Country and Regional Experiences

Poverty Reduction Strategy in Iraq

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Poverty Reduction Strategy in Iraq

• It is government commitment.
• Integrated with the 5-yr National Development Plan 2010-2014 and the Annual Budget.
• Viewing poverty as a multi-sectoral phenomenon;
• Requires integration of policies.
• Rectify and enhance the efficiency of safety nets e.g. the public distribution system.
• Achieve balance between the immediate aid and the poverty alleviation on the long term.
Poverty Reduction Strategy in Iraq...continued

- Diversify economic growth.
- Involve the parliament in all stages of the strategy preparation.
- Coordinate with various institutions of the state.
- Emphasis the need for international support in funding and expertise areas.
- Highlight the need for capacity building
- Implement periodic monitoring and evaluation system.
1. **Creating income-generating opportunities:**
   creating employment and jobs for the poor, which requires combined efforts by government, the private sector and civil society.

2. **Empowerment:** Empowering the poor to exercise their economic, social and political rights.

3. **Capacity Building:** building the capacities of the poor to work and increase their productivity to enable them to satisfy their needs.

4. **Social safety:** To establish an effective social safety net in which the private sector and civil society take part.
Linking with 5-year National Development Plan (2010-2014)

- The 5-yr planning methodology as an alternative mechanism to the annual work within the state's general budget.
- Achieve growth of GDP between 10-11% through:
  - investing in a wide spectrum of sectors estimated between 200-250 billion US dollars>
  - Government contribution around 50-60%.
Linking with 5-year National Development Plan (2010-2014)

- Increasing productivity in various economic sectors.
- Doubling oil production
- Reduce unemployment rates by one third of their present levels (18%).
- Increase the participation of women.
- Decrease underemployment in the public sector.
Addressing impacts of economic reform

- Transition towards market economy.
- Stabilizing Iraqi currency (Iraqi Dinar).
- Eliminating prices distortions in Iraqi local market.
- Restructuring public expenditure in favor of capital investment.
- Enhance the role of private sector in Iraq’s economy.
## Major Indicators of Poverty in Iraq 2007

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty line US$ per capita per month</td>
<td></td>
</tr>
<tr>
<td>National</td>
<td>$65</td>
</tr>
<tr>
<td>Food</td>
<td>$29</td>
</tr>
<tr>
<td>Non-food</td>
<td>$36</td>
</tr>
<tr>
<td>Poverty rate (%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22.9</td>
</tr>
<tr>
<td>Urban</td>
<td>16.1</td>
</tr>
<tr>
<td>Rural</td>
<td>39.3</td>
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<tr>
<td>Number of poor (million population)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6.9</td>
</tr>
<tr>
<td>Urban</td>
<td>3.5</td>
</tr>
<tr>
<td>Rural</td>
<td>3.4</td>
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<tr>
<td>Poverty gap (%)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.5</td>
</tr>
<tr>
<td>Urban</td>
<td>2.7</td>
</tr>
<tr>
<td>Rural</td>
<td>9.0</td>
</tr>
</tbody>
</table>
Poverty gap by governorates

Sulaimaniya  
Karkouk  
Erbil  
Salahuddin  
Al-Najaf  
Al-Qadisiya  
Thiqar  
Missan  
Basrah  
Duhok  
Baghdad  
Nineveh  
Al-Anbar  
Diala  
Kerbala  
Babil  
Al-Muthanna  
Wasit  
Total
• Higher income for poor people from work.
• Improved health status of poor people.
• Improved education system for poor people.
• Improved housing environment for poor people.
• Effective social safety net for poor people.
• Reduced gender gaps.
The Strategy's Linkages and Monitoring Framework
Options for the Public Distribution System (PDS)

1st Option:
Direct Cash Transfers:

2nd Option:
Distributing the Ration Card to those who live under the poverty line only.

3rd Option:
Electronic food cards with 3 alternatives of food baskets.
Current Status

- 63 programs out of the 87 activities of the Strategy are underway.
- Extra budget of $0.5 billion has been allocated mainly for the following:
  - Small loans,
  - Reconstruction of 450 mud schools mainly in rural areas.
  - Improvement of the rural roads network.
- Expected increase in the annual allocation in the coming years.
Poverty Reduction Strategy in Iraq

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Thank you