



International  
Labour  
Organization

PROSPECTS



# Supporting entrepreneurial pathways for refugees, Internally Displaced Persons and host community members in Iraq

ILO PROSPECTS – Financial inclusion initiative  
October 2023

PROSPECTS is a global partnership supported by the Government of the Netherlands. It seeks to improve access to education, employment and protection for host communities and forcibly displaced populations in eight countries, including Iraq.



Kingdom of the Netherlands



Within its broader efforts to expand access to finance in Iraq, particularly for Internally Displaced Persons and refugees, the ILO under the PROSPECTS partnership, has been active in supporting entrepreneurial pathways for refugees, Internally Displaced Persons and host community members.

Recognizing the challenges entrepreneurs face in their journey to start or grow their businesses, the ILO has been implementing a [financial inclusion initiative](#) providing young women and men and small business owners with access to much-needed financial services and trainings in business development and financial education to help them start and develop their own businesses.

## ▶ Trainings - Partnerships

### MOLSA-AI Amal Organisation

In partnership with Ministry of Labour and Social Affairs (MOLSA), AI Amal organization is implementing a Start and Improve Your Business (SIYB) cycle in Iraq for 17 MOLSA trainers from different governorates to certify them as accredited trainers. This is part of ILO/PROSPECTS plans to build the capacity of national stakeholders on the entrepreneurship program hence, institutionalize it within MOLSA's Vocational training Centers. The project will also facilitate the implementation of trainings of entrepreneurs (TOEs) for 400 of unemployed youth from within MOLSA's Data base.

### Ministry of Youth and Sports

The cooperation established by ILO/PROSPECTS Program with the [Ministry of Youth and Sports](#) in Federal Iraq was completed successfully as 12 young trainers were certified by the end of July 2023 in the financial education program in 8 governorates, who in turn trained 562 young men and women in financial literacy. This brought the total number of certified trainers on FE program in Iraq to 30 trainers.

### COOPERATIVES

ILO PROSPECTS organized a regional training of trainers' (ToT) workshop in Beirut, Lebanon, including 8 trainers from Iraq representing relevant partner institutions and trainers with extensive experience in supporting agricultural cooperatives such as Directorate General of Cooperatives, agricultural unions and training centres who are interested in adopting ILO Think.COOP and Start.COOP tools. This would in turn to train 100 members of formal and informal cooperatives and certify 8 trainers in these tools.

### Other partners

- Chamber of Industry
- Lutheran World Federation
- Department of Labour and Social Affairs of the Ministry of Labour and Social Affairs in Ninewa
- Financial institutions
- NGOs, universities, private companies supporting business development services

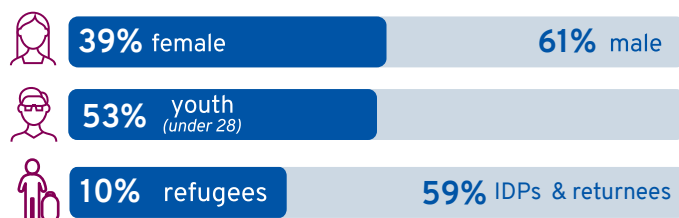
## ▶ Trainings: Results as of October 2023

2,839

Over 2,839 women and men including young people and forcibly displaced persons have benefited from trainings to improve their entrepreneurship and financial knowledge, through ILO's Start and Improve Your Business and Financial Education training programmes.

Over 37 partners from public and private institutions have been trained on ILO's advanced entrepreneurship and financial literacy training programmes.

*Partner institutions: Ministries, Central Bank of Iraq, partner banks, financial institutions, universities, private business development service providers, local NGOs.*



18 staff from commercial banks and microfinance institutions trained on ILO's "Making Finance Work for Refugees, IDPs and Host Communities"

## ► Access to finance – Partnerships

### Central Bank of Iraq

A key element of the initiative is a partnership with the [Central Bank of Iraq and the Iraqi Company for Banking Guarantees](#) to facilitate access to affordable financial services for young Internally Displaced Persons and host community members. The initiative has allowed three partner banks - the Iraqi Middle East Investment Bank, the National Bank of Iraq and Cihan Bank for Islamic Investment – to provide entrepreneurs with loans so they can set up or grow their businesses without asking for onerous guarantee requirements. A Memorandum of Understanding was signed with the Central Bank of Iraq under the “Trillion Initiative” leading to a disbursement of loans to Iraqi entrepreneurs through the partner banks using an innovative guarantee scheme and a comprehensive model that responds to the main challenges faced by entrepreneurs in Iraq.

*“This is the first initiative in Iraq to provide beneficiaries with training, funding and financial guarantee, all of which are prerequisites to the success of any enterprise.”*

- Deputy Governor of CBI,  
Dr. Ammar Hamad Khalaf

### Al-Thiqa micro-finance institution

To expand financial services and loan disbursement to Syrian refugees for the first time in Iraq, the ILO is collaborating with Al-Thiqa micro-finance institution. Al-Thiqa has also developed a pool of trainers in ILO’s Financial Education programme and in its Start and Improve Your Business training programme.

*“At Al-Thiqa, we are proud to be the first microfinancing organization in Iraq to expand its outreach to refugees, in collaboration with the ILO under the PROSPECTS programme. The objective is to integrate Syrian refugees in Iraq’s economy.”*

- Frank Gilbert Michael,  
Deputy General Manager,  
Al-Thiqa for Microfinance

## ► Access to Finance: Results as of October 2023

Around 950 loans in the value of 3.78 million USD were issued through partner banks and MFI to support micro and small entrepreneurs access finance to start-develop their enterprises with the first loans issued for IDPs and refugees.



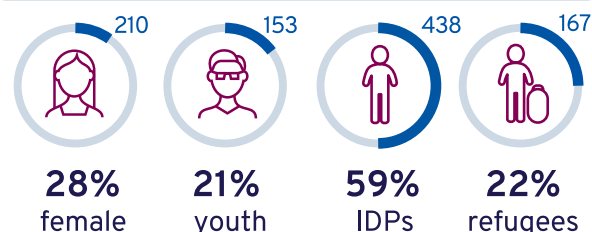
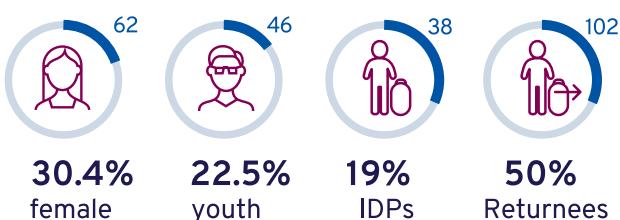
**950**  
loans

**3.78 million USD**

#### CENTRAL BANK OF IRAQ AND PARTNER BANKS

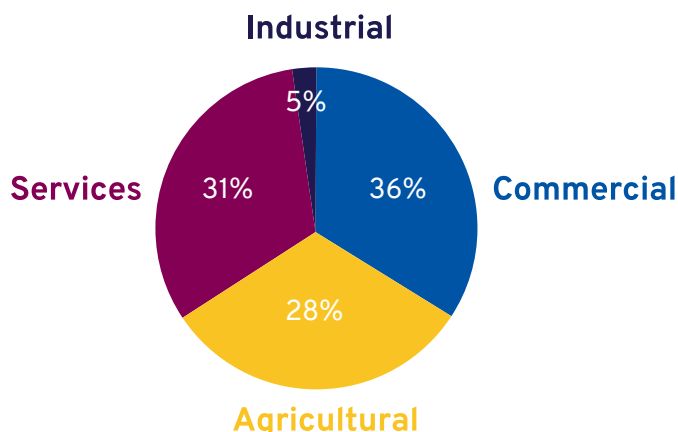


#### AL-THIQA FINANCIAL INSTITUTION



**2,538** jobs

To-date, both interventions have supported the creation of **581 job opportunities** and sustained **1,935 jobs** bringing the total to 2,538. The repayment rates for both initiatives are excellent at around 98%.



## ▶ Voices

### “ Samar

Following years of displacement and uncertainty, Samar from Mosul has set up a business making and selling sweets and pastries. In 2022, Samar found out about an ILO initiative supporting entrepreneurs to start or expand their businesses, through financial services and loan disbursement.

“This was the first time that I took part in a financial education training. I learnt about budgeting and ensuring that all my monthly expenses are calculated in terms of paying my bills and buying new products. And of course, I also have to make sure there is emergency money in case I need it.”

Through this initiative, Samar was able to secure a loan with the National Bank of Iraq, which has now helped her rent a bigger space and buy machinery to run her business at a greater scale.

### “ Yasser

“I am proud of my work but I am most proud of employing others so they can support their families, when you move anywhere as a refugee, you face challenges in term of finding a job or source of income.”



*Yasser is a 47 years old Syrian blacksmith who has found refuge in the Kurdistan Region of Iraq was able to expand his business under ILO's financial inclusion initiative through the collaboration between ILO and Al-Thiqa micro-finance institution, Yasser was able to access a loan, buy machinery.*

*Yasser aims to expand more and saying “I hope that I can expand more, not just for me. I am proud of my work but I most proud of employing others, so they can support their families & children.*

### “ Racha

“The partnership with the ILO has added value to our work and expanded the market for our services to a category which we have not reached before, which is the refugee population. Through this training, we were able to alleviate some of our fears and address some of our challenges, while examining case studies from various different countries.”



*Racha Kino Rasho is from the microfinance institution Al Thiqa, which has partnered with the ILO to expand financial services to refugees, in addition to Internally Displaced Persons. Racha recently took part in an ILO training on making finance work for refugees, IDPs and host communities, which seeks to strengthen the capacities of finance business provider in ways to provide better financial services for refugees, internally displaced persons (IDPs) and host communities in the country.*

### “ Khabour

“I learnt how to set up my business and how to apply for a loan so I can open a small shop or buy material. The trainings also taught me how to deal with clients and how to divide my money. It was very beneficial. I took a loan from Al-Thiqa so I can buy material which I can use for my products. I always wanted to set up this business, and I want to employ other blind persons so they can make a living too.”



*Fifty-two-year-old Khabour Mohammed Ali is a host community member who runs a small home-based business in Dohuk selling knitted products. Khabour, who is visually impaired, has many talents- from teaching braille to making all types of handicrafts. Determined to expand her business, Khabour enrolled in ILO's business and financial education programmes, and received a loan that will help her business grow.*

### “ Narges

“I encourage young women and men my age not to just wait for work opportunities to arise but to initiate their own business ideas and projects. The training taught me how to save and how to budget for both my business and at home and the loan will help me buy an advanced electric sewing machine, which will facilitate my work.”



*Narges is an Internally Displaced young graduate from Mosul. After completing a degree in IT, she struggled to find work in her profession. Instead, she set up a business sewing and selling clothes, with the support of her family. Yet, Narges needed to buy extra machinery to expand her business. She took part in both Financial Education and Start and Improve Your Business programmes and was later referred to the Iraqi Middle East Investment Bank for a loan.*