

Data Sheet

USAID Mission:	Iraq
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	267-008
Status:	New in FY 2006
Planned FY 2006 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$212,500,000 ESF
Year of Initial Obligation:	2006
Estimated Year of Final Obligation:	2008

Summary: USAID efforts in economic development will continue to help create a more transparent, efficient, and responsive public sector; to promote more effective legal and regulatory reform; and to increase the depth of private sector growth. This program will ensure that the institutions and policies of the Government of Iraq (GOI) promote economic growth, help give citizens the tools to take advantage of new opportunities, and further empower the burgeoning private sector.

Inputs, Outputs, Activities:

FY 2006 Program:

FY 2007 Program:

Improve Economic Policy and the Business Environment (\$90,000,000 ESF). Funds will be used to improve economic governance and private sector development programs, and to help the GOI make the politically difficult economic reforms needed to build a solid base for supporting and sustaining basic, essential services to the Iraqi people. These funds would support programs to help reform the subsidy system costing Iraqis billions of dollars a year in revenues, particularly fuel subsidies. This request would also support an overhaul of the trade investment regime and encourage foreign direct investment in Iraq, including in the oil sector. About \$10 million would also be used to help Iraq continue the legal process of World Trade Organization (WTO) accession. Principal Implementers: BearingPoint and another To Be Determined (TBD).

Improve Private Sector Competitiveness (\$38,500,000 ESF). USAID will support a variety of programs to improve Iraq's financial sector. Approximately, \$18.5 million will support microenterprise and small-medium enterprise loans to help the Iraqi business sector grow, particularly new microfinance institutions and a loan guarantee corporation. Through provincial economic development tied with national commercial, legal, and institutional reforms, USAID will provide firm-level assistance to at least 1,500 Iraqi-owned businesses. Approximately \$20 million of this funding is specifically focused on facilitating investment and private sector growth by building the capacity of the Ministry of Industry, local government and business organizations, and Iraqi microfinance organizations. Principal Implementers: Louis Berger and another TBD.

Increase Agricultural Sector Productivity (\$84,000,000 ESF). Through provincial economic development tied with national commercial, legal, and institutional reforms, USAID will integrate agriculture sector development and value-added processing with agricultural lending and firm-level assistance. Continued support will be provided to rural farmers to introduce modern and affordable technologies and practices. New assistance will be provided to the Ministry of Agriculture to introduce policy reforms and shift the agriculture sector to a market-based structure. Through capacity building efforts and country-wide monitoring, USAID will continue to support the Ministries of Water Resources and Agriculture to develop a water and land resource management strategy. USAID will continue to lead the implementation effort to prevent the spread of disease to the human population through vaccination campaigns and creating awareness among rural farmers. Principal Implementers: TBD.

Performance and Results: With USAID's support, Iraq began making crucial changes to implement economic reforms and encourage private sector growth. Significant structural and policy reforms have

been drafted and will move forward with the incoming national government. The number of businesses registered in Iraq increased by 38% over the last year. Sustainable government-sponsored entities have been established to attract and facilitate foreign direct investment and cross-border trade. The accession process to the WTO began and the Emergency Post Conflict Agreement with the International Monetary Fund has been achieved, providing for the second stage of \$32 billion in debt relief from Paris club member countries. Customs reforms and reducing technical barriers to trade are eliminating obstacles to international trade. Improved seed and modern production techniques have increased wheat production by 6.25% from the previous year. These results and others have provided significant progress toward full achievement of this strategic objective.

US Financing in Thousands of Dollars

Iraq

267-008 Economic Growth	ESF
Through September 30, 2004	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2005	
Obligations	0
Expenditures	0
Through September 30, 2005	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2006 NOA	
Obligations	0
Total Planned Fiscal Year 2006	
Obligations	0
Proposed Fiscal Year 2007 NOA	
Obligations	212,500
Future Obligations	0
Est. Total Cost	212,500