

ENTERPRISE DEVELOPMENT FUND
INNOVATION

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.

Enterprise Development Fund Innovation is part of the broader EDF framework, designed to exclusively target ‘innovation’ supporting entrepreneurship and job creation for youth, as well as technology and digital start-ups and early stage businesses.

The tech and start-up industry in Iraq is still at a nascent stage and represents an underexplored market segment in Iraq. Supporting businesses to nurture innovation and explore new ways of thinking about business management opens up blue ocean markets that can create and absorb young, innovative jobseekers and entrepreneurs.

BACKGROUND AND RESEARCH

A market assessment of technology businesses conducted by IOM in 2019 highlighted many economic challenges that continue to hamper privately backed tech development in Iraq, including lack of market incorporation, difficulty in securing investments, regulatory and legal barriers, lack of trust in tech businesses, and lack of skilled manpower. In the assessment, tech professionals in Iraq reported earning an average salary of \$725 USD, which is more than double the average monthly per capita income.

TECHNOLOGY AND INNOVATION IN IRAQ
A Market Assessment of Tech Sector Businesses in Iraq, 2019



Read the full report here:
<https://bit.ly/TechMarketAssessment2019>

The EDF-i acts as an accelerator by providing funding to talented entrepreneurs to launch start-ups and/ or establish their early-stage businesses. This includes software development, e-commerce, e-learning, digital solutions, and other tech-focused enterprises.

The EDF-i is fit-for-purpose in the context of Iraq, where 60% of jobs are in the private sector, the majority of which are in SMEs. This is especially challenging as access to credit in Iraq is limited or non-existent, making it very difficult for these businesses and entrepreneurs to find funds to start or grow their business. The EDF-i addresses the critical gap that entrepreneurs face in accessing finance for start-ups and expansion.



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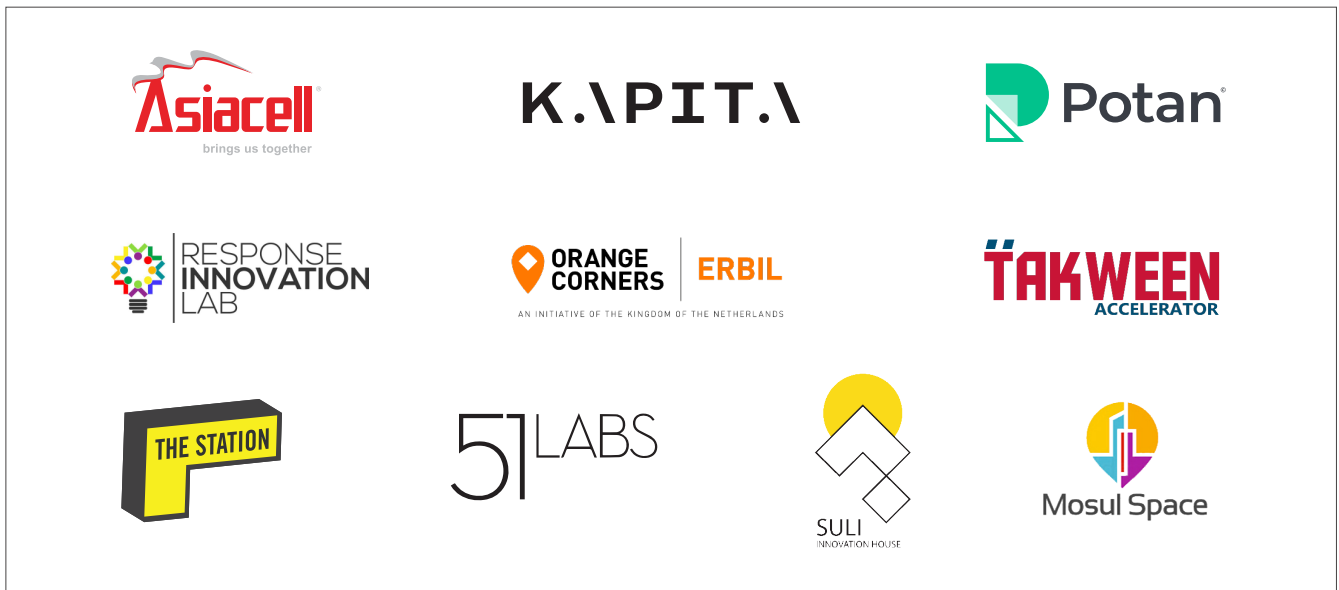
OVERVIEW

EDF-i launched a pilot in 2019 with eight businesses followed by subsequent rounds of funding. The third round began in 2023 and is ongoing in Sulaymaniyah, Erbil, Duhok, Mosul, Kirkuk, and Baghdad. In 2023 IOM is targeting youth, tech startups, and early-stage graduates from incubation programs across Iraq.

As of March 2024, EDF-i has provided \$1,052,019 in financing to 64 early tech businesses and start-ups, creating 333 jobs.

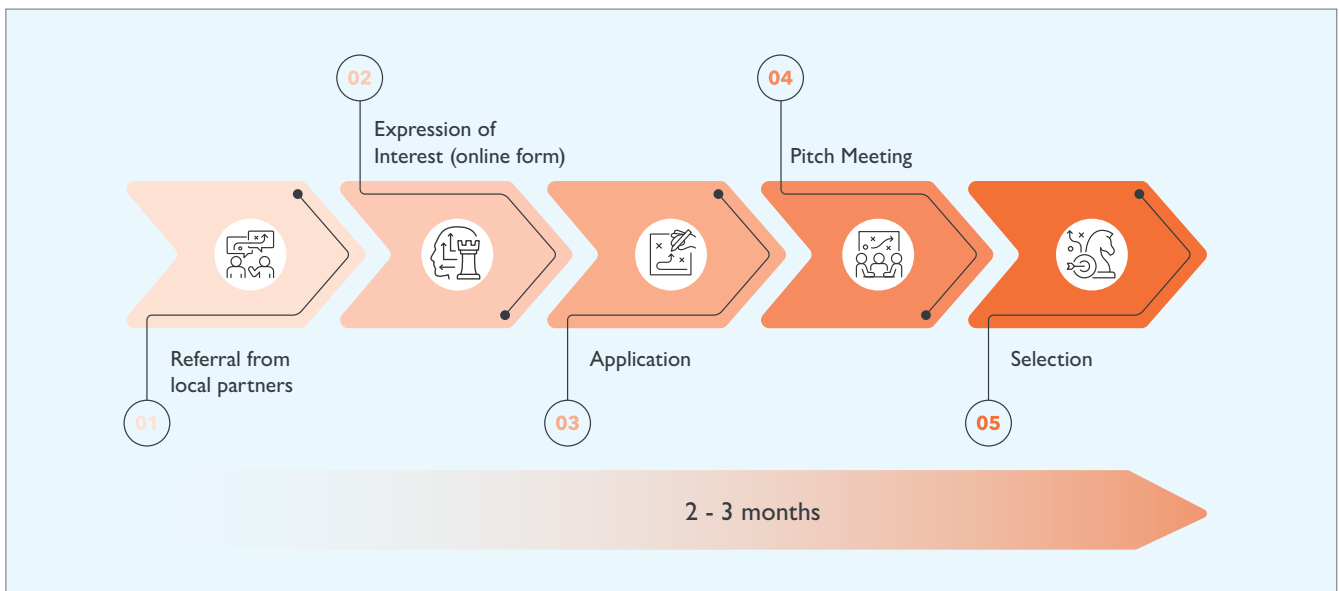
INVESTMENT PARTNERSHIPS

To account for the additional risks associated with start-ups and early stage businesses for both the entrepreneurs and the investors, the EDF-i works with various innovation hubs and local incubators to receive referrals of applicants.



SELECTION PROCESS

The EDF-i uses a multi-stage selection process in which businesses are filtered based on a scoring system supported by a due-diligence process. The below diagram summarizes the various stages businesses go through prior to final grant awarding.



KEY ACHIEVEMENTS

OF EDF-i AS OF MARCH 2024

FUNDING ROUND TOTALS



PILOT FUNDING ROUND



FIRST FUNDING ROUND



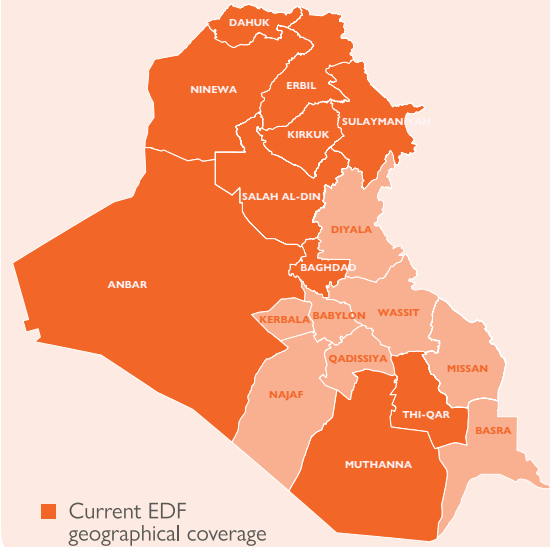
SECOND FUNDING ROUND



THIRD FUNDING ROUND



PROGRAMME COVERAGE



CONTRIBUTIONS MATCHED BY THE BUSINESS OWNERS
445,538\$

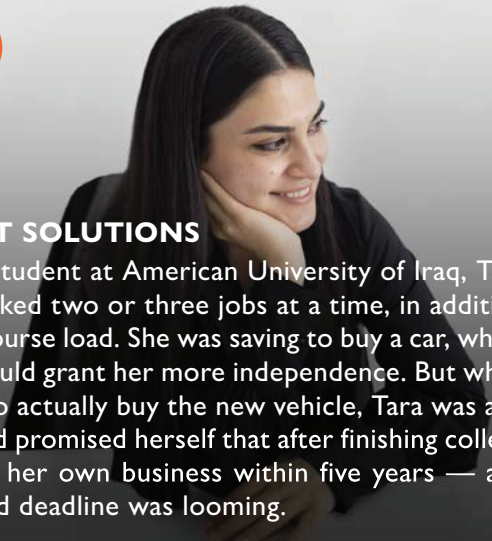
TYPE OF BUSINESSES BY SECTOR



- E-Commerce
- Technology Solutions
- E-Learning
- Digital Solutions
- Soft Development
- Online Marketplace

MADE IN IRAQ

STORIES



BLACK ACE IT SOLUTIONS

As a university student at American University of Iraq, Tara Muhammed worked two or three jobs at a time, in addition to taking a full course load. She was saving to buy a car, which she imagined would grant her more independence. But when the time came to actually buy the new vehicle, Tara was at a crossroads. She'd promised herself that after finishing college she would start her own business within five years — and that self-imposed deadline was looming.

“

*Two years ago
I was working a job
and now I've created
nine positions.*

Tara Muhammed

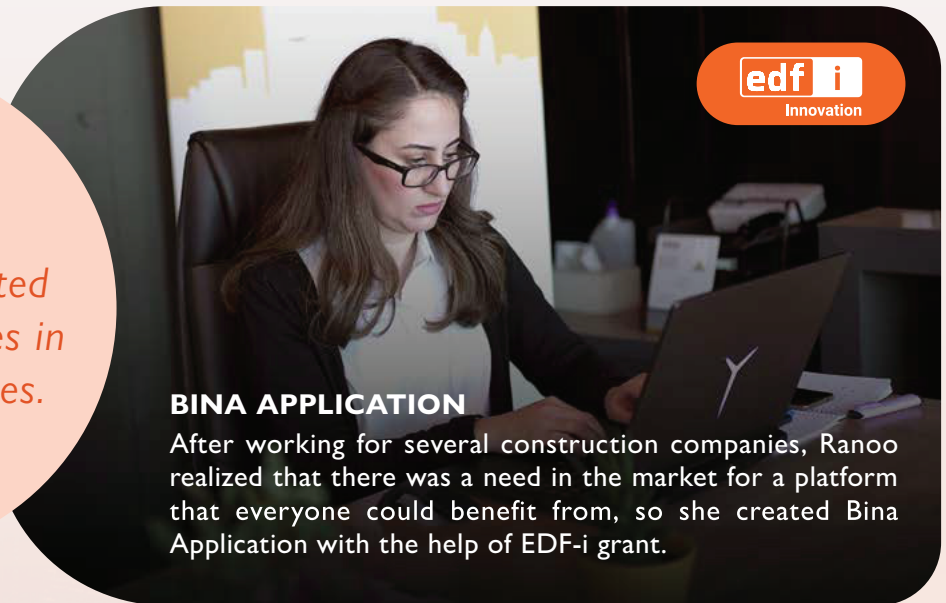


Read
the full
story

“

*I now have my
business and created
six job opportunities in
marketing and sales.*

Ranoo Hiwa
Mohammed



BINA APPLICATION

After working for several construction companies, Ranoo realized that there was a need in the market for a platform that everyone could benefit from, so she created Bina Application with the help of EDF-i grant.

Watch
the story



APPLY FOR EDF

To apply for EDF online,
please visit the EDF website at

edf.iom.int



Or scan this
QR code and
apply from your
mobile device



Financed by **KfW**



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