



U.S. EMBASSY - BAGHDAD

## 2008 Provincial Reconstruction Team News

### -ATM Cash Machine Comes to Iraq's Diyala Province-

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**Baqubah** - Customers of Al'Warka' Bank in rural Diyala province can now get instant cash from an Automated Teller Machine (ATM) because of improved security and an enterprising Iraqi private sector.

The ATM, installed in early May at the bank's branch office in downtown Baqubah, is the first in Diyala. Al'Warka', a private bank, informed the Provincial Reconstruction Team (PRT) operating development programs in the Province that it has plans to add three more ATMs in Baqubah in the next few months.



A customer takes advantage of the convenience of an ATM at Al Warka bank in downtown Baqubah, capital of Diyala Province.

This is an important development for Diyala's banking industry and it would have been impossible only a year ago.

Last year Diyala was a hotly contested battleground between insurgents and Coalition Forces. The streets of Baqubah and much of the rest of the province were not safe. Improvised Explosive Devices (IEDs), Rocket Propelled Grenades (RPGs), and small arms fire made routine travel risky and a trip to an ATM would have been unthinkable even if one would have been available.

But Operation Arrowhead Ripper, launched by Coalition and Iraqi Security Forces in 2007, changed all that.

Now, the streets of Baqubah have been taken back from the insurgents. Traffic has resumed its flow, markets are doing business, schools have reopened, and life in Baqubah has begun to return to its normal rhythms.

Banking in particular is benefiting from the improved conditions. During the violence there was a severe shortage of hard cash in the province. The roads were too dangerous for cash shipments as they would have been choice targets for the insurgents.

Even the Provincial Government did not have the cash reserves it needed to function properly during the insurgency. As security began to return the cash shortage loomed even larger. People wanted to conduct business but there was no money available to do so.

In late 2007 PRT Diyala coordinated efforts between Coalition Forces and the Diyala Provincial Government to provide security for cash shipments to local banks, including Al'Warka'. By early 2008 the Government of Iraq had assumed responsibility for the cash shipments and an impending crisis was forestalled.

Al'Warka' Bank is one of the few private banks operating in Diyala. In addition to the recently opened Baqubah branch office it is planning a branch for Khan Bani Saad. Khan Bani Saad is located about half way between Baqubah and Baghdad and until recently it too was considered too dangerous for a branch office.

While Al'Warka' has not indicated when it plans to install an ATM in Khan Bani Saad, it has solicited the support of the Iraqi Supervisor-General for Banks in its bid to gain permission to install an ATM in the Diyala Governance Center. The Governance Center houses the offices of the Governor and his Assistants, and a growing number of civil servants.

Al'Warka' hopes that the convenience of an ATM in their place of employment will attract new customers from the ranks of the government employees. The ATM's currently accept only the cards issued by Al'Warka' Bank, but bank officials are negotiating with MasterCard to link the ATMs to the global ATM system.

The improvements to the banking infrastructure in Diyala will be an important part of attracting investment capital and business growth to the province. As the banking industry develops and grows opportunities for small private businesses will multiply and ultimately lead to increased prosperity.

The installation of one ATM is assuredly a small step on the path to economic prosperity but it is an important one. The ATM is a working symbol which conveys the idea that technology can improve the quality of life for people, and that those improvements have arrive or are just around the corner.