



IOM'S SMES ADVISORY SERVICES CAPACITY BUILDING AND BUSINESS DEVELOPMENT SERVICES



BACKGROUND:

Iraq's Small, and Medium Enterprises (SME) sector is critical to the country's economic revitalization, particularly for absorbing underserved populations including unemployed returnees and Internally Displaced Persons (IDPs), rebuilding conflict-affected areas, and spearheading the economy's transformation and adaptation to climate change. Despite its importance, SMEs face significant challenges, including a lack of access to finance, limited technical and operational capacities, and an absence of tailored financial products and services.

As part of IOM's access to finance strategy and under SME advisory services, IOM provides business development support, including business training, information provision, mentorship, and consulting, to promote the investment readiness of Iraqi SMEs. In addition the advisory services, including supports SMEs

in their digital transformation to help them adapt to changing market demands and increasing digitalization. This support enables businesses to manage their operations more effectively and make informed decisions, ultimately strengthening their readiness to access investment and financial opportunities.

IOM offers a diverse range of training programs designed to support entrepreneurs at various stages of business development. These programs are designed to equip small, and medium-sized enterprises with the skills and resources needed to enhance and boost business potential and growth, ; by contributing to business formalization and helping local entrepreneurs satisfy common requirements for loan eligibility, IOM's SME advisory services help create a pool of promising, investment ready SMEs who are ready to access private financial markets.

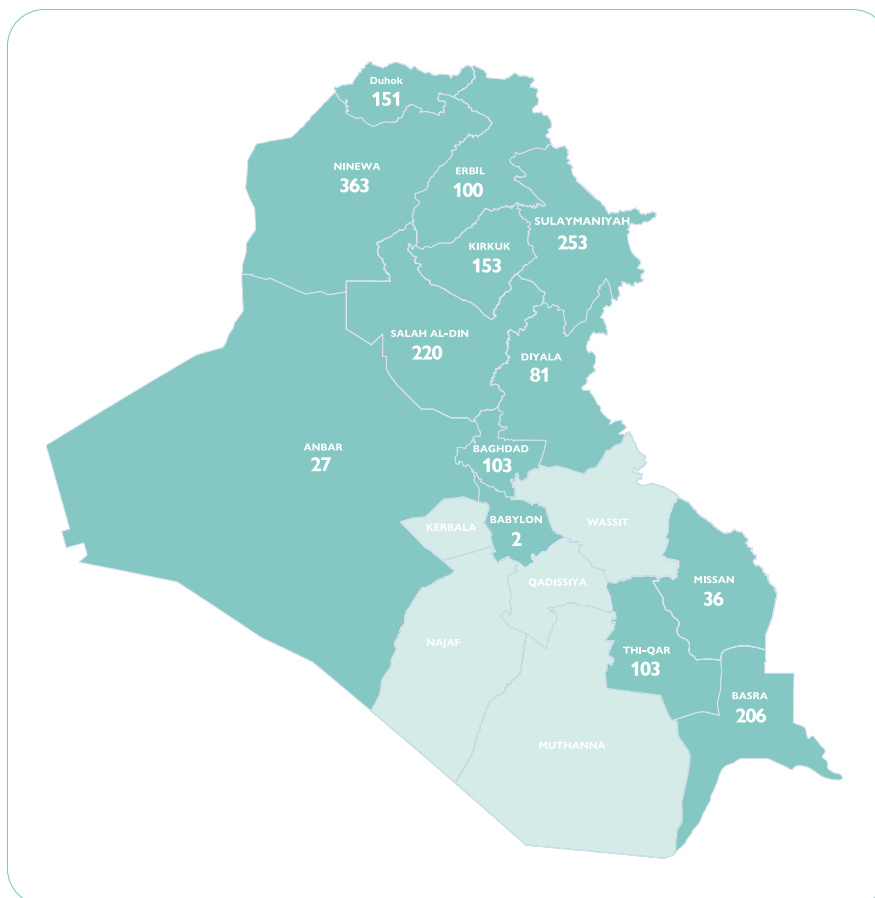


Photo 1: Attendees gather around an exhibition booth during an indoor event. ©IOM Iraq 2025/Aram HAKIM

The advisory services include:

- 1. Improve Your Business (IYB):** IOM provides a two-day intensive training session in accordance with the "Start and Improve Your Business" (SIYB) methodology. This training focuses on key business **management principles, which address the core components of boosting business performance.** The IYB is supported by a set of six training manuals including marketing, costing, buying and stock control, record keeping, planning for your business, and people and productivity. **IYB Marketing training:** Participants in the marketing sessions learn strategies to attract and retain customers, increase sales, and boost long-term profits. The training covers product positioning and 'the seven P's' of marketing (price, promotion, place, packaging, people, process, and physical evidence). Complementary to these training courses, **IYB bookkeeping** training provides guidance to businesses on maintaining essential financial records to facilitate evidence-based profit and sales forecasting, thereby improving business performance. Participants learn how to document activities and business transactions, including cash flow, costs, sales, and debts. The training also highlights additional records vital for micro, small, and medium enterprises (MSMEs), such as inventory, salaries, assets, and agreements with suppliers and customers.
- 2. Iraq's Financial Landscape Session:** As a complementary session and to support the investment readiness of the SMEs; businesses that attending the bookkeeping training will be benefited from a detailed presentation on Iraq's financial landscape. This presentation provides businesses with essential information on the financial system and availability of financial services in Iraq, including the different financial institutions and services available. **It explains key aspects of loans,** such as loan types, pricing and interests, and conditions, as well as the requirements needed to apply for loan. The session aims to help business owners better understand how to access finance and make informed decisions when seeking financial support for expanding their businesses.

IYB KEY ACHIEVEMENTS



IYB Key Achievements



133

IYB TRAININGS
PROVIDED



1798

BUSINESS OWNERS
TRAINED



WOMEN
35%



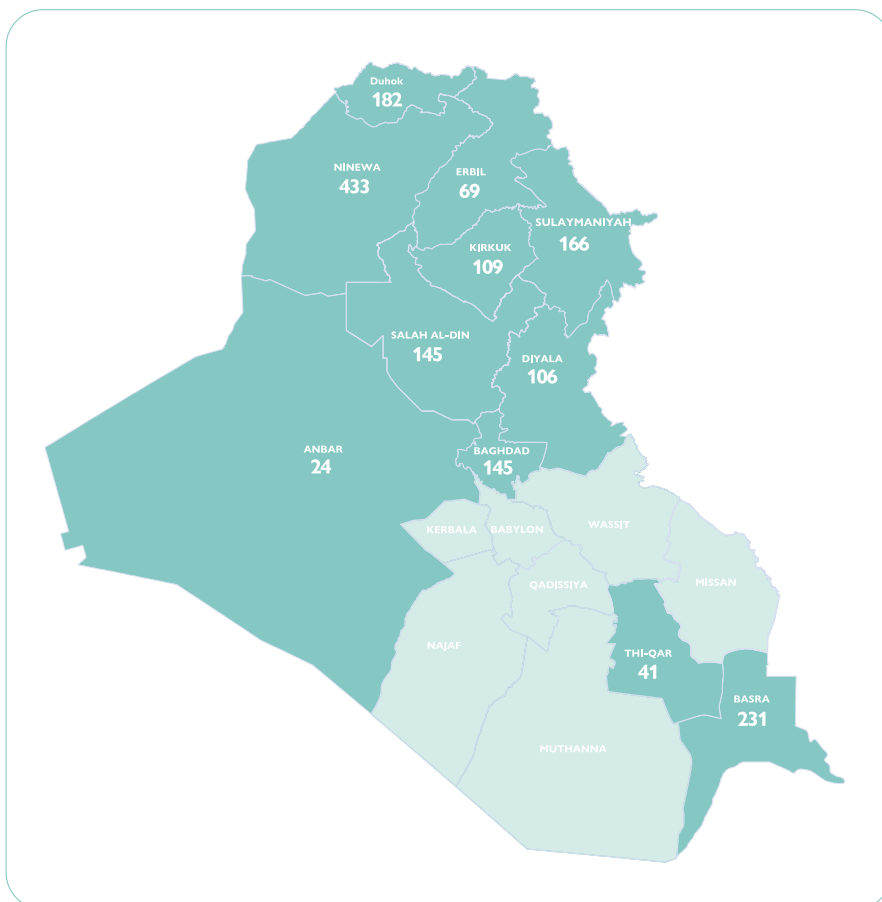
MALE
65%

3. **Labour Standards & formalization Sessions:** This session is designed for SMEs that have received the Enterprise Development Fund (EDF) grant from IOM. The purpose is to enhance the owners' understanding of business best practices in relation to the business environment, work standards, safety, and security in the workplace. The session aims to increase knowledge about IOM's procedures and processes to follow during the EDF contract implementation s. Additionally, it educates participants on the Iraqi labor and social security laws. Other topics include IOM's **Complaint and Feedback Mechanism (CFM)** that helps participants understand reporting and communication channels, Protection from Sexual Exploitation and Abuse and Sexual Harassment (PSEAH)is, business registration channels, requirements, and benefits, and workplace safety measures and standards. The session provides detailed guidance on promoting occupational safety at the workplace.



Photo 2: Participants engage in a group discussion during a workshop session. ©IOM Iraq 2025/Aram HAKIM

LABOUR STANDARDS & FORMALIZATION SESSIONS KEY ACHIEVEMENTS



Labour Standards & formalization Sessions Key Achievements

137

SESSIONS BEEN CONDUCTED

1651

BUSINESS OWNERS TRAINED

WOMEN
30%

MALE
70%



Photo 3: A participant presents materials during a workshop exercise. ©IOM Iraq 2025/Aram HAKIM

4. Business Mentorship and Consulting: IOM’s business mentorship and consulting program provides tailored support to entrepreneurs through a combination of classroom and non-classroom training sessions. Each participating business is paired with an experienced mentor who works closely with the businesses to identify gaps, assess their needs, and develop strategies for improvement. This service spans a period of six months per business and includes classroom services in addition to one-to-one visits and mentorships. This collaborative approach ensures that businesses receive tailored practical solutions to enhance their operations, build resilience, and foster sustainable growth.

staffing, financial management, inventory management, marketing strategy, digital marketing, branding, and sales.

Building on these results, the service will be expanded starting in 2026 to reach additional businesses, the next phase is expected to include an additional 230 SMEs.

The support package included an initial needs and gap assessment to identify key challenges and areas for improvement, followed by a bootcamp to introduce core business concepts. Based on these assessments, tailored mentorship, consulting, and training services were provided to address the specific needs of each business.

Key Achievements: Under this service, two batches of businesses were supported, reaching a total of 86 SMEs (50% Women owned) across 10 governorates.

By the end of 2025, more than 5,000 hours (approximately 620 days) of mentorship and consulting services had been delivered. These services covered a wide range of topics, including business strategy, health, safety and environment (HSE), human resources and



Photo 4: A participant takes part in a group exercise during a workshop session. ©IOM Iraq 2025/Aram HAKIM

5. Providing Enterprise Resource Planning (ERP)

System: IOM provides support to SMEs through the introduction of Enterprise Resource Planning (ERP) systems, in collaboration with a specialized service provider. This service begins with an assessment of businesses to understand their needs, interest, and readiness to adopt digital management solutions. Selected SMEs are then introduced to the ERP system through orientation sessions that explain its functions, benefits, and requirements.

Following this, participating businesses receive tailored support, including system installation, configuration, and hands-on training to ensure effective use, continuous technical support is also provided to support long-term adoption. The system is designed to operate both online and offline, allowing flexibility in different business environments.

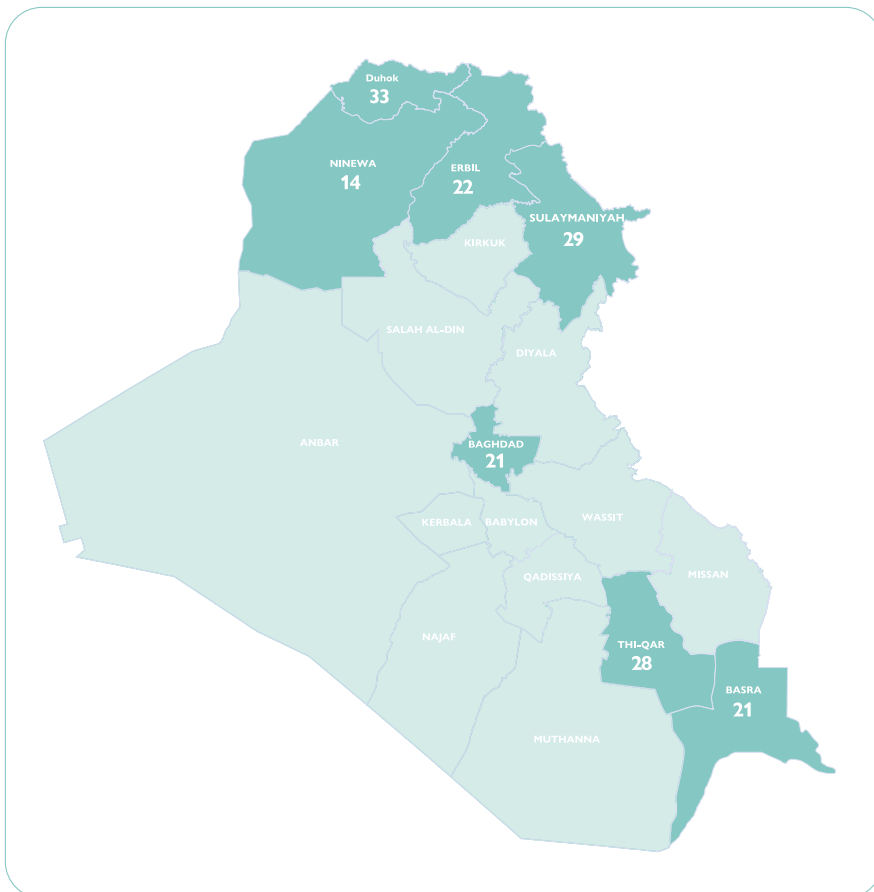
The ERP solution helps businesses strengthen their internal management systems by improving financial record-keeping, transparency, and overall organization. It also supports better planning and decision-making by streamlining processes such as accounting, inventory, sales, and reporting.

Overall, this service enhances operational efficiency, supports digital transformation, and improves SMEs' readiness to access finance and investment opportunities.

Key Achievements: As of February 2026, IOM organized 12 sessions for 203 businesses in seven governorates, and the system and continue support provided to 168 (23% Female and 77% Male owned) SMEs as follow:



Photo 5: Participants attend a meeting around a conference table. ©IOM Iraq 2025/Aram HAKIM



Key Achievements

12
SESSIONS BEEN CONDUCTED

203
BUSINESS OWNERS TRAINED

WOMEN
23%

MALE
77%

AN IRAQI ENTREPRENEUR'S BUSINESS AWAKENING



Photo 6: Samad stands in front of stacked agricultural pipes at his factory in Sulaymaniyah. ©IOM Iraq 2025/Aram HAKIM

Sulaymaniyah, Iraq – Drive through the industrial zones of Iraq, and you will notice something unexpected: mountains of plastic waste being transformed into something valuable. For nearly a decade, entrepreneurs like Samad have been building businesses that turn environmental crises into economic opportunities, creating livelihoods for hundreds along the way.

Samad's factory collects plastic waste and converts it into agricultural pipes – products essential for farmers across central and southern Iraq.

"I established this factory in 2016 out of my love for the environment," Samad says, watching his workers feed plastic waste into grinding machines. The factory serves the community, too: it has become a source of income for hundreds of people in the region.

Waste collectors from more than five locations across Sulaymaniyah Governorate gather plastic from households and businesses and bring it to Samad's factory, where machinery grinds and recycles it into usable products.

Samad's factory found its rhythm. Production was steady, sales consistent, and the operation seemed successful from the outside.

However, beneath the surface, Samad was struggling.

"I used to work in a disorganized manner," he confides. "I produced without a plan, without knowing how much of my material would actually sell."

After the training, Samad's factory now uses accounting software to track sales and expenses. ©IOM Iraq 2025/Aram HAKIM

Over the course of his career, Samad's business failed three times, each time prompting him to start over with minimal capital and no clear strategy. Each failure was painful; each restart proved more difficult than the last.

"If I had known then what I know now, I would have done things differently."

Many other Iraqi entrepreneurs face similar challenges: prevailing informal business practices, limited access to financing, and gaps in technical knowledge.

When Samad heard that the International Organization for Migration (IOM) in Iraq provided support through the Enterprise Development Fund (EDF), he applied, hoping for the financial boost that is necessary to expand businesses. But upon joining the programme, he received business development and financial training – something that he hadn't initially prioritized. Supported by the German Federal Government via the German Development Bank (KfW), IOM's Access To Finance programme provides comprehensive advisory services and support to micro-, small, and medium enterprises, strengthening businesses through training, and by building partnerships with financial institutions.

The training programme runs intensively over two days, covering marketing strategies, cost tracking, accounting principles, financial record-keeping, business planning, and workforce productivity and labour laws. For Samad, the training was a game-changer, enabling him to introduce new approaches and make his business more efficient.

"Most business owners think only about financial gain," shares Samad. "But there are other aspects of business that need to be considered to make it sustainable, such as production flows, and how to effectively bring your products to the market".

He also learned marketing tips and planning, and now forecasts demand for his goods and adjusts production accordingly.

The bookkeeping module introduced another shift. "I used to work without accounting software. At the end of every month, I would manually calculate sales and expenses. After the training, I realized I needed a proper accounting system."

Samad also learned about financial tools, such as bank loans.

"I had no idea I could loan money from a bank as financial support," Samad admits. "If I had known during those three failures, it would have made a big difference."

The training goes beyond financial management; it also covers safety rules and labour laws. Samad has prioritized workers' safety by installing fire extinguishing systems, and normalized working hours, introducing

three shifts. The training also connected Samad with other business owners, each working in different fields, encouraging the participants to exchange information and experiences and build networks that extended beyond the classroom.

Since 2022, IOM has conducted more than 250 trainings on access to finance across Iraq, reaching more than 3,400 participants. Each training transforms not just individual businesses but entire economic ecosystems.

For Samad, the realization came gradually, as he adapted to new practices and saw their impact.

"I first joined the training for financial help," he says. "But later I realized the training itself was more valuable."

Today, Samad's factory runs differently. Production follows market demand. Finances are tracked systematically. Employees have reasonable working hours and safety measures in place. And when expansion opportunities arise, Samad has both the knowledge and access to pursue them.

The road ahead still has challenges. Businesses throughout Iraq are building confidence by adopting formal practices and training, and Samad's progress reflects Iraq's gradual economic recovery.



Photo 7: Samad's factory collects local plastic waste and transforms it into agricultural pipes. ©IOM Iraq 2025/Aram HAKIM

IOM IRAQ

iraq.iom.int

iomiraq@iom.int

UNAMI Compound (Diwan 2),
International Zone,
Baghdad/Iraq



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