



39

Country and Regional Experiences

Poverty Reduction Strategy in Iraq

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39

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.



39

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.



39

Strategy's Principles

- 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.



39

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%.



39

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.



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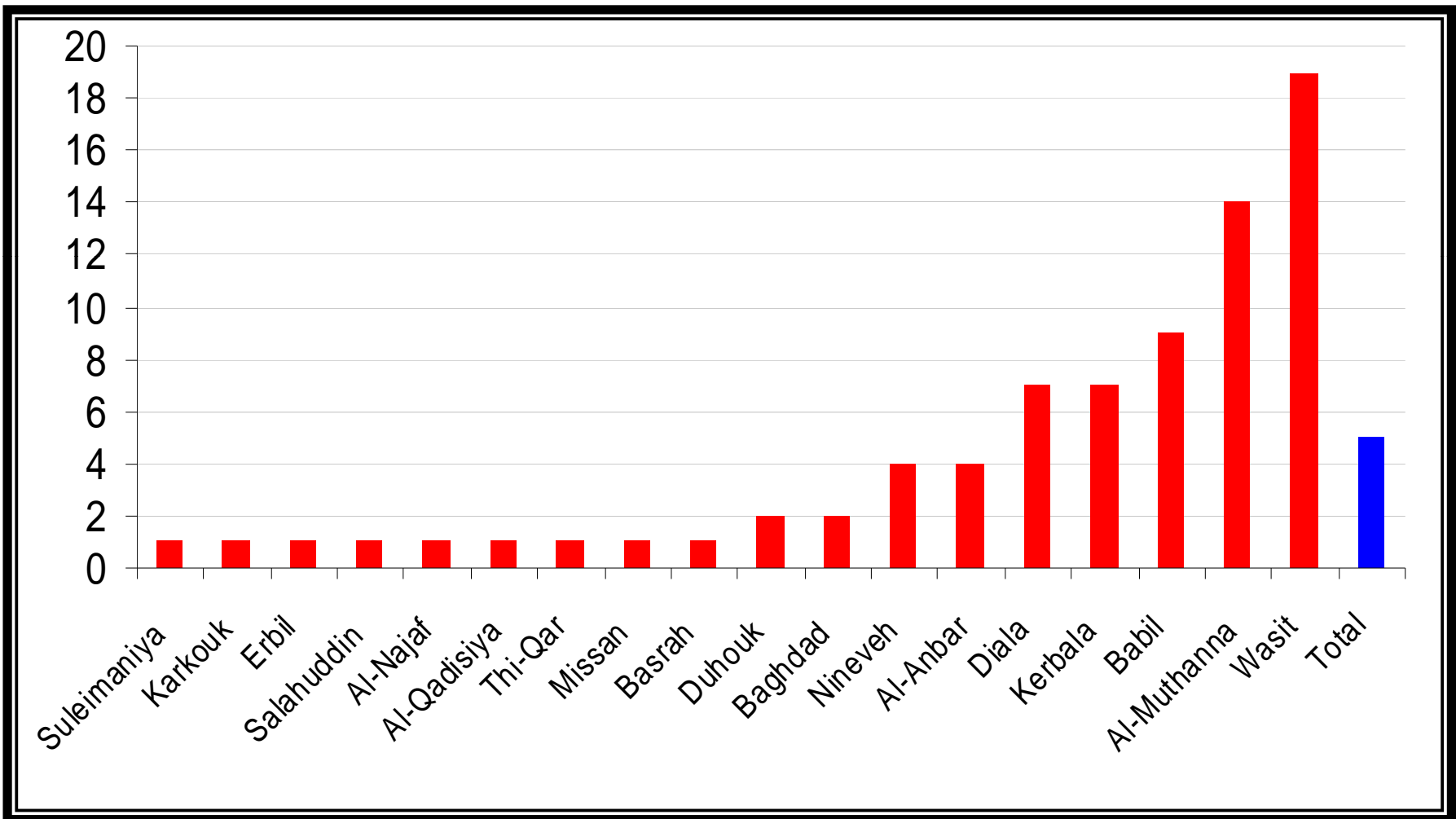
Addressing impacts of economic reform

- 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

Indicator	Value	
Poverty line US\$ per capita per month	National	\$65
	Food	\$29
	Non-food	\$36
Poverty rate (%)	Total	22.9
	Urban	16.1
	Rural	39.3
Number of poor (million population)	Total	6.9
	Urban	3.5
	Rural	3.4
Poverty gap (%)	Total	4.5
	Urban	2.7
	Rural	9.0

39 Poverty gap by governorates



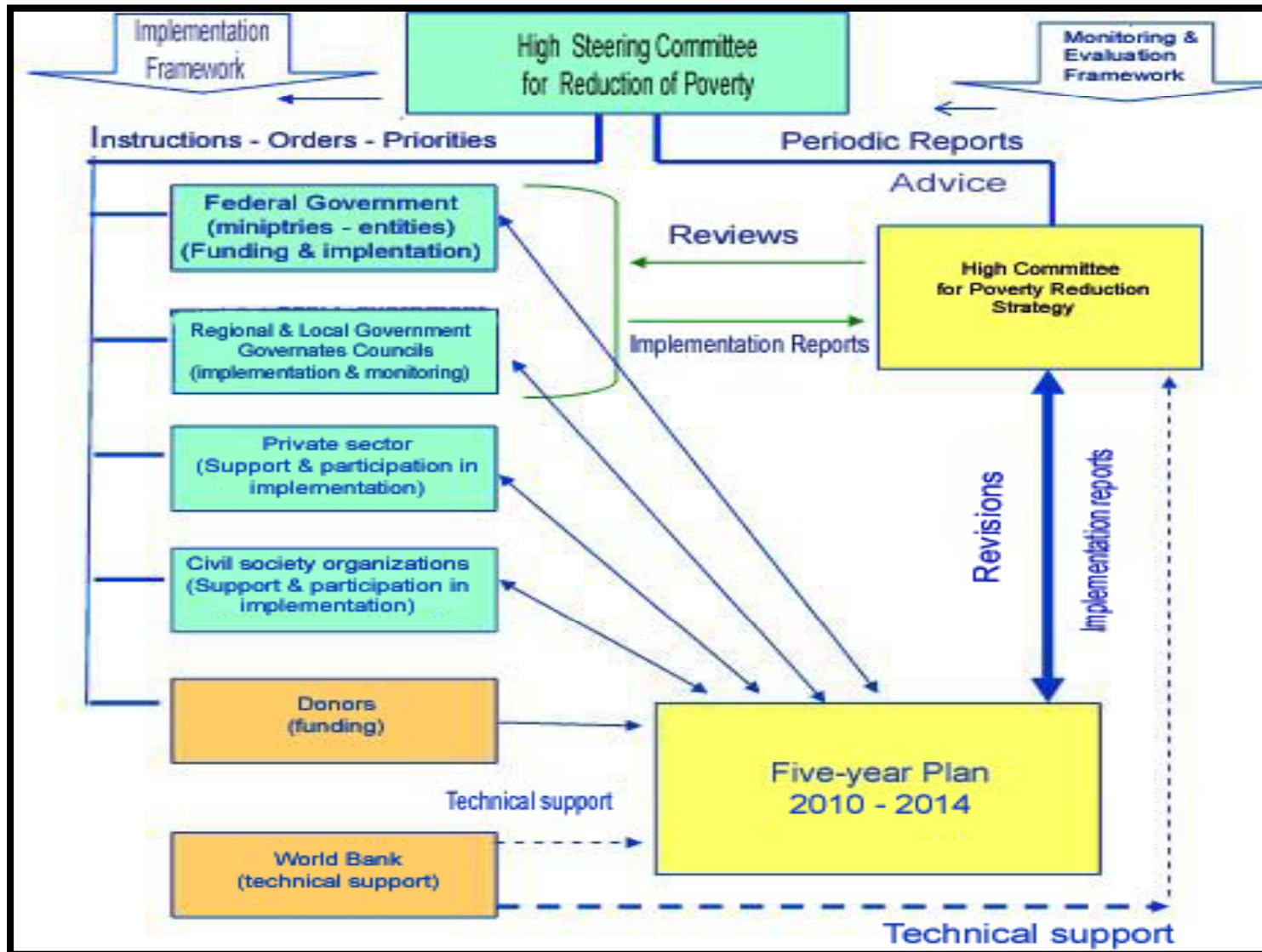


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Strategy Outcomes

- 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.



39

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.



39

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Thank you