

INTEGRATED SUPPORT TO JOB CREATION IN IRAQ THROUGH AGRI-BUSINESS VALUE CHAIN DEVELOPMENT AND FINANCIAL INCLUSION

OVERALL OBJECTIVE OF THE PROJECT

The programme aims to promote sustainable and inclusive economic growth in Iraq, through increasing employment and strengthening value chains in the agricultural sector in support of the Government of Iraq. The project will contribute to sustainable job creation through support to private sector and human capital development with a focus on the agriculture sector through two main interventions: (1) *Expansion of the ongoing IOM Enterprise Development Fund (EDF), delivering grants of \$5-30,000 to enterprises in targeted communities*, and (2) *a capacity development initiative to support the delivery of financial services to Small and Medium Enterprises (SMEs)*. This will increase the availability of financing for private enterprise development across the country and establish a model that may be replicated by other institutions going forward. The programme will also advance the Government of Iraq's private-sector-development goals in the areas of climate impact, business registration, and the implementation of labour standards.



SPECIFIC OBJECTIVES

Two specific objectives below will contribute to the overall objective of the programme, by directly financing job creation through SMEs along agricultural value chains and by strengthening the capacity of the government to provide financial services to SMEs.

Specific Objective 1: Create jobs through targeted EDF grants and support to the Agri-businesses and agriculture value chain businesses.

IOM will first develop and test a context-specific EDF model for supporting agri-businesses, Enterprise Development Fund-Agriculture (EDF-A). A fit-for-purpose financing mechanism started in Mosul in 2018, the EDF delivers financial capital to businesses in select locations, supporting their rehabilitation, expansion, and hiring objectives. EDF-A will allow IOM to proceed with providing grant support for expansion of agri-business closely linked to job creation. To support targeted agri-business to be successful in their expansion plan, IOM will also provide them with business development support in cooperation with ILO.

Expected Results:

- Context-specific EDF model for supporting agri-businesses is further developed, tested and improved in cooperation with the government
- EDF grant support for expansion of agri-business is delivered and jobs are created in agriculture value chains
- Business Development Support is provided to EDF-supported SMEs and their capacity is improved

Specific Objective 2: The Government of Iraq has improved capacity to facilitate access to finance for SMEs

To increase access to finance for SMEs in Iraq and build on existing information systems that have been developed through the EDF, IOM will work closely with partner financial institution(s), to design a capacity development programme. The improved capacity of partner institution(s) will result in improved services and referrals for SMEs in Iraq, something that other institutions may also build upon in the future. EDF grantees, for example, who have performed well with a first grant may be supported to apply for loans, and the partner institution(s) may be supported with a review of selected processes. Specific details of the capacity building programme will be determined as a function of the specific partner institution(s) to be selected.

Expected Result

- Government capacity to deliver innovative SME-oriented financial services for agriculture-related and other businesses is established, a viable/sustainable outreach model is piloted/proven, and systems exist to scale-up SME lending.

MAIN PLANNED TARGET FIGURES

- **325** SMEs receive grants through the Enterprise Development Fund, of which 50 will be female-led SMEs
- **220** female jobseekers access jobs created as a result of the EDF grants to SMEs
- **1,400** formal jobs in agribusiness sector are created and retained at the end of the programme
- **12** agricultural value chain assessments will be completed in the targeted communities
- **150** front-line staff will be trained on managing delinquent accounts efficiently