

ENTERPRISE  
DEVELOPMENT FUND

# GREEN

March 2024



IOM's Enterprise Development Fund (EDF) is an innovative programme that supports livelihoods at the community level through private sector revitalization and economic development by targeting small and medium-sized enterprises (SMEs) in Iraq.

To adapt to the ever-changing market dynamics and to cater for specificities of sectors and enterprises, the EDF has been expanded to include different adaptations, notably EDF Culture (EDF-c), EDF Agriculture (EDF-a), EDF Women (EDF-w), EDF Innovation (EDF-i) and EDF Tameer (EDF-t), EDF Green (EDF-g) is the latest adaptation of the EDF.

## BACKGROUND

Iraq faces a number of challenges in the private sector, including a lack of supportive industrial policies, limited access to financial and non-financial services that result in a weak private sector, which now coupled with climate change and rising trends in drought-related displacement, only exacerbate the already limited access to jobs. As of June 2023, IOM estimates that approximately 83,520 individuals are displaced across 10 governorates in Iraq due to climatic and environmental factors.

EDF-Green build on lessons learned from the EDF-agriculture (EDF- a), such as small-scale irrigation infrastructure that is not yet common in Iraq, and

from EDF-renewables (EDF- r), such as opportunities to encourage uptake and use of renewable energy technologies.

EDF-Green (EDF-g) – aside from supporting SMEs in expansion and job creation - contributes to climate change mitigation and adaptation by specifically supporting SMEs producing green products/providing green services or in greening their processes and practices.

## PILOT

A pilot call was launched in Diyala, Sulaymaniyah, and Baghdad where a total of 16 businesses were awarded. **These mainly include businesses working in the solar panel value chain, including supply, retail, installation, maintenance, and production of electrical boxes that include switches for solar energy sources of power. Recycling of plastic and other materials such as tires, including in collecting, separating, cleaning, shredding, also feature among the first grantees of EDF-g, along with producers of pipes, containers (for fruit/vegetables), and rubber floorings, all from recycled materials. Passive housing or energy-efficient construction, natural vermicompost production, and organic food processing of olive oil, vinegar, and dairy, were also granted under EDF-g.**

## MARKET ASSESSMENT

A market assessment was conducted in different governorates of Iraq pointing to the feasibility of EDF-g under the usual EDF modality. However, major revisions of the EDF granting and screening process are required to effectively capture whether the SMEs could (further) green their practices and processes. The grantees from the pilot stage produce mainly green products, whereas green businesses may also operate in “standard” sectors offering mainstream products and services, but may still be green because of the operational choices they have made. EDF-g therefore also aims at supporting businesses which already are or are on their way to greener operations, new calls for application starting from 2024 will include those types of businesses. The new Information Management System (IMS) currently being developed will assess businesses’ potential in (further) greening their operations by recording and assessing them on the main pillars of green processes, including:



Recycling, re-use, and waste reduction



Energy and water conservation.



Pollution prevention (for example, through the adoption of low emissions equipment, operational efficiency, usage of degradable materials).



Green procurement of environmentally sustainable and local material/products or opting for environmentally-friendly suppliers.



Green distribution (for example, the adoption of environmentally-friendly packaging or sustainable transportation).

These green pillars will be explored through the different EDF steps, from the initial expression of interest stage up to the last stages of milestone verification where businesses will be checked for achievements in greening their practices. In consideration of the complexity and likely novelty for some business owners, who previously may have not considered embarking on a greener path, the EDF-g process will also be a learning process, as through the different stages they will need to envision a greener operational modality.

Considering the novelty and often the ‘youth-oriented’ type of sector EDF-g operates in, along with the younger generation often showing a greater environmental awareness, EDF-g will also award start-ups, who will show significant potential in producing a green product or the ability to establish green operations.

## LESSONS LEARNT AND SCALE UP

EDF-g has already expanded to other locations, including Kirkuk, Erbil, Dohuk, and Ninewa. Considering EDF-g and currently 39 businesses have been granted in 10 governorates, which also allowed to establish some lessons learned. These include, among the most salient:

Applicants requesting higher grant amounts resulting also in high costs per job in some cases, especially due to the need for advanced machinery (but then ‘compensated’ by the creation of skilled and better remunerated jobs).

Single-use products made of recycled plastic not eligible under EDF-g as they are less environmentally-friendly compared to products with a longer life-cycle

Generators should not be acquired under an EDF-g grant but considering the power shortages and power needs (a solar-powered equivalent prohibitively expensive) might be still permissible under certain conditions.

Buying of used and older machinery less appropriate due to the lower energy efficiency in some cases.



To strengthen environmentally-friendly business practices in Iraq, IOM supported Omed to implement the largest solarenergy system in the country through the Enterprise Development Fund - Green (EDF-G) programme.

Scan here to learn more in this video!

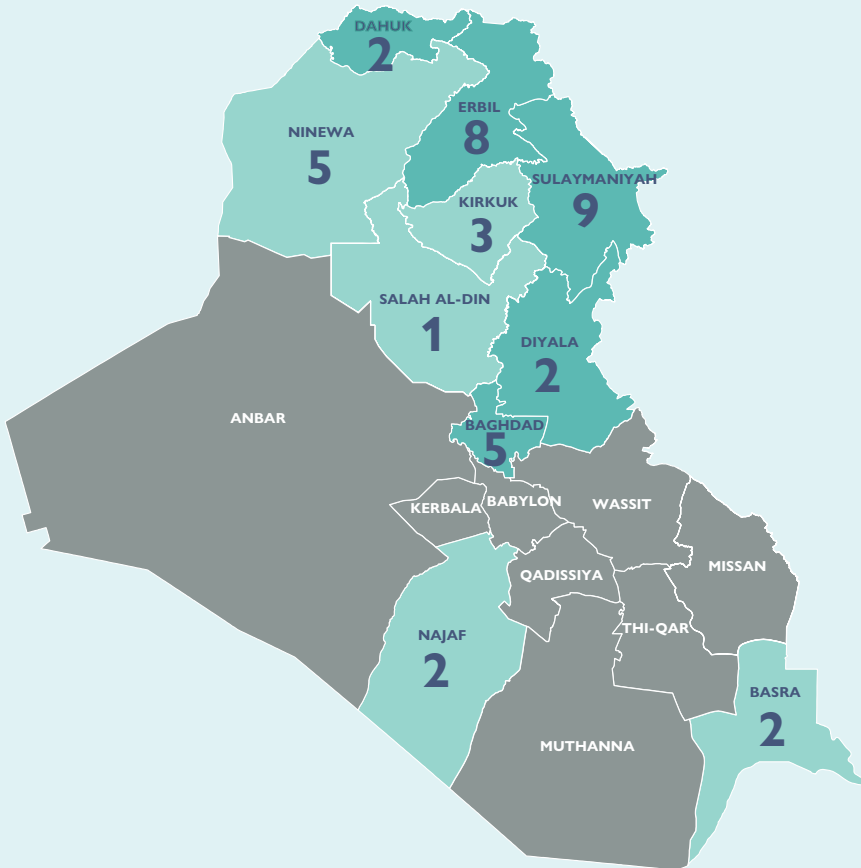


# KEY ACHIEVEMENTS

OF EDF - g PROGRAMME (EDF - r Included)

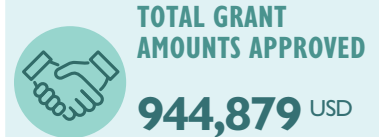
## PROGRAMME COVERAGE

Number of businesses given grants per governorate



## EDF-GREEN

Achievements to Date



edf g  
Green

### GREENSCAPE'S SOLUTION: BUILDING RESILIENCE IN THE FACE OF CLIMATE CHANGE

Dana Kamal is a young Iraqi entrepreneur and the owner of GreenScape, a landscaping company that provides high-quality and cost-effective landscape solutions for residential, commercial and urban projects in the Kurdistan Region and wider Iraq. He founded GreenScape in 2013 with a group of ambitious, creative, highly-skilled landscapers and engineers, with a vision of helping clients achieve their ideal outdoor experience.

“

Our deeper aim is to redesign cities with more nature, to further penetrate the agricultural sector with improved irrigation and to save water. For this purpose, eco-friendly systems are essential to realizing our sustainability plans.”

Dana Kamal





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Or scan this QR code and apply from your mobile device