



SUMMARY OF ACHIEVEMENTS

Since September 2004, the USAID-funded IZDIHAR project has worked with the Government of Iraq and the country's private sector to help promote a market-based economy. The key accomplishments to date include:

I. Stimulated economic development and generated employment for the private sector by providing access to capital for small and medium size enterprises, technical assistance and training to business associations.

Sustainable Microfinance:

- Awarded **\$9,887,000 in operational grants** for three international NGOs – CHF, ACDI-VOCA and Relief International – which have been providing microfinance loans to businesses throughout the country. The number of active clients of the three organizations amounts to about 17,000, and the loan portfolios of the grantees total about \$19,000,000; and
- Awarded **\$750,000 in loan capital grants** for the establishment of the **first three indigenous micro-finance institutions** in Kirkuk, Baghdad and Fallujah. Two of the three institutions opened for business in August this year and had awarded 25 loans by the end of September 2006.

SME Development / Bank Lending:

- Assisted in the development of the **Iraqi Company for Bank Guarantees**. 11 private Iraqi banks established the company by subscribing \$ 3.7 million in equity to capitalize it. The objective of the ICBG is to enhance access to credit for small and medium size enterprises and to develop profitable SME portfolios in private banks. Through a USAID- grant, IZDIHAR is expected to contribute \$5,000,000 to the capital of the ICBG, who has a national outreach; and
- Provided direct **training** to over **200 credit officers** of private banks to introduce modern, cash flow-based lending techniques.

Business Management Services:

- Formed an **Alliance of 18 business associations** to promote business-friendly legislation and programs to assist in private sector development;
- Consolidated the **Iraqi Union of Accountants and Auditors** to upgrade the professional skills of its members to international standards;
- Trained **35 trainers** and more than **700 professional accountants** in 17 governorates on international accounting standards;
- Established a **Business Training Center** to provide a central Baghdad location for businesspeople to learn needed professional business management skills; and
- Established in co-operation with universities and the IUAA a network of **45 Learning Resource Centers** throughout the country, equipped with over 8,000 modern texts in English and Arabic.

Capital Market Development:

- Developed the **Iraqi Association of Securities Dealers** through training of staff, technical assistance and a grant to establish its Baghdad headquarters.

Funded by:



IZDIHAR is a joint venture of:
The Louis Berger Group, Inc.
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II. Enhanced the capacity of the government to reform, issue and implement policies in trade, investment promotion and privatization.

Trade Policy and Market Access:

- Assisted the Government of Iraq in preparing and submitting the **Memorandum on the Foreign Trade Regime (MFTR)** to the World Trade Organization (WTO);
- Helped the Government of Iraq in **submitting written answers** to the questions raised by key members of the WTO regarding Iraq's agricultural regime, customs and tariff policies, technical barriers to trade etc.;
- Assisted the government in the preparation of the first formal meeting of the WTO Working Party on Iraq's accession in Geneva, which launches the negotiations process;
- Helped the Government of Iraq in drafting **WTO-compliant legislation** on Customs and Intellectual Property Rights, as well as in finalizing the Harmonized Tariff Schedule;
- Assisted in the establishment of **Iraq Trade Information Center** to stimulate trade and create business linkages; and
- Raised awareness and **trained 400 government officials** on WTO accession issues.

Investment Promotion:

- Assisted with reviewing drafts and counseling for the **new Investment Law** that was recently passed by the Iraqi Parliament;
- Established the **Iraq Investment Promotion Agency** to help Iraq attract foreign direct investments, and increase private sector employment;
- Facilitated the establishment of the **Najaf Investment Center** to provide business skills training and information on area tourism and investment opportunities;
- Developed the **Investor Roadmap** analyzing investment constraints and outlining corrective policies and administrative measures that the government of Iraq must adopt in order to alleviate barriers to potential investors; and
- Prepared the **Competitiveness Analysis Study** to highlight 10 economic sectors with significant potential to attract foreign investors.

Privatization:

- Assisted in drafting the **Privatization Law** and completed the **Excess Employment Study** to address potential displaced workers in privatized state-owned enterprises (SOEs).

Capital Market Development:

- Helped set up the technical infrastructure and trained the staff of the **Iraq Securities Commission** to properly perform its regulatory role for the Iraqi Capital Market.