



International
Labour
Organization

PROSPECTS



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

ILO PROSPECTS – Financial inclusion initiative
May 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

Ministry of Youth and Sports

The ILO brokered a new collaboration with the [Ministry of Youth and Sports](#) in Federal Iraq to strengthen their cooperation in advancing financial education among youth in Iraq. This is being done through the creation of a pool of trainers across Iraq in Financial Education who would in turn train almost 1,000 young people on financial literacy.

Chamber of Industry

The ILO has reinforced its partnership with the [Chamber of Industry](#) in Ninewa in recognition of the role of the private sector in supporting new small and medium enterprises and work-based learning. A Memorandum of Understanding was signed with the Chamber of Industry to boost support for young entrepreneurs in starting and expanding their businesses and provide young people with work-based learning and job placement.

Other partners

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

▶ Results as of April 2023

2,093

Over 2,093 women, men, youth, and forcibly displaced populations 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 36 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.



40% female

60% male



44% youth
(under 28)



14% refugees

37% IDPs



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 “One 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.”

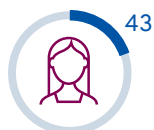
- Frank Gilbert Michael,
Deputy General Manager,
Al-Thiqa for Microfinance

► Results as of April 2023

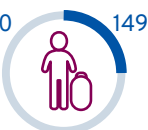
Around 809 loans in the value of 2.9 million USD were issued through partner banks and MFI to support micro and small entrepreneurs access finance to start-develop their enterprises with the first loans issued for IDPs and refugees.



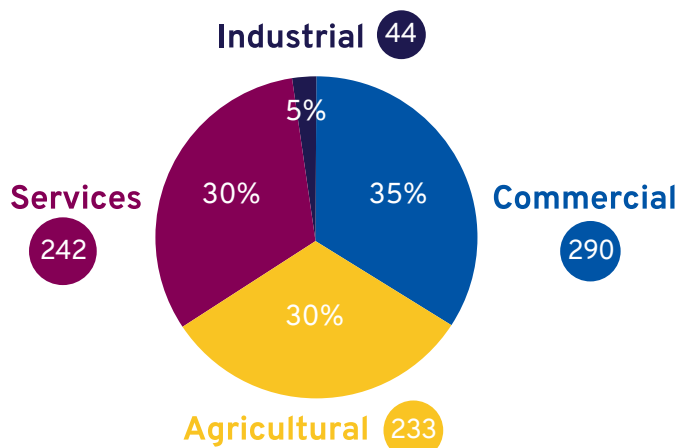
CENTRAL BANK OF IRAQ AND PARTNER BANKS



AL-THIQA FINANCIAL INSTITUTION



To-date, both interventions have supported the creation of **457 job opportunities** and sustained **1,640 jobs** bringing the total to 2,097. The repayment rates for both initiatives are excellent at around 99%.



▶ Voices

“ Bayar

“I got acquainted with the International Labour Organization, and I took a course on financial education. The course enhanced my knowledge on ways to better manage my work. After that, they referred me to the Iraqi Middle East Investment Bank, and I took a loan so I can invest in my business and further develop it.”



24-year-old Bayar Waleed, is an internally displaced young person from Ninewa. He is the owner of a carpentry business, which he plans to further develop with the support of this programme.

“ 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.

“ Hishyar

“When I came here, my financial situation was poor. I did not complete my education in Syria, so I had to work in carpentry, and I continued doing that here. I worked for other people for two or three years. My financial situation was difficult. Then, I took a loan through Al-Thiqa and I bought this iron bending machine and cutter to work on my own.”



Hishyar Bashir Sadoon is a Syrian refugee who owns a small construction business. He was recently able to expand his business under ILO's financial inclusion initiative with Al Thiqa microfinance institution, targeting refugees, Internally Displaced Persons and host community members.

“ 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.

“ 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.