

# RESTORATION OF IRAQ'S HISTORIC AND CULTURAL HERITAGE AS A PILLAR FOR ECONOMIC RECOVERY

## PROJECT OVERVIEW

**Outcome: Communities have improved access to job opportunities through support to Small and Medium Enterprises (SMEs) with sociocultural value or supporting urban reconstruction**

- IOM will implement a new financing window through the Enterprise Development Fund-Culture (EDF-C).
- EDF – is a grant mechanism supports SME recovery and growth by providing financial capital and filling critical gaps in access to finance.
- For this round of funding through EDF-C, grants will be provided to enterprises that directly contribute to the restoration of cultural heritage or urban reconstruction, have the capacity to create or support jobs, and are scalable in the long-term.

**Output 1.1: Context-specific model for arts and culture-related business expansion and job creation is further developed, tested, and improved**

- A market assessment conducted in Mosul and Basra will shed light on the business environment related to goods and services with cultural value.
- Findings from the assessment will inform the current EDF modality and the adjustments required to better support the businesses. This will include careful consideration of their distinct features in the private sector, such as the uniqueness of the business in a community or contribution to the arts in general.
- Other modifications to the usual EDF methodology might also include working closely with granted SMEs on their sales and marketing plan to ensure an adequate customer base, in addition to value chain linkages where possible.
- Core tenants of business viability and job creation will continue to be emphasized.

**Output 1.2: SMEs contributing to arts, culture and heritage, or urban reconstruction, are supported through EDF funds to rehabilitate and expand**

- IOM will select appropriate businesses and provide them with grants. The EDF-C will include an application, selection, award, implementation and monitoring stage. The grants will be released in installments based on a set of mutually agreed milestones.
- Key criteria for the selection of EDF-C businesses will continue to include climate impact as well as employment opportunities for the most vulnerable part of the population (women, youth, and people with disabilities). In the selection, IOM will also consider the contribution the business can make to strengthening local value chains or restoring services that can displace imported products and strengthen demand for local production.

**Output 1.3: Specific value chains related to cultural industry or urban reconstruction are restored**

- IOM will develop and utilize a market referral system, to encourage and promote locally sourced material.
- IOM will also encourage cross-program referrals where possible (from, for example, EDF-Agriculture).

## MARKET ASSESSMENT – KEY FINDINGS

Enterprises have lower capital needs than the standard EDF and hire fewer employees.

- Over 65 per cent of enterprises have at least one employee.
- Around one third of the businesses surveyed are women-owned, mostly concentrated in textile, food preparation and a variety of handicrafts-making.
- Capital needs among the surveyed enterprises mostly fall within the amounts disbursed by EDF (USD 5,000 to 30,000). The costs per job are below the USD 6,000 threshold that the standard EDF applies.
- One third of the businesses surveyed (34%) require up to USD 5,000 and generally are owner operated or up to 2 employees, this is lower than the standard EDF.
- A quarter of the businesses surveyed (26%) fall between the assistance provided by IOM through Individual Livelihoods Assistance (USD 1,700) and the minimum EDF grant of USD 5,000 in terms of capital needs.

### Enterprises listed a variety of operational challenges:

- Lack of capital and equipment or machinery (especially in Mosul where it was in some cases destroyed/stolen).
- Raw materials; poor quality, poor access, high prices.
- Lack of services, especially lack of consistent or adequate electricity supply.
- Inadequate working spaces.
- Other commitments such as studies.
- Lack of a marketplaces and market linkages.
- General economic instability in Iraq.

## EDF-C EXPRESSION OF INTEREST

- EDF-C target areas: **Mosul and Basra city.**
- A variety of businesses are eligible to apply for the grants:

Traditional construction and businesses working in arts and crafts elements of houses, public buildings, bazaars and gardens	Traditional housing and other types of public buildings constructed in traditional styles. Materials used can vary, though construction with concrete is excluded. Kantaras, corner columns, windows, entrances, cabool, vaults (عقايد); shanasheel; elements of mosques, shrines, churches; traditional house elements; traditional tiles and other flooring, etc.
Carpentry	Traditional boats, small-sized ships, cradles, cribs, bedrooms, other type of traditional furniture, kitchen-ware, decorations, shanasheel, traditional wooden doors and windows, bird cages, etc.
Textile and leather	Tailoring traditional clothes (dishdasha, abaya), embroidery, bed linen, wool knitting and carpets, knitting/tailoring other types of clothes for children and adults, leather products such as saddles and shoes, fur, etc.
Metal	Traditional agricultural tools (blacksmithing); blacksmithing in traditional construction or other elements of public and private buildings; copper-ware and utensils; other metal-ware; gold inscriptions; knives sharpening; etc.

Businesses working in other types of handicrafts	Wax casting, forming, coloring; soap-making; different types of pottery, including ovens (tanur); porcelain; wicker items; palm weaving items such as baskets and similar; items made from reeds; calligraphy; painting; sculpture; souvenirs; traditional instruments; home decorations; fishing nets; etc.
Services/education	Tourist guiding services to cultural sites; industrial and product packaging design, graphic design, web page design; fashion design; digital fabrication (fablabs etc.); organization of events with cultural value (concerts, readings, theater, happenings) both at traditional venues or through digital media and the www (webinars, etc.); creation of cultural products (books, music, videos and films) both on traditional and on digital media; traditional tailoring and make up services
Food and traditional medicine	Traditional food preparation such as a variety of traditional Iraqi dishes, fried fish, dried or salted fish, pickles, and a variety of traditional sweets (from dates, etc.). Also olive oil (cold press) and tahini. Traditional medicines.
Suppliers	Alabaster (or the so called 'Mosul Marble'), different types of stones, marble, wood, etc.

- Capital requests **\$3,000 to 30,000**
- Businesses requesting from **\$3,000 to 5,000**  
No employees are required at the time of application, owner operated only.
- Businesses requesting between **\$5,000 and 30,000**  
At least one employee required at the time of application
- The sector is automatically targeted for **Individual Livelihood Assistance** provided by IOM across Iraq.