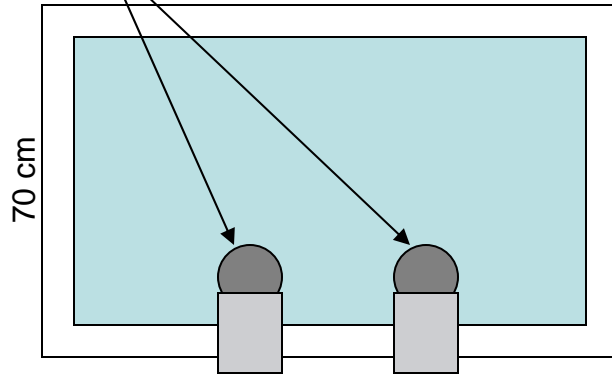
230 cm

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.

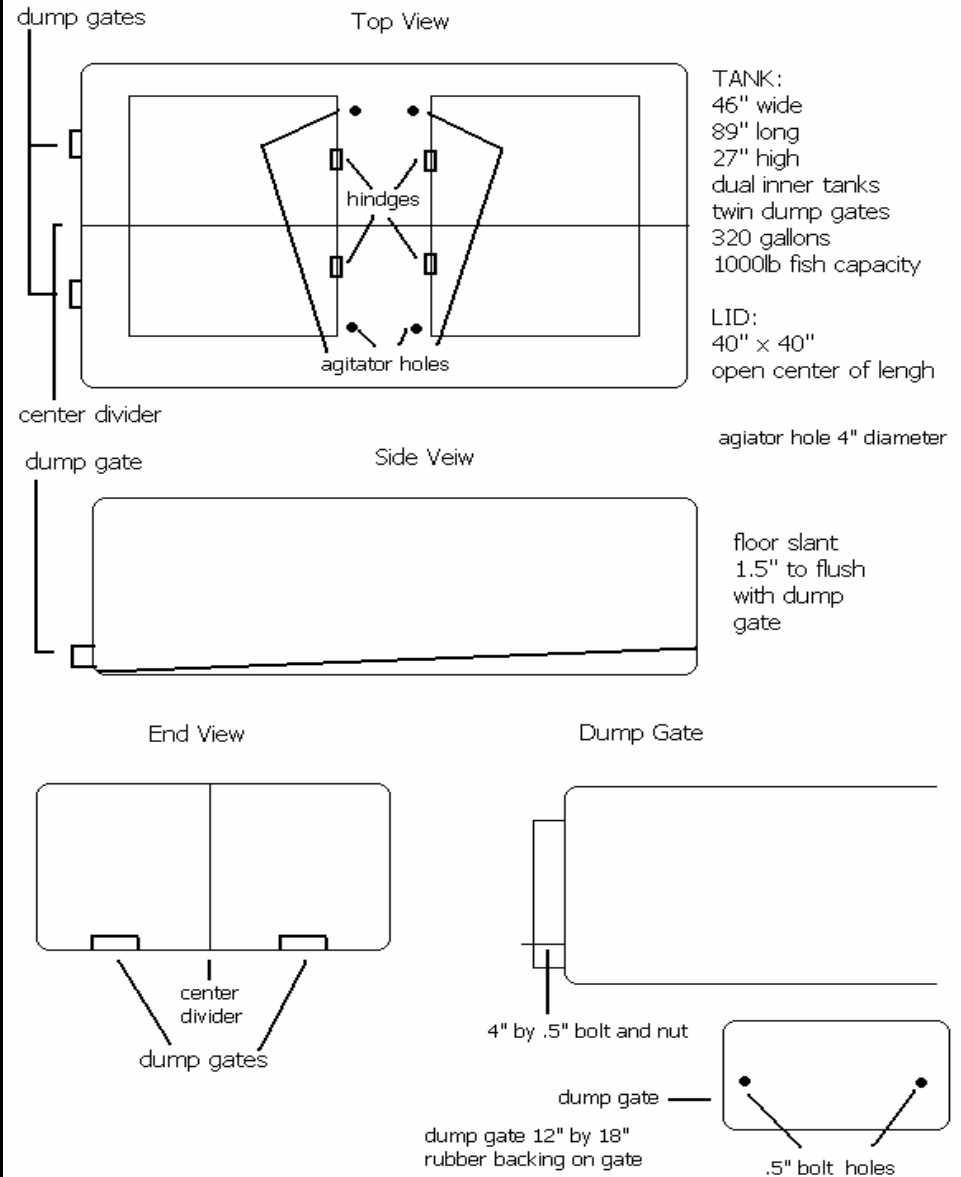
Duane's design provides for two separate tanks with no baffles. Dr. Raied has one large tank with two baffles.

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.

Fingerling Tank



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.

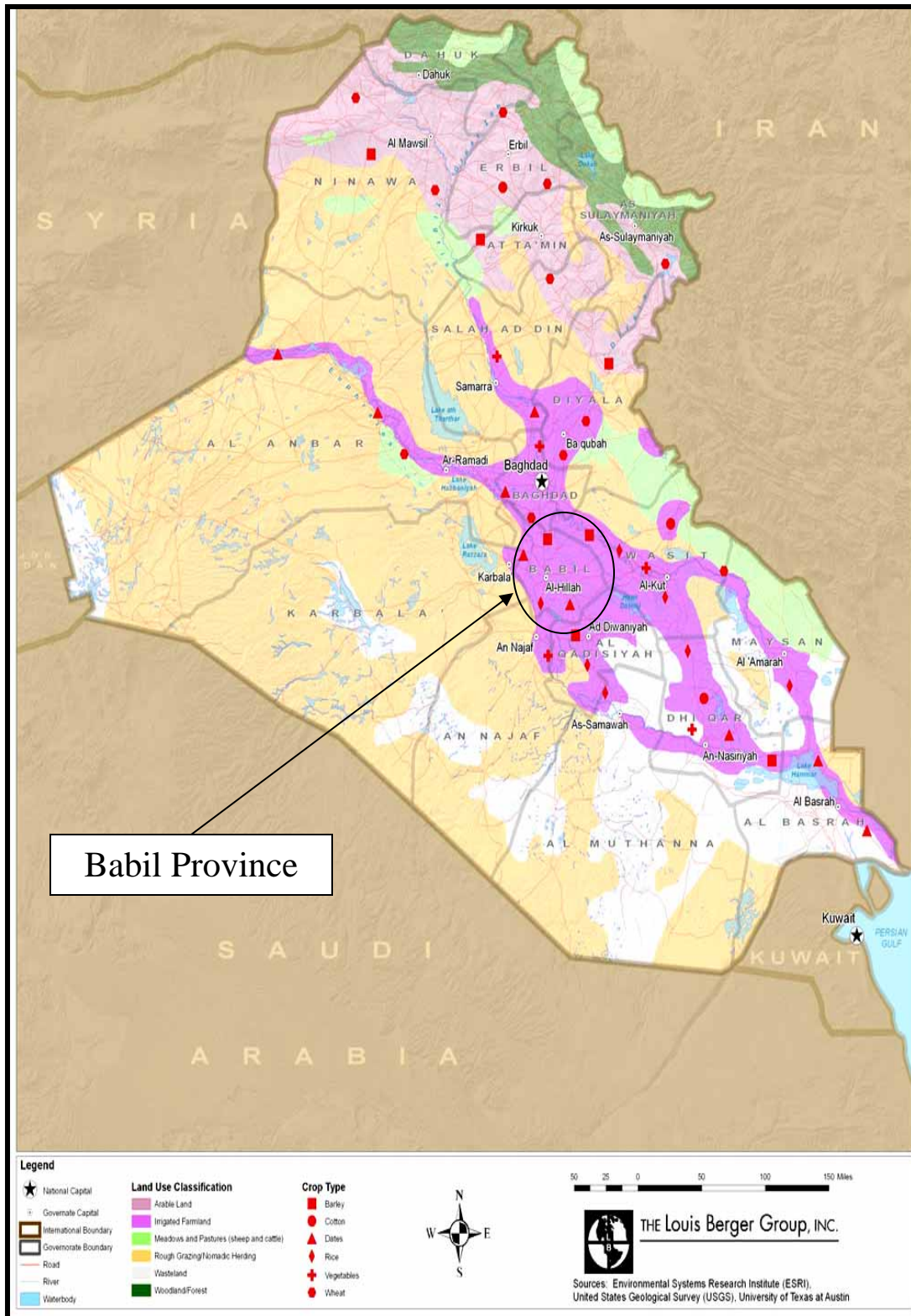
Issues:

- (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 the 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.

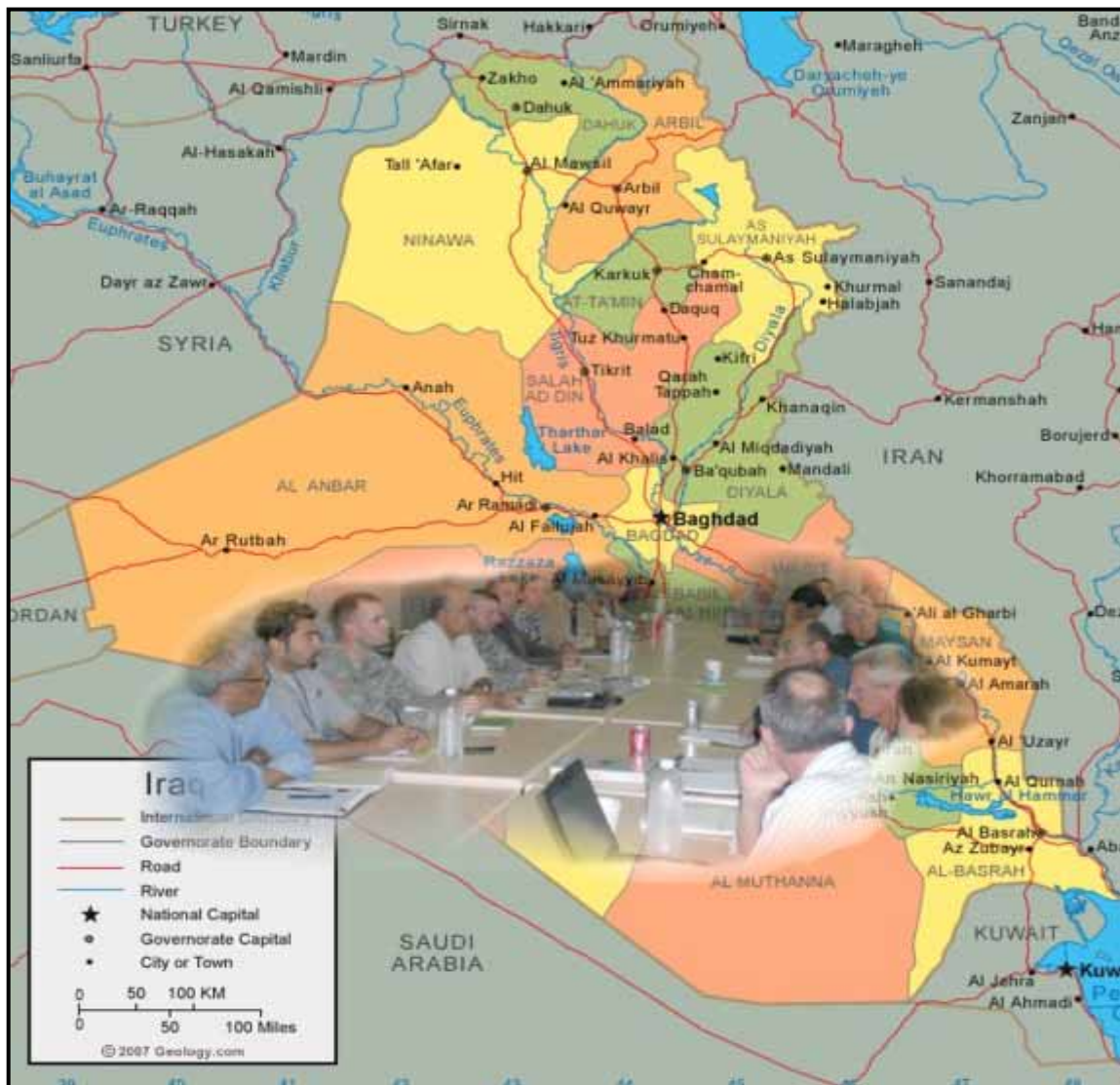
RTI is here as well – Lamar and Pradeep – thank you for coming. I understand Pradeep has worked extensively with Col. McKone on activities at the VoTech Center in Iskandariya. We look forward to their insight on how we can create an effective business promotion program for North Babil.

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. On the left, a vertical blue bar contains the word 'CONTACTS' in white. Below this, five green boxes list contact information for different cities: Baghdad (IASD), Erbil (WEO), Hilla (BCED), Kirkuk (Al-Murshed Center), and Tal'afar (TSBC). The center of the flyer has a blue background with three white-bordered photographs showing people in a meeting or training session, with yellow arrows pointing towards the right. The SBDC logo is repeated at the top left, bottom center, and right side. The right side of the flyer contains a welcome message and a description of the 5-day training course. A decorative pattern of yellow dots is located at the bottom right.

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

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.

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 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

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 of 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)

USAID | IRAQ
FROM THE AMERICAN PEOPLE

ePRT North Babil

Michael Maxey
USAID Rep.
May 2008

1

USAID | IRAQ
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Location	Location
Amor 1	Com. Peshawar/Alqadisi
Amor 2	Com. Alqadisi/Alqadisi
Amor 3	Alqadisi/Alqadisi
Alqadisi 1	Alqadisi/Alqadisi
Alqadisi 2	Alqadisi/Alqadisi
Alqadisi 3	Alqadisi/Alqadisi
Alqadisi 4	Alqadisi/Alqadisi
Alqadisi 5	Alqadisi/Alqadisi
Alqadisi 6	Alqadisi/Alqadisi
Alqadisi 7	Alqadisi/Alqadisi
Alqadisi 8	Alqadisi/Alqadisi
Alqadisi 9	Alqadisi/Alqadisi
Alqadisi 10	Alqadisi/Alqadisi
Alqadisi 11	Alqadisi/Alqadisi
Alqadisi 12	Alqadisi/Alqadisi
Alqadisi 13	Alqadisi/Alqadisi
Alqadisi 14	Alqadisi/Alqadisi
Alqadisi 15	Alqadisi/Alqadisi
Alqadisi 16	Alqadisi/Alqadisi
Alqadisi 17	Alqadisi/Alqadisi
Alqadisi 18	Alqadisi/Alqadisi
Alqadisi 19	Alqadisi/Alqadisi
Alqadisi 20	Alqadisi/Alqadisi

2

USAID | IRAQ
FROM THE AMERICAN PEOPLE

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

3

USAID | IRAQ
FROM THE AMERICAN PEOPLE

Transition

Combat Operations
Stability Operations
Sustainable Development

4

USAID | IRAQ
FROM THE AMERICAN PEOPLE

Bridging to the Future

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

5

USAID | IRAQ
FROM THE AMERICAN PEOPLE

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. Village - Support provided for local business training from Small Business Development Center in Alqadisi. 100 USAID funds used to finance business training in collaboration with the SBC, established by UN-ICEF.	Economic Development Community Action Program (CAP) 1 - Expand small business training and microfinance program to include comprehensive training program (1,000 additional people trained). Village - Support provided for local business training, microfinance and marketing programs. Specific focus on Business Incubator in Alqadisi and capacity to establish 100 small businesses coordinated with USP Vocational Technical Training Program.
Government Community Action Program (CAP) 2 - School, health clinic, and electricity improvements. \$1,000,000 invested Oct. 2007 - May 2008 benefiting 54,195 people.	Government Community Action Program (CAP) 2 - Approval and start of implementation of Alqadisi 2008 Cultural activities at Alqadisi (1) Cultural festival (2) Alqadisi 2008 Market and provide 2008 Market to include (3) and (4) Sustainable Fish Farm Program - Expansion of existing fish farm (5) USAID funds to establish 1000 chickens and 1000 ducks in Alqadisi (benefiting 10,000).
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.	Local Governance Program (LGP) 1 - Expand 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 strategy.

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 Nemec, GySGT Morrell
Deploy Media			
	ARR	0810	Media Aircraft Arrive LZ Washington
	DEP	0825	Media Aircraft Depart for Kalsu LTC Baker, CPT Nemec 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 Nemec, 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 Iraq; 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 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.

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

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 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.

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 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.

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
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

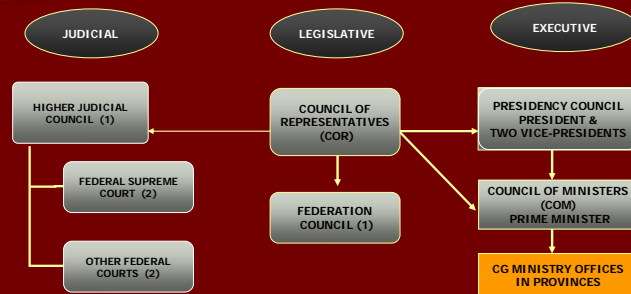
BUDGETING ... THE IRAQI WAY

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

OVERVIEW & CONTEXT

4

CENTRAL GOVERNMENT (CG) STRUCTURE

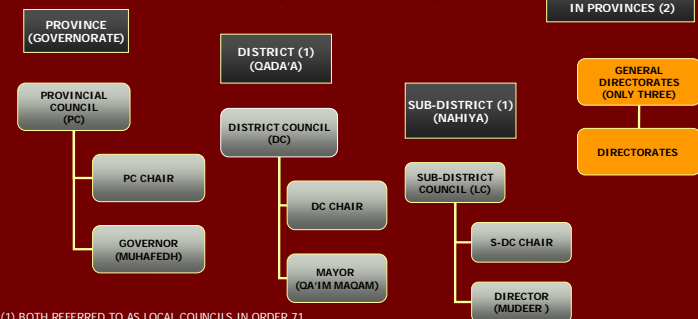


1. IMPLEMENTING LEGISLATION NOT YET ADOPTED BY COR
2. CURRENTLY ORGANIZED UNDER MOJ

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

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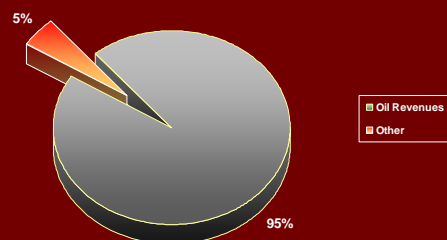
CG MINISTRY OFFICES IN PROVINCES

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

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FEDERAL BUDGET COMPONENTS

REVENUE BUDGET



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FEDERAL BUDGET COMPONENTS

2008 FEDERAL EXPENDITURE BUDGET

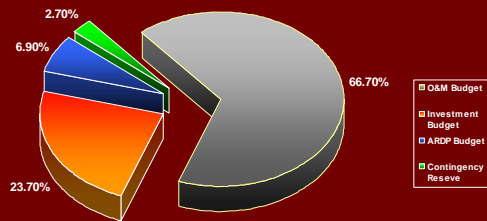
– O&M BUDGET	44,190,747,403 TBID/ \$36,764,348,921 USD
– INVESTMENT BUDGET	15,671,227,145 TBID/ \$13,037,626,577 USD
– ARDP BUDGET	4,590,850,000 TBID/ \$3,819,342,762 USD
– CONTINGENCY RESERVE	1,792,946,556 TBID/ \$1,491,636,070 USD
– TOTAL	66,245,771,104 TBID/ \$55,112,954,330 USD
– DEFICIT	9,086,892,355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

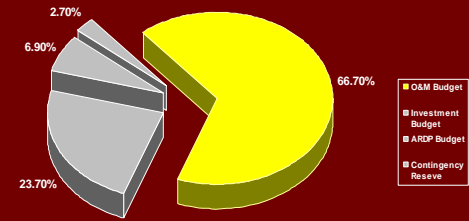
2008 FEDERAL EXPENDITURE BUDGET



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O&M BUDGET

2008 FEDERAL EXPENDITURE BUDGET



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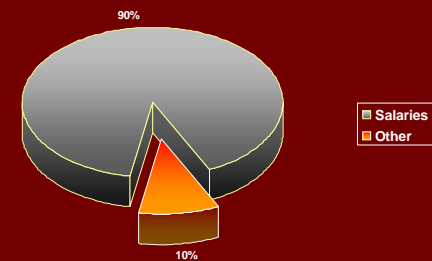
O&M BUDGET

- 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

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O&M BUDGET

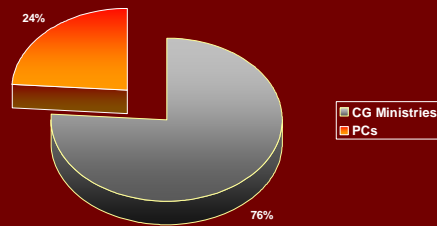
PERCENTAGE OF O&M BUDGET FOR SALARIES



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O&M BUDGET

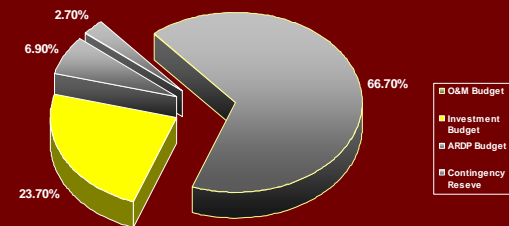
PERCENTAGE OF O&M BUDGET FOR PC FUNDING (EXCLUDING KRG)



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INVESTMENT BUDGET

2008 FEDERAL EXPENDITURE BUDGET



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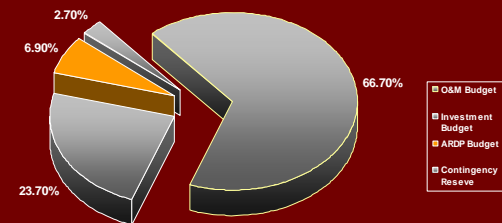
INVESTMENT BUDGET

- 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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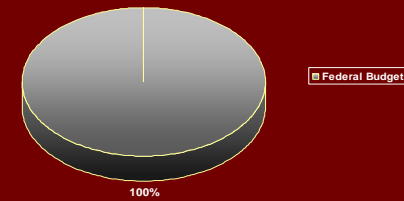
ARDP BUDGET

- 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

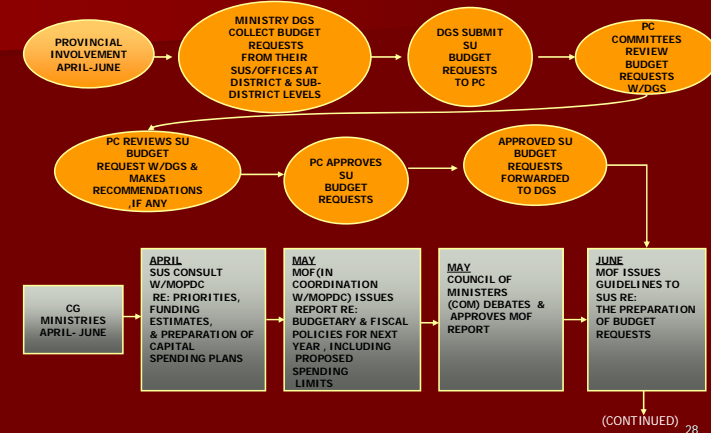
- NOT EFFECTIVE UNTIL AFTER PROVINCIAL COUNCIL ELECTIONS
 - IMMEDIATE IMPACT UNLIKELY
 - 2010 BUDGET CYCLE LIKELY 1ST TO BE AFFECTED
- DOES NOT PROVIDE PCS & LCS W/INDEPENDENT BUDGETARY AUTHORITY OR BUDGETS
 - DOES NOT PROVIDE INDEPENDENT SOURCE OF PROJECT FUNDING
 - AUTHORIZED TO COLLECT, NOT IMPOSE,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

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BUDGET PREPARATION

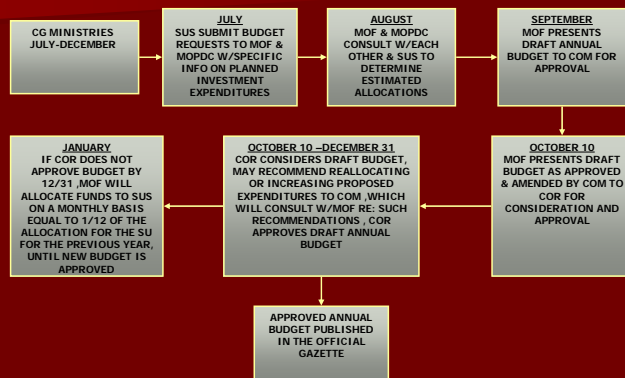
27

O&M & INVESTMENT BUDGETS



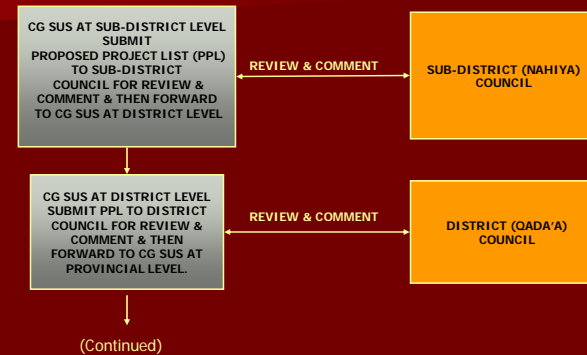
28

O&M & INVESTMENT BUDGETS



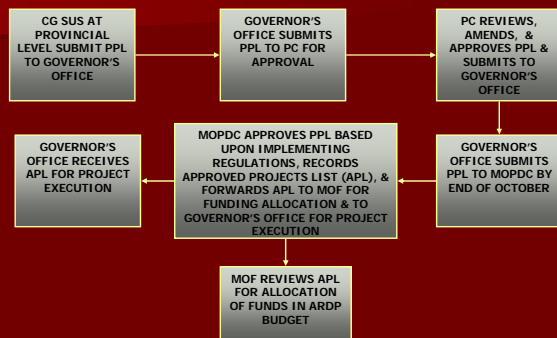
29

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

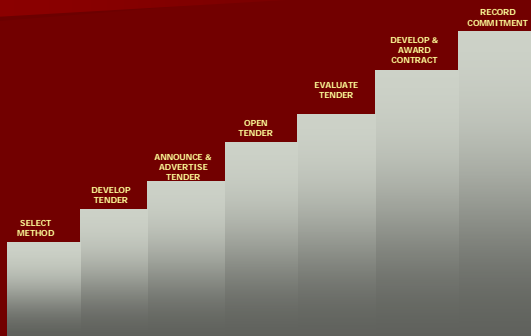
■ 3-STEP PROCESS

- (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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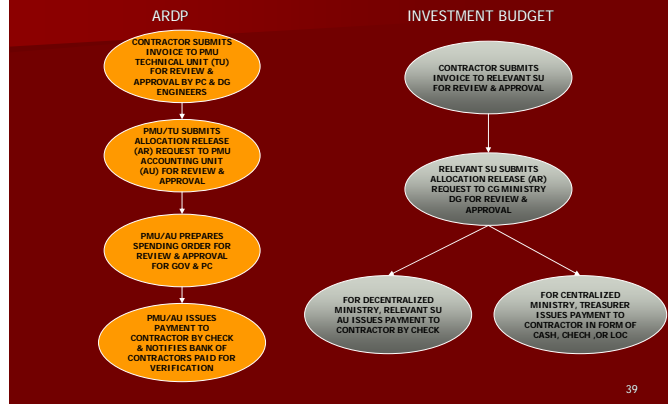
PROJECT IMPLEMENTATION

■ 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

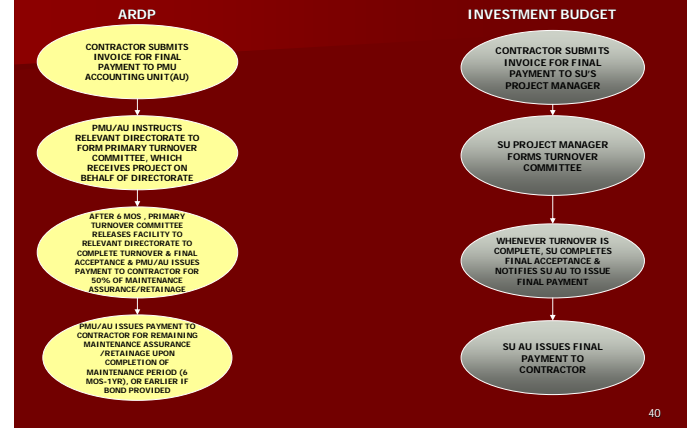
38

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 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.

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 Gol 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
<p>Canals operational enough to support Vegetable planting under plastic (retains moisture). CERP repaired all pump stations and canals in AO</p>	<p>.75 Million dollar CERP packet for Tomatoes, Cucumbers, Eggplants and Green Peppers. (Focus- reduce imports from Iran and get farmers farming).</p>	<p>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)</p>	<p>Restored pumps and restocked Licensed Fish Farms utilizing 2,500 Micro Grants due to minimal expenses need to fix operation.</p>	<p>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.</p>
Bee Keepers	Veterinary Needs	Beef	Sheep	Machinery
<p>Assistance is vital to Orchard propagation. To date, 8500.00 in QRF Micro Purchase of Supplies to bee-keepers.</p>	<p>CERP Packet to refurbish and MoA restocked two MoA facilities Assist Private Vets with QRF Micro-grants.</p>	<p>Future Vet Caps and feed assistance scheduled. You must have Vets operational before providing assistance to livestock</p>	<p>Future Vet Cap and feed assistance scheduled. You must have Vets operational before providing assistance to livestock</p>	<p>MoA Loans to purchase 9 Case New Holland Tractors with QRF to pay interest. New MoA Loan Program emphasized!</p>

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	
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RTI Responsible:	Counterpart: Michael Maxey, USAID Rep. ePRT North Babil
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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.

2.3 On Water

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.

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 Gol 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
<p>Canals operational enough to support Vegetable planting under plastic (retains moisture). CERP repaired all pump stations and canals in AO</p>	<p>.75 Million dollar CERP packet for Tomatoes, Cucumbers, Eggplants and Green Peppers. (Focus- reduce imports from Iran and get farmers farming).</p>	<p>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)</p>	<p>Restored pumps and restocked Licensed Fish Farms utilizing 2,500 Micro Grants due to minimal expenses need to fix operation.</p>	<p>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.</p>
Bee Keepers	Veterinary Needs	Sheep	Machinery	
<p>Assistance is vital to Orchard propagation. To date, 8500.00 in QRF Micro Purchase of Supplies to bee-keepers.</p>	<p>CERP Packet to refurbish and MoA restocked two MoA facilities Assist Private Vets with QRF Micro-grants.</p>	<p>Future Vet Cap and feed assistance scheduled. You must have Vets operational before providing assistance to livestock</p>	<p>MoA Loans to purchase 9 Case New Holland Tractors with QRF to pay interest. New MoA Loan Program emphasized!</p>	

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:	<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:	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.		
<input type="checkbox"/>	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.

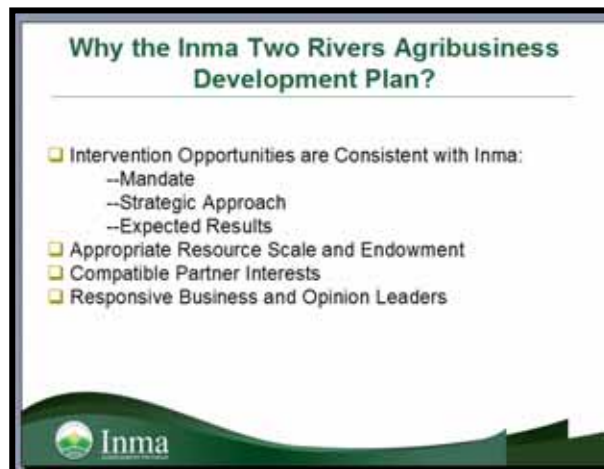
School Supplies – “Operation Backpack” – We developed a list of Points of Contact for local government reps for backpack distribution. Major Peeples will discuss follow on proposal for other areas of 4th BCT Area of Operation is already being discussed.

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

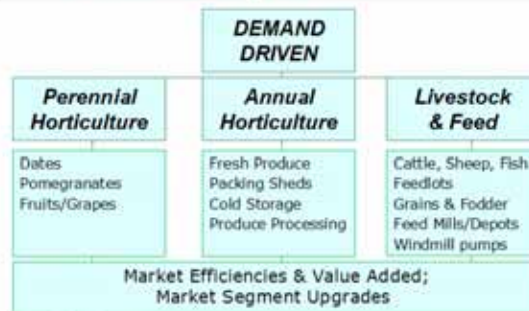


Strategic Approach

- **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.



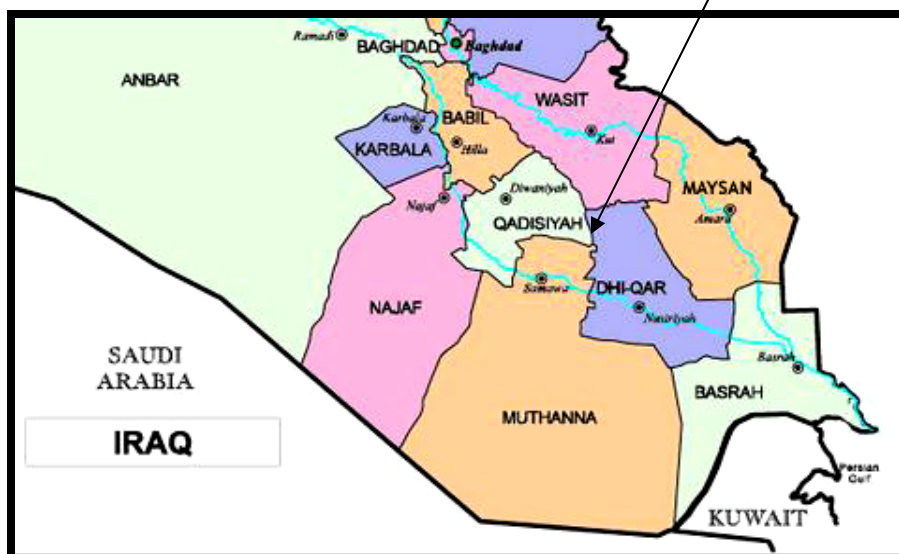
Memorandum of Conversation
Meeting with Deputy Commanding General – 10th Mountain Division
June 13, 2008

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 famers 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.

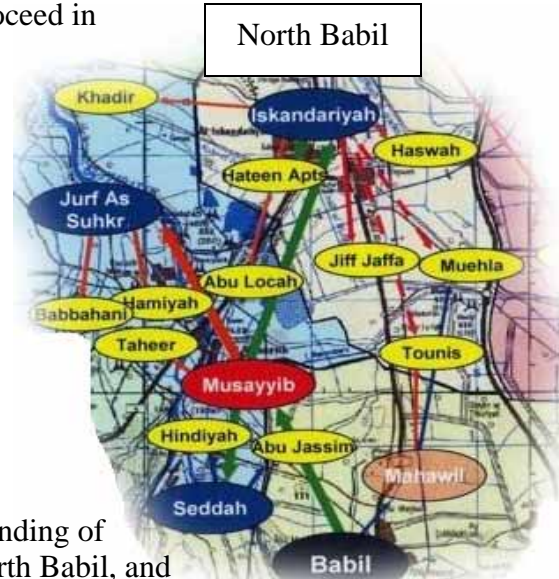
June 18 – Meeting with Textile Factory Owner - Civil Affairs Economics/Education Officer SSG Steve Czarnowski and I met with Mr. Firas to discuss his company and how we can help him get the factory operating again. His company is called the Ezeldeen Textile Factory and is located in Hilla, Babil. The 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: Sheik Sabah Khafaji,
Title: 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)
EETC (Embassy Technical Evaluation Committee) Meeting
June 23, 2008

I attended the EETC 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 EETC notification via the PRS-Help@msi-inc.com of further information requested by WETC 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 WETC (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. EETC Committee members will be invited to attend this field review.



EETC 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 Ereli** 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.

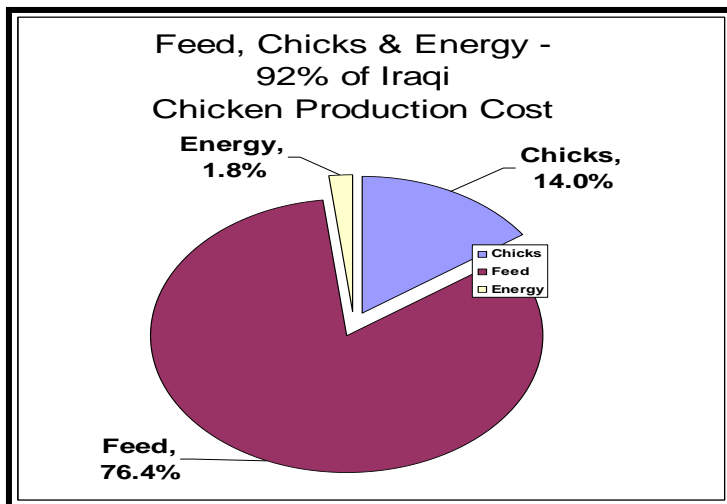
“Iraqi consumers have a strong preference for live or fresh chicken and are willing to pay a price premium of over 30 percent over the frozen equivalent.” June 2008 - Inma Report – “Central Iraq Poultry Production: Problems & Prospects”

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

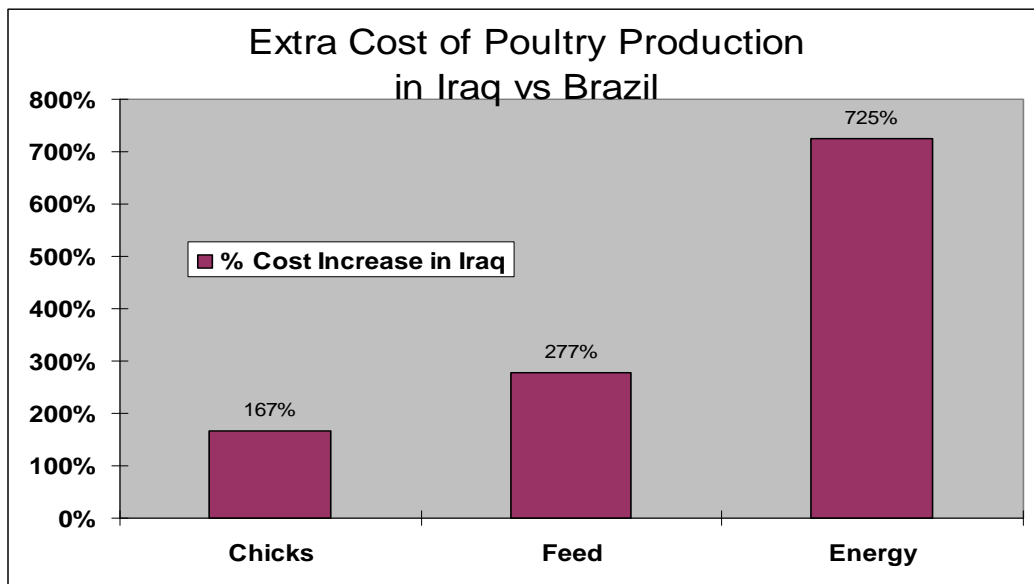
Traders currently pay between \$2.00 and \$2.50 per kg for live chicken. Production cost in Iraq are approximately \$2.00 per kg in the current market. Ninety-two percent of Iraqi chicken production costs are in feed (almost 75 percentage of the total cost of production is from feed



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.

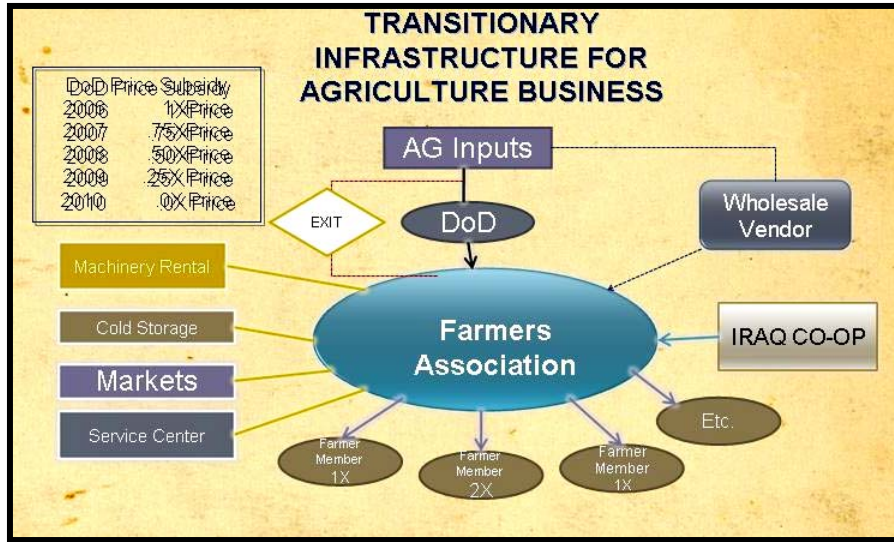
Livestock – Economics & financial mgt training is needed. Genetic improvement is needed. Milk collection and cooling facilities are needed – bulk collection from a region for a central processing unit would be key.

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.

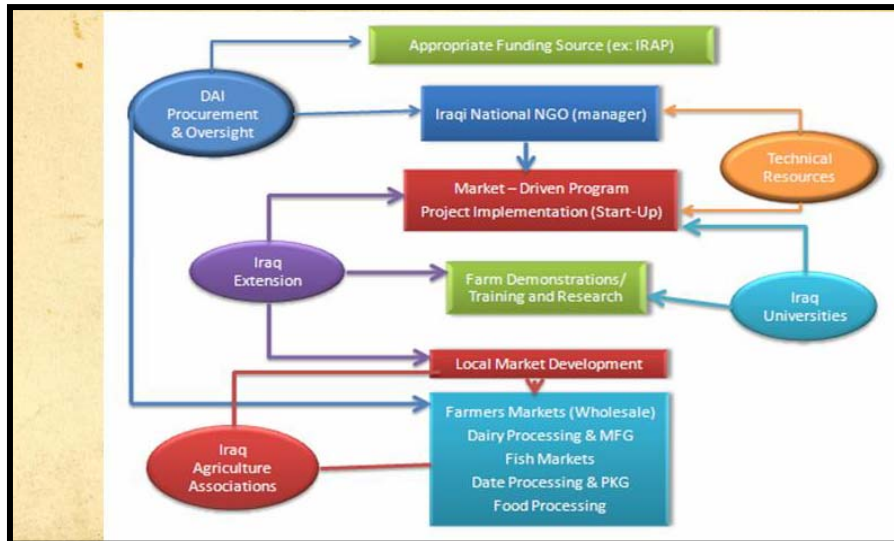
Agricultural Machinery – Need to focus on increasing access to PTO machinery, development of appropriate implements, and possibly provide “tool boxes” to graduate of technical training schools.

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.

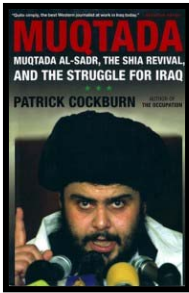
CAP II (Community Action Program II) – Investments for 2008 in North Babil are \$2,286,905 in 56 projects. The projects included: 8 health projects (\$392,071); 9 construction projects (\$617,703); 14 education programs (\$1,071,081); and 3 community projects (\$206,050). Total CAP II funding for all 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

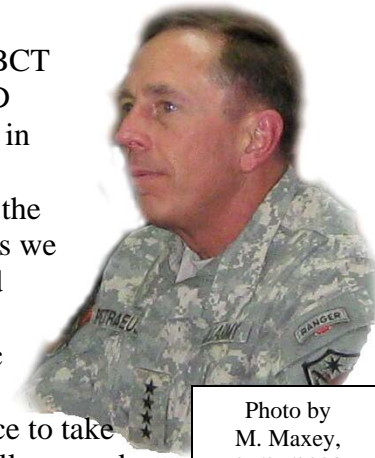


Photo by
 M. Maxey,
 07/06/2008

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><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 34,105 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 15 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 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><u>IRAP (Iraqi Rapid Assistance Program)</u> – Seven projects approved for \$2.1 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. \$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><u>Community Action Program (CAP) II</u> – Expand school, health clinics, and infrastructure improvement. \$2.3 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 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:

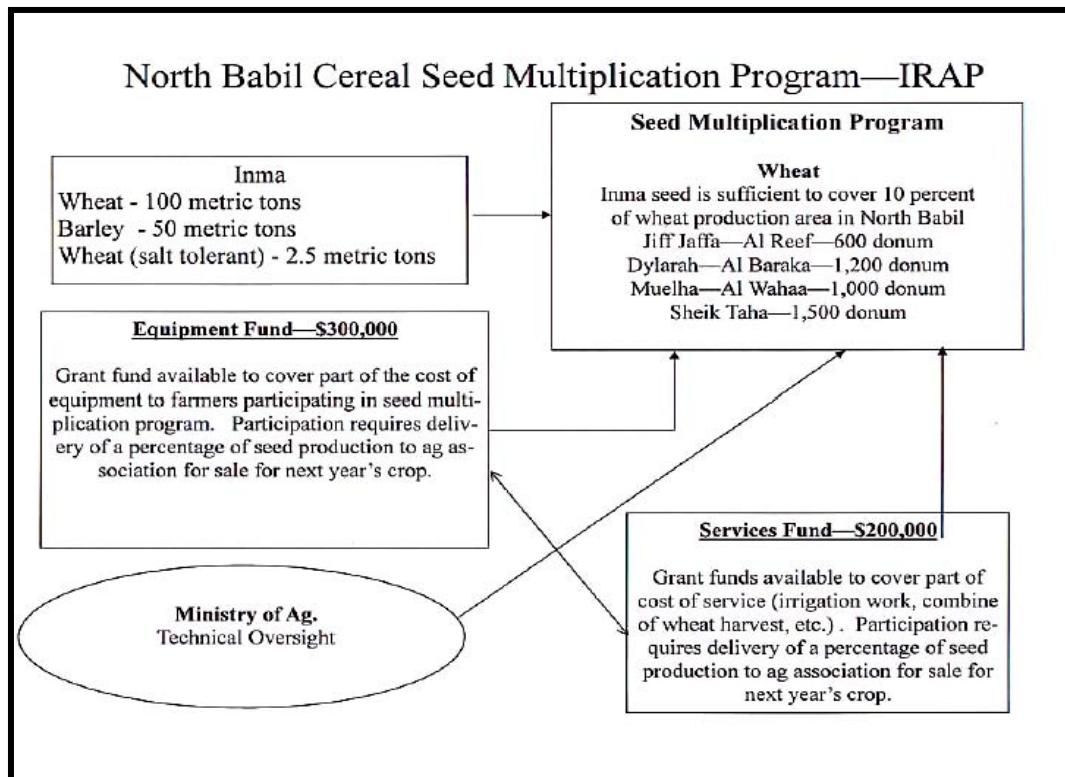
- (1) Bring Our Partners Into the Fight - Bringing our partners out to our battle space is key to helping them understand what we are trying to do and how they can help us. Scheduling a monthly AMR (Aviation Movement Request) from the Brigade to bring a variety of partners (USAID, OPA, implementing partners -- 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.