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USAID-TIJARA PROVINCIAL ECONOMIC GROWTH PROGRAM

QUARTERLY PROGRESS REPORT

OCTOBER 2011 – DECEMBER 2011



January, 2012

This report was produced for review by the U.S. Agency for International Development (USAID). It was prepared by The Louis Berger Group, Inc.

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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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I. ACRONYMS

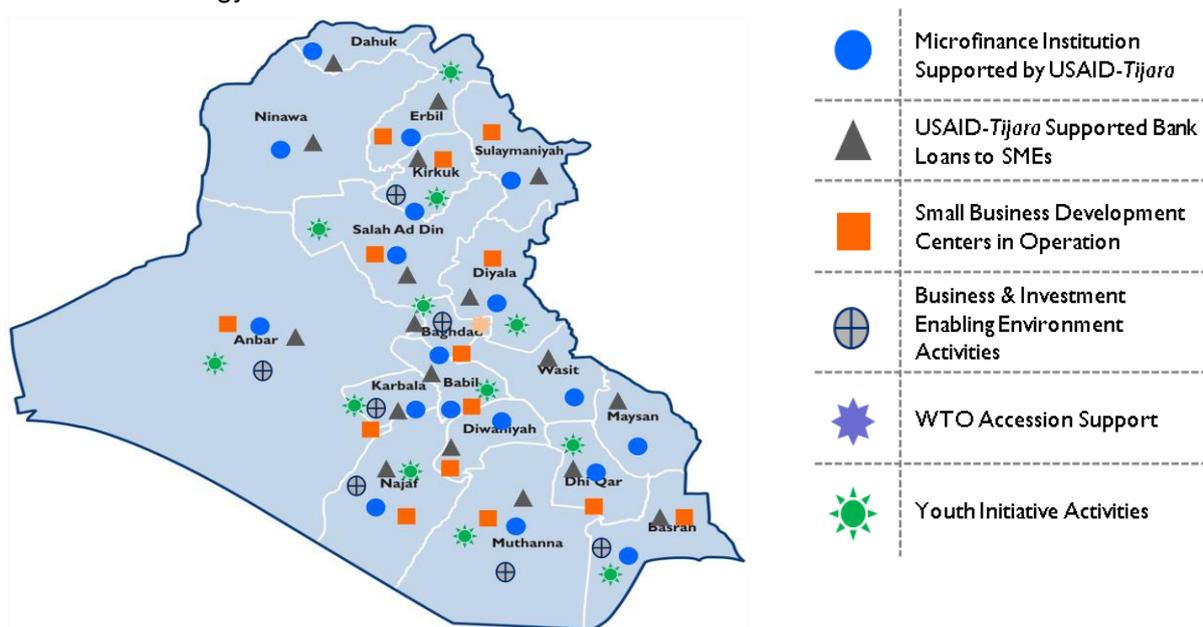
ACC	World Trade Organization Accession Document
ADS	Automated Directives System
BDS	Business Development Services
BIEE	Business & Investment Enabling Environment
BRP	Business Review Panel
CBI	Central Bank of Iraq
CGAP	Consultative Group Assisting the Poor
COMSEC	Council of Ministers Secretariat
COP	Chief of Party
COR	Council of Representatives
COTR	Cognizant Officer Technical Representative
DCOP	Deputy Chief of Party
DQA	Data Quality Assessment
ePRT	Embedded Provincial Reconstruction Team
EU	European Union
FAF	Foreign Assistance Framework
FOB	Forward Operating Base
FSS	Financial Self Sufficiency
GATS	General Agreement on Trade in Services
GATT	General Agreement on Trade and Tariffs
GCC	General Commission for Customs
GOI	Government of Iraq
ICBG	Iraq Company for Bank Guarantees
ICF-SME	Iraqi Company for Financing Small and Medium Enterprises
ICT	Information and Communications Technology
IDA	Industrial Development Authority
ILO	International Labor Organization
IMFI	Indigenous Microfinance Institution
IMFN	Iraqi Microfinance Network
INMA	USAID- <i>Inma</i> Agribusiness Program
IPR	Intellectual Property Rights
IR	Intermediate Result
IVGS	Iraqi Vulnerable Group Support
IYI	Iraqi Youth Initiative
LBG	Louis Berger Group
LPF	Loan Production Office
MA	Market Assessment
M&E	Monitoring and Evaluation
M&IM	Management and Information Management
MF	Microfinance
MFI	Microfinance Institution
MIS	Management Information System
MIM	Ministry of Minerals and Industry
MOT	Ministry of Trade
MOU	Memorandum of Understanding
MS	Micro Soft
MSME	Micro, Small, and Medium Enterprise
NA	Not Applicable

NBFI	Non-Bank Financial Institution
NIC	National Investment Commission
NGO	Non-Governmental Organization
OSS	Operational Self Sufficiency
PAT	Poverty Assessment Tool
PEG	Provincial Economic Growth
PCMS	Performance Classification and Monitoring System
PIC	Provincial Investment Commission
PDT	Performance Data Table
PIRS	Performance Indicator Reference Sheet
PMAC	Prime Ministers Advisory Commission
PMP	Performance Monitoring Plan
PMS	Performance Monitoring System
PMT	Performance Management Tool
PMTS	Performance Management Task Schedule
PPP	Public Private Partnership
PRT	Provincial Reconstruction Team
RF	Results Framework
RRI	Regulatory Reform Initiative
RRU	Regulatory Reform Unit
SBDC	Small Business Development Center
SO	Strategic Objective
SIGR	Special Inspector General for Iraq Reconstruction
SME	Small and Medium Enterprise
SMFC	Sustainable Microfinance Component
SPS	Sanitary and Phytosanitary
Sub-IR	Sub Intermediate Result
TA	Technical Assistance
TCN	Third Country National
TERF	Training Events Request Form
TRIPS	Trade Related Aspects of Intellectual Property Rights
UNDP	United Nations Development Program
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
USG	United States Government
USTR	United States Trade Representative
WB	World Bank
WTO	World Trade Organization
YEAF	Youth Entrepreneur Access to Finance
YEP	Youth Employment Promotion

Section I: Introduction

1. Background

This document presents the Quarterly Progress Report (QPR) for the period October to December 2011 for the USAID-*Tijara*-Provincial Economic Growth Project (USAID Contract No. 267-C-00-08-00500-00). USAID-*Tijara* is a five-year project (with a base period of performance of three years with two extended years) funded by USAID and implemented by the Louis Berger Group. The program is intended to promote economic diversification, private sector development and job generation at provincial level and work with the Government of Iraq to help promote a market-based economy. The performance management framework as outlined in the PMP 2011-13 is based on LBG’s contract with USAID/Iraq, which contributes to the Strategic Objective 8 “Private Sector Economic Opportunity Expanded” within USAID’s Foreign Assistance Strategy.



The Government Performance and Results Act (GPRA) of 1993 established requirements for strategic planning and performance measurement for all USG agencies. In line with its contractual commitments, USAID-*Tijara* developed a PMP in early 2009. The main purpose of this exercise was to develop a framework for measuring progress towards the results identified during the base period (2008 to 2011) to achieve foreign assistance objectives. This PMP was revisited in April 2011 and following subsequent revisions, the PMP was formally approved in December 2011.

During the October to December 2011 period, USAID-*Tijara* continued to implement its project activities as outlined in the Annual Work Plan 2011 (Extended Year 1) and PMP 2011-2013. The purpose of this report is to inform personnel at all levels of the project on the key results and deliverables accomplished during the quarter.

This quarterly progress report is organized in the following manner:

- Section I portrays the general description of the report.
- Section II highlights the executive summary of the key results and impacts made during the reporting period.
- Section III describes the key outputs and activities carried out during the quarter.
- Section IV presents the progress made during the quarter in line with the PMP targets. USAID-*Tijara* is tracking progress using the quarterly and yearly Performance Data Table (PDT).

Section II: Executive Summary

Results Framework

USAID-*Tijara* is measuring and reporting results in line with the approved PMP 2011-13. During the quarter, the project successfully met its targets for 19 performance indicators (86 per cent) out of a total of 22. Key accomplishments are highlighted below:

I. PROVISION OF BUSINESS DEVELOPMENT SERVICES

During the reporting period, USAID-*Tijara* continued to grow the Iraqi economy by strengthening indigenous institutions that offered diversified services stimulating business activities and promoting trade facilitation. Partner SBDCs continued to play a significant role in trade facilitation and provision of business development services in Iraq. In supporting GOI modernization for global trade, the program implemented customs-related capacity building and administrative reforms and engaged the Ministry of Trade in the adaptation of a compliant Goods Offer and Services Offer. The program made concerted efforts to implement legal and regulatory reforms in company registration, commercialization legislation, import and export licensing law; scaling up efforts to promote public-private partnership in the country and conducting an economic assessment for Iraq.

BUSINESS DEVELOPMENT SERVICES

- Project SBDC in Erbil, the Women Empowerment Organization (WEO) launched the Empowerment Radio FM 91.8, which will act as a progressive platform to broadcast the impact of WEO's income generation, legal, counseling and social services. Representatives from KRG ministries and parliament members welcomed the launch of the new radio station.
- USAID-*Tijara* provided the SBDCs in Baghdad, Babil, Erbil, Najaf, Dhi Qar and Muthanna provinces with the skills to develop business publications, operate their printing and marketing centers and launch advertising and sales promotion services to enhance the sustainability of the SBDCs.
- The project supported SBDCs in Baghdad, Babil, Najaf and Basrah provinces to organize four business banking forums, where local businessmen and officials from the Provincial Investment Commissions, private banks and NGOs discussed constraints to private sector economic growth at the provincial level and made recommendations on how to address the constraints.
- Project SBDCs conducted business and entrepreneurship courses for 216 participants, of whom 24 per cent were women. These courses offer a base for potential entrepreneurs to begin doing business and for existing business-people to improve their operational skills.
- USAID-*Tijara* provided technical assistance to partner SBDCs in Karbala, Baghdad, Babil and Dhi Qar provinces to enable them to develop and review their business plans for 2012.

INTERNATIONAL TRADE AND WTO ACCESSION:

- USAID-*Tijara* conducted a Training of Trainers (TOT) workshop for 20 custom officials in Erbil as part of transitioning efforts to allow the General Customs Commission (GCC) to train its own staff in customs procedures in compliance with international standards. So far, technical training to more than 190 in-service customs officials in Valuation and Classification Agreements has helped to streamline procedures at key entry points in Northern Iraq. This was done in coordination and with co-funding by DG of Customs for the KRG.
- The Sanitary and Phytosanitary (SPS) Law was thoroughly reviewed and approved by the Shura Council and has been passed on to the Iraqi parliament for further action.
- The program held discussions with the Goods Offer Committee of the Ministry of Trade regarding various aspects of Iraq's WTO accession process. The committee showed keen interest in the

achievements made by the project and expressed its commitment to submit the Goods Offer in the first quarter of 2012. A workshop has been planned in January 2012 to finalize the Goods Offer.

- USAID-*Tijara* finalized a report on Iraq's commitments in business services sectors, which include accounting, advertising, legal and taxation sub-sectors as part of the Services Market Access Offer required for Iraq's WTO accession. With the finalization of all position papers, USAID-*Tijara* has commenced drafting a report on Iraq's horizontal commitments, which includes the packaging of the 12 sectoral services commitments into an initial Services Offer (ACC5) required for Iraq's WTO accession.
- Eleven senior veterinary officials, including two women, from the Ministry of Agriculture and the Ministry of Health were trained in the interpretation and use of the OIE Terrestrial Animal Health Code as a basis for uniform animal health import requirements at all entry points in Iraq. These officials have also agreed to sign a memorandum of understanding (MoU) with the OIE regarding enforcement of the code in the Kurdistan Region.

BUSINESS AND INVESTMENT ENABLING ENVIRONMENT:

- The Council of Representatives approved proposed amendments in the law of the Ministry of Industry and Minerals. As proposed by USAID-*Tijara*, the COR agreed to the removal of clauses that called for explicit subordination of the private sector industry to the ministry. USAID-*Tijara* endeavors to improve the business and investment environment by advancing regulatory, legal and administrative reforms in Iraq.
- USAID-*Tijara* finalized a white paper on "import and export licensing" as part of project's efforts to address constraints to business and improve Iraq's ranking on the World Bank "Ease of Doing Business" report.
- The program reviewed legal and regulatory reform issues during its meeting with the State Shura Council and policy advisor of Ministry of Trade as part of steps to review the pending company law, commercialization legislation, import and export licensing law and other issues to ease the business and investment environment.
- USAID-*Tijara* drafted the English version of the Company Registration Guide as part of its assistance to the Company Registration Office at the Ministry of Trade. This guide outlines procedures of registering a company in Iraq.
- The program team developed business action plans and company profiles for the General Systems Company, Ibn Sina, the State Industrial Design and Consultation Company and State Company for Electrical Industries to support commercialization of their activities and foster operational and strategic partnership with major global and regional companies. At a wider level, this assistance will help move these SOEs to commercial viability and transition to a market environment under the terms of the UN Private Sector Development Program Roadmap for SOEs.
- The component finalized the Investor Guide for Kirkuk province (Arabic and English versions) and submitted it to the Investment Commission of Kirkuk for approval. This guide provides the domestic and international investor community with a comprehensive guide on doing business in the provinces.
- Conducted an in-depth review of some of the preliminary findings of the Economic Assessment with key representatives of USAID/Iraq and discussed the status of the assessment with the legal advisor of the Prime Minister's Advisory Council. So far, seven sectoral reports of the economic assessment package have been completed: Agriculture, Tourism, Housing and Light Construction, Water Recourses, Electricity, Oil and Gas, and Freight and Logistics (Transportation). The program has also consolidated four sectoral reports for translation into Arabic. The translated reports will be shared with the Prime Minister's Advisory Council for review and discussion.

II. EXPANSION OF COMMERCIAL LENDING THROUGH MICROFINANCE INSTITUTIONS AND BANKS

In order to expand commercial lending in Iraq, USAID-*Tijara* scaled up best practices within the Iraqi microfinance industry; expanded the outreach and portfolio of jobs creation activities/strategies; enhanced the CBI and NGO Directorate's capacity to effectively regulate the microfinance industry and increase poor populations' access to diversified services and products. The program also promoted sustainable SME banking through skills enhancement; strengthening governance and management systems among banking and financial intermediaries; enhancing SMEs' capacity to access loans and putting quality assurance operating models in place.

SUSTAINABLE MICROFINANCE:

- The outstanding portfolio of micro-loans for the entire Iraqi microfinance industry as of the end of the quarter was more than \$127 million to 86,527 clients. The 32% increase in the number of clients among MFIs supported by USAID-*Tijara* strongly indicates a rapidly flourishing and mature MFI industry in Iraq.
- Microfinance loans facilitated the creation of 5,200 direct jobs and 2,600 indirect jobs.
- Three partner microfinance institutions - Al-Bashaer, Amalkom and Izdiharouna received NGO re-registration certificates as per the requirements of the new NGO law. To date, four partner MFIs have secured re-registration certificates which can be used to support the application for the registration of the Iraq Microfinance Network.
- USAID-*Tijara* supported Al-Bashaer, Al-Tadhamun, Tallafar Economic Development Centre and Al-Mosaned microfinance institutions to develop, review and approve their five-year strategic business plans during their board meetings. USAID-*Tijara* assistance in the strategic planning activities of its partner MFIs will enable them to diversify their funding sources and deepen their outreach to the poor and women.
- Discussed collaboration and next steps on the registration of the Iraqi Microfinance Network (IMFN) with the legal advisors of the NGO Directorate. It was resolved that the three partner MFIs that had already secured re-registration under the new law would become founding members of the network. USAID-*Tijara* also discussed prospects of signing an MOU between the NGO Directorate and the Central Bank of Iraq to ensure joint supervision of the microfinance industry.
- Partner microfinance institution Al-Mosaned launched an incentive-driven loan product with more flexible terms such as low interest rates and a longer repayment period to attract the participation of widows in Salah ad Din province. This new product will initially benefit 100 widows receiving loans averaging \$1,500 each for the first cycle.
- Partner microfinance institutions Al-Thiqa and Al-Takadum each signed a \$150,000 grant agreement with the United Nations Development Program (UNDP) to support vulnerable families in Erbil Province.
- A total of 91% of partner MFIs have attained operational self sufficiency (OSS) while 82% have attained financial self sufficiency (FSS).

SME DEVELOPMENT AND BANK LENDING:

- During the quarter, 688 enterprises obtained \$11.59 million in bank financing, resulting in the creation of 530 direct and 885 indirect jobs.
- USAID-*Tijara* organized a graduation ceremony for 31 SME bank officials (20 men, 11 women) who successfully completed a series of training workshops held during 2011. Six participants were awarded "Cum Laude" in recognition of their outstanding performance. These graduates will play a key role in enhancing the delivery of SME financing to viable enterprises throughout Iraq.

- USAID-*Tijara* facilitated a four-day visit by a CBI Investigation team to the Iraqi Company for Financing Small and Medium Enterprises (ICF-SME) to assess the company's financial and operational procedures. The team expressed its satisfaction with the company's operations.
- ICF-SME showed an 11 per cent improvement in its sustainability index.
- Assisted the Iraqi Company for Bank Guarantees (ICBG) to conduct two board meetings this quarter, focusing on portfolio quality management, business planning, capital formation and resource mobilization for the year 2012.
- Supported the ICBG in drafting its business plan and reviewing its marketing plan for the year 2012. The marketing plan outlines economically viable marketing strategies that will enable the Company to increase its access to finance for SME development in Iraq.
- USAID-*Tijara* drafted an SME Incubation Inception Report that assesses the SME incubation readiness and systems at Iraqi Middle East Investment Bank and North Bank. The report outlines the institutional changes and deliverables required in order to increase lending to small and medium businesses.

III. YOUTH INITIATIVE

The reporting period was marked by activities aimed at promoting a vibrant entrepreneurial culture; creating job opportunities; reinforcing employment generation by giving youth access to finance; developing an effective youth workforce through employment skills enhancement and linking more employers with potential employees.

IRAQI YOUTH INITIATIVE:

- By the end of the quarter, the Iraqi Youth Initiative had provided 3,565 youth with better access to employment and entrepreneurship opportunities.
- During the reporting period, 451 youth entrepreneurs (406 men, 45 women) in 10 provinces received loans valued at \$1,634,500 to start new businesses, thus creating 1,010 jobs (885 for men, 125 for women) in agriculture, manufacturing, services and trade sectors.
- A total of 361 youth participated in employability skills training and 275 (41 per cent women) of them secured apprenticeships. Fifty-six per cent of the youth who completed apprenticeships during the quarter secured long-term employment.

Section III: Quarterly Progress

A. BUSINESS DEVELOPMENT SERVICES

ONGOING TASK AREAS / ACTIVITIES

The BDS team is currently focusing on the following activities:

- Strengthening and capacity building of 14 SBDCs.
- Providing technical assistance and support to 10 of SBDCs participating in the Iraqi Youth Initiative.
- Providing technical support to the IVGS program.
- Following up with participants enrolled in all SBDC training courses and collecting data on program results and impacts on a regular basis. The impact beneficiary report is prepared on a quarterly basis.
- Providing the SBDCs with the technical guidance needed to update and implement their work plans.
- Helping SBDCs formulate ideas for fee-generating services and strategies for achieving financial sustainability.
- Advising SBDC directors on grant proposal requirements for applying for funding support under the USAID- *Tijara* Small Grants Program.

DELIVERABLES / MILESTONES / EVENTS / QUANTIFIABLE OUTPUT

- The project supported the Small Business Development Center (SBDC) in Baghdad, Basrah, Babil and Najaf provinces to organize business banking forums, where local businessmen, officials from the provincial government and private banks discussed constraints to economic growth in Iraq and suggested ideas to address them.
- USAID- *Tijara* provided technical assistance to partner SBDCs in Karbala, Baghdad, Babil and Dhi Qar provinces to develop and review their business plans for 2012.
- The component supported SBDCs in Salah ad Din and Najaf in launching translation services center and an internet café that would promote business activities in the provinces and mobilize resources to support their operations.



Public and private sector leaders in Najaf Province discuss how to improve banking services in the province during a banking business forum supported by USAID- *Tijara* on October 18.

- Supported SBDCs in Baghdad, Babil, Erbil, Najaf, Muthanna, Dhi Qar, Samawa and Nassriya provinces to develop business publications, operate their printing and marketing centers and launch of advertising and sales promotion services to enhance sustainability of the SBDCs.
- Women Empowerment Organization (WEO), a non-profit organization operating an USAID-*Tijara* supported SBDC signed an MoU with Al-Thiqa Microfinance providing access to microfinance loans to qualified graduates of WEO's 'How to Start a Business' training course in the Dahuk province.



Executive Director of WEO at the Grand Opening of the FM 91.8 Women Empowerment Radio with Parliament Member, Ms. Tara Alasadi, and Minister of Labor and Social Affairs Ms. Assus Najeeb.

- Women Empowerment Organization WEO launched the Empowerment Radio, FM 91.8. Representatives from KRG ministries and parliament members welcomed the launch of the new radio station which will act as a progressive platform to broadcast the impact of WEO's income generation, legal, counseling and social services.

- Sulaymaniyah Business Information Center, a partner SBDC in Sulaymaniyah, rendered marketing services at the Annual Sulaymaniyah International Exhibition attended by more than 275 international companies. USAID-*Tijara* is supporting the partner SBDCs not only to attain financial sustainability but also to enhance micro and small entrepreneurs' access to commercial business services.
- Partner SBDC in Dhi Qar province participated in a conference held by the Provincial Investment Commission on December 25. The conference provided an opportunity for the SBDC to discuss investment opportunities with the local investors, government officials, bankers and businessmen in the province.
- USAID-*Tijara* drafted a Memorandum of Understanding to coordinate referral assistance with International Organization for Migration (IOM) beneficiaries who may benefit from lending, vocational training and apprenticeships under the Iraq Vulnerable Group Support (IVGS). The IVGS is a new initiative designed to improve the economic security of vulnerable Iraqi families by starting businesses and increasing employment opportunities.

TRAINING

- USAID-*Tijara* co-hosted a Strategic Communications Training with IREX in Baghdad on December 13 and 14 after finalizing a Memorandum of Understanding. The training workshop was attended by nine marketing staff members from three partner SBDCs. This training assisted the SBDCs to become more creative and effective in their advertising publications and marketing

services which will thereby increase their operating sustainability and benefit the businesses that they serve.



USAID-*Tijara* facilitates a training session for nine marketing staff members from three partner SBDCs during the Strategic Communications Training workshop held on December 13 to 14 in Baghdad.

- During the quarter, partner SBDCs conducted USG-supported business and entrepreneurship courses for 216 participants, of whom 24 per cent were women. A total of 778 people have been trained since February 2011.
- Partner SBDC in Baghdad Province diversified its funding sources by offering fee-based Training-of-Trainers workshop for 22 master trainers from Ministry of Youth and Sports.

B. INTERNATIONAL TRADE AND WTO ACCESSION

DELIVERABLES / MILESTONES / EVENTS / QUANTIFIABLE OUTPUT

Customs Reforms:

- USAID-*Tijara* conducted a Training of Trainers (TOT) workshop for 20 custom officials in Erbil as part of transitioning efforts to allow the General Customs Commission (GCC) to train their own staff in customs procedures in compliance with international standards. So far, technical training to over 190 in-service customs officials in Valuation and Classification Agreements has helped streamline procedures at key entry points in Northern Iraq. This was done in coordination and with co-funding by DG Customs for the KRG.



USAID-*Tijara*'s facilitates a Training of Trainers workshop for 20 customs officials in Baghdad.

- Conducted a diagnostic analysis of customs business processes in Kurdistan Region that was instrumental in identifying the gaps and provide a basis for bringing customs reforms in the region.

Activities Related to the Goods Offer:

- Held discussions with the Goods Offer Committee of the Ministry of Trade regarding various aspects of Iraq's WTO accession process. The committee showed keen interest in the achievements made by the project and expressed its commitment to submit the Goods Offer in the first quarter of 2012. A workshop has been planned in January 2012 to finalize the Goods Offer.
- Issues related to private sector engagement with the WTO accession process was discussed with the WTO unit of the Ministry of Trade and representative for the Iraqi Business Man Union. This meeting was part of engaging the private sector in on-going awareness events to highlight the benefits of WTO Accession and the role of the private sector.
- Provided useful input to develop the Sanitary and Phytosanitary (SPS) and agricultural trade reform work plan for 2012 and beyond during a meeting with the Agriculture Minister Counselor and senior officials at the U.S. Embassy.
- Discussions held with the director of animal health and Iraq's representative to World Organization for Animal Health (OIE) to review animal health import regulations and the use of OIE Terrestrial Animal Health Code.

Activities Related to the Services Offer:

- USAID-*Tijara* finalized a report on Iraq's commitments in business services sectors, which include accounting, advertising, legal and taxation sub-sectors as part of the Services Market Access Offer required for Iraq's WTO accession. With the finalization of all position papers, USAID-*Tijara* has commenced drafting a report on Iraq's horizontal commitments that includes packaging of the twelve sectoral services commitments into an initial Services Offer (ACC5) required for Iraq's WTO accession.



Key GOI officials gather to finalize Horizontal Commitment as part of initial Services Offer in Erbil

Training:

- USAID-*Tijara* conducted a training workshop with key representatives from Government of Iraq to complete a draft on the horizontal commitments in Erbil from November 27 to 30. This workshop marked the finalization of the process prior to packaging of the twelve sectoral services commitments into an initial Services Offer (ACC5) required for Iraq's WTO accession.
- Eleven senior veterinary officials, including two women, from the Ministry of Agriculture and the Ministry of Health were trained in the interpretation and use of the OIE Terrestrial Animal Health Code as a basis for uniform animal health import requirements at all entry points in Iraq. These officials have also agreed to sign a memorandum of understanding (MoU) with the OIE regarding enforcement of the code in the Kurdistan Region.
- Seven officials of the Iraqi Ministry of Health from Baghdad and Erbil travelled to the US on a Food & Drug Administration Food Safety Tour starting 5th November. The tour allowed Iraqi decision-makers to understand the US Food and Safety Inspection system and replicate the same with modifications contextual to Iraq.

C. SUSTAINABLE MICROFINANCE

ONGOING TASK AREAS /ACTIVITIES

- USAID- *Tijara* continues to strengthen its partnership with the NGO Directorate to create an enabling environment for an inclusive microfinance sector in Iraq.
- The outstanding portfolio of micro-loans for the entire Iraqi microfinance industry as of the end of December was \$127,721,842 to 86,527 clients. During the quarter, microfinance loans facilitated the creation of 5,200 direct jobs and 2,600 indirect jobs. Microfinance loans disbursed by partner microfinance institutions have thus far facilitated the creation of 204,458 direct jobs and 102,229 indirect jobs.
- The 32% increase in the number of clients among MFIs supported by USAID- *Tijara* strongly indicates a rapidly flourishing and mature MFI industry in Iraq.

DELIVERABLES / MILESTONES / EVENTS / QUANTIFIABLE OUTPUT

- USAID- *Tijara* co-hosted the 6th annual conference of the microfinance industry with Bright Future Foundation in Erbil from October 3 to 4 which was attended by more than 180 participants. The main theme of the conference was “Transforming Inclusive Financial Services for Increasing Outreach”. The participants included the Deputy Director of the USAID-Iraq Mission, Governor of Erbil province, senior Iraqi government officials from the CBI and NGO Directorate, senior management and staff of the USAID/Iraq Mission; USAID- *Tijara* management and staff, international rating institutions; MFI board members, management and staff and several clients of microfinance institutions.
- During the quarter, three partner microfinance institutions, Al-Bashaer Amalkom and Izdiharouna received NGO re-registration certificate as per the requirements of the new NGO law. As of now, four partner MFIs have secured their re-registration certificates to become potential founder members to support application of registration of the Iraq Microfinance Network.
- Finalized two technical reports, one being on Product Innovation, Development and Roll-out by partner MFI Tallafar Economic Development Centre (TEDC) which includes lessons learned and suggestions for replicating TEDC’s pilot program of agro based lending. The other report is on Alternative Collaterals Mechanisms for microfinance institutions in Iraq with recommendations on various loan guarantee mechanisms available for collateralization of loans in Iraq.



USAID- *Tijara* Program COTR, Mr. Ali Hussainy hands over the certificate of re-registration from the NGO Directorate to Ms. Temather Homad, Chief Executive Officer of Al Bashaer MFI.

- Supported partner microfinance institution Izdaharona to disburse its first Islamic microfinance loan in Kirkuk. The MFI has promoted Al-Murabaha finance to reach out potential clients who have reservations to the regular financing systems on religious grounds.
- Supported Al-Bashaer, Al-Tadhamun, Tallafar Economic Development Centre (TEDC) and Al-Mosaned microfinance institutions to review and approve their five-year strategic business plan during their board meetings. USAID-*Tijara* assistance in strategic planning of its partner MFIs will enable them to diversify their funding sources and deepen their outreach to the poor and women.
- Partner microfinance institution Relief International signed a contract with KIVA International, a non-profit organization based in the US, in an effort to expand its portfolio and outreach to the poor families in Iraq. This support will enhance the funding base of the MFI along with publicizing positive stories and images of its clients in Iraq.
- Partner microfinance institution Al-Bashaer elected its new chairperson and director during a board meeting held on December 10 in Baghdad. The board approved its financial projections for the next five years and discussed the ways by which they could adopt alternative collaterals to serve the poorer segments of Iraqi society.
- Supported partner microfinance institution Al Takadum to hold their quarterly board meeting in Fallujah. The MFI resolved to strengthen their corporate governance and institutional performance through effective oversight and monitoring of their activities.
- USAID-*Tijara* partner microfinance institution Al-Aman reviewed and approved transfer of data from the LPF to a broad-based management information system (MIS) owing to the growth of the institution. The board members also approved an increase in the number of board members from three to five.
- Governing Board members of partner MFI, Al-Mosaned attended a meeting at the USAID-*Tijara* Program Regional Office in Erbil on November 09. The meeting was part of the USAID-*Tijara* Program emphasis on strengthening corporate governance among partner institutions. The Board resolved to adopt new accounting, credit, operations and human resource policies and to provide effective insight on their institutions' functions based on internationally agreed best practices.
- Partner microfinance institution Al-Mosaned launched an incentive-driven loan product with more flexible terms such as low interest rates and longer repayment period to attract participation of widows in Salah ad Din province. This new product will initially benefit 100 widows receiving loans averaging \$1,500 each for the first cycle.
- Discussed collaboration and next steps on the registration of the Iraqi Microfinance Network (IMFN) with the legal advisors of the NGO Directorate. It was resolved that the three partner MFIs that had already secured registration under the new law would



Al-Takadum microfinance institution governing board members discuss institution performance at the institution on December 10

become founding members of the network. USAID-*Tijara* also discussed prospects of signing a MOU between the NGO Directorate and the Central Bank of Iraq to ensure joint supervision of the microfinance industry.

- Supported partner microfinance institution Al-Tadhamun to undertake a market study for the expansion of client outreach to rural and underserved geographical areas in Ninawa province.
- Partner microfinance institution Al Tadhamun reviewed and approved its accounting policy manual during a board meeting held on November 17 in Erbil. The Board also finalized an action plan for development of the five-year strategic business plan that will guide the institution to implement its strategic goals based on clearly defined strategies, activities and financial projections.
- Partner microfinance institution Al Takadum elected new chairman and board members during a board meeting in Erbil. The board also discussed ways by which USAID-*Tijara* will further help to develop more demand-driven loan products, review existing credit operations, strengthen internal controls, improve the human resource management function as well as implement a management information system that supports inter-branch operations.
- Supported partner microfinance institution Tallafar Economic Development Center in expanding its outreach to vulnerable women in Ninawa province and passed an important milestone of 500 active women clients.
- Partner microfinance institutions Al-Thiqa and Al-Takadum signed a \$150,000 grant agreement each with the United Nations Development Program (UNDP) to support vulnerable families in Erbil Province.
- Partner microfinance institution Al Tadhamun reviewed its portfolio quality, financial controls and discussed ways to expand its outreach in Tilkaif and other market segments during a board meeting held on October 15 in Ninawa.



Al Tadhamun microfinance institution board members discuss portfolio quality and financial controls at the institution on October 15.

TRAINING

- Conducted a training workshop on internal audit and control from December 11 to 15 in Baghdad for 19 field staff from ten partner microfinance institutions. The training helped the participants to understand and exercise effective audit and internal control systems in the microfinance institutions.
- USAID-*Tijara* conducted training on Management Information System (MIS) for six loan officers from three partners microfinance institutions – Al-Takadum, Al-Tadhamun and Tallafar Economic Development Centre from November 27 to 29 in Baghdad. The training helped in addressing critical challenges in their MIS in order to mitigate operational risks and increase efficiency.

- Eight staff members from the partner microfinance institution Al Takadum in the Anbar province attended a one-day workshop on November 02. The workshop led by USAID-*Tijara* Program staff was based on the program internal audit toolkit developed for partner MFIs and equipped the participants with skills to institute a risk management framework that ensures existence of internal audit quality within the institution.
- Partner microfinance institution Al-Aman in Kirkuk conducted an in-house training course for 15 staff members on the amended credit policy recently approved by the governing board. The credit policy was amended to suit international best practices and has a special focus on loan products that meet the needs of the poor.
- Participated in the World Bank/IFC-funded workshop held in Beirut, Lebanon, from October 16 to 17. The workshop provided an opportunity to share the results of the recent IFC-World Bank joint sector assessment on MSME finance in Iraq and promote visibility to the Iraq microfinance industry, its outreach, sustainability and growth.
- Five staff members from two partner microfinance institution including Relief International and Al Takadum attended an international Consultative Group to Assist the Poor (CGAP) curriculum-based training hosted by the regional CGAP-MENA from October 16 to 20 in Amman, Jordan. The training equipped the participants with skills necessary to deliver loans based on principles consistent with the Islamic law.
- Facilitated a workshop for the Iraqi Microfinance Network working group to comply with the new reporting requirements and build consensus on consistent method of data collection and reporting on job creation. Thirty participants from 12 partner MFIs attended the workshop.



USAID-*Tijara*'s supported microfinance institutions attend an international CGAP training held on October 16 to 20 in Amman, Jordan.

New Microfinance Loans Disbursed Per Month, By Governorate, All Grantees (2011)

As of December 31, 2011

#	GOVERNORATE		1st Qtr	2nd Qtr	3rd Qtr	3rd Qtr	4th Qtr	YTD '11	Monthly Average			
			1st Qtr 2011	1st Qtr Monthly Avg	2nd Qtr 2011	2nd Qtr Monthly Avg	3rd Qtr 2011			3rd Qtr Monthly Avg	4th Qtr 2011	4th Qtr Monthly Avg
1.	Anbar	\$ value	\$3,930,150	\$1,310,050	\$4,092,815	\$1,364,272	\$4,322,825	\$1,440,942	\$4,414,175	\$1,471,392	\$16,759,965	\$1,396,664
		# loans	2,021	674	2,070	690	2,037	679	1,827	609	7,955	663
2.	Babil	\$ value	\$4,038,410	\$1,346,137	\$4,653,675	\$1,551,225	\$4,471,208	\$1,490,403	\$4,429,808	\$1,476,603	\$17,593,101	\$1,466,092
		# loans	1,907	636	2,213	738	2,135	712	2,023	674	8,278	690
3.	Baghdad	\$ value	\$7,027,015	\$2,342,338	\$8,620,190	\$2,873,397	\$8,648,240	\$2,882,747	\$8,602,535	\$2,867,512	\$32,897,980	\$2,741,498
		# loans	2,481	827	3,004	1,001	2,969	990	2,883	961	11,337	945
4.	Basra	\$ value	\$3,987,750	\$1,329,250	\$4,269,600	\$1,423,200	\$4,246,490	\$1,415,497	\$3,888,320	\$1,296,107	\$16,392,160	\$1,366,013
		# loans	1,177	392	1,213	404	1,176	392	1,043	348	4,609	384
5.	Dhi-Qar	\$ value	\$1,496,000	\$498,667	\$1,734,900	\$578,300	\$1,675,900	\$558,633	\$1,698,540	\$566,180	\$6,605,340	\$550,445
		# loans	409	136	452	151	488	163	498	166	1,847	154
6.	Diyala	\$ value	\$2,357,300	\$785,767	\$2,958,300	\$986,100	\$2,918,600	\$972,867	\$2,901,400	\$967,133	\$11,135,600	\$927,967
		# loans	825	275	1,048	349	1,003	334	934	311	3,810	318
7.	Dohuk	\$ value	\$1,725,250	\$575,083	\$2,093,400	\$697,800	\$1,935,202	\$645,067	\$1,859,000	\$619,667	\$7,612,852	\$634,404
		# loans	612	204	660	220	598	199	568	189	2,438	203
8.	Erbil	\$ value	\$2,430,674	\$810,225	\$3,258,321	\$1,086,107	\$2,969,545	\$989,848	\$3,124,259	\$1,041,420	\$11,782,799	\$981,900
		# loans	821	274	1,047	349	964	321	966	322	3,798	317
9.	Karbala	\$ value	\$3,437,635	\$1,145,878	\$3,960,463	\$1,320,154	\$3,806,720	\$1,268,907	\$3,588,120	\$1,196,040	\$14,792,938	\$1,232,745
		# loans	1,753	584	2,001	667	1,853	618	1,645	548	7,252	604
10.	Kirkuk	\$ value	\$3,332,741	\$1,110,914	\$3,950,794	\$1,316,931	\$4,147,979	\$1,382,660	\$4,654,774	\$1,551,591	\$16,086,288	\$1,340,524
		# loans	1,564	521	1,714	571	1,763	588	1,861	620	6,902	575
11.	Missan	\$ value	\$457,500	\$152,500	\$524,400	\$174,800	\$436,400	\$145,467	\$367,200	\$122,400	\$1,785,500	\$148,792
		# loans	324	108	393	131	296	99	239	80	1,252	104
12.	Muthana	\$ value	\$1,304,100	\$434,700	\$1,532,500	\$510,833	\$1,423,000	\$474,333	\$1,203,800	\$401,267	\$5,463,400	\$455,283
		# loans	423	141	510	170	462	154	384	128	1,779	148
13.	Najaf	\$ value	\$3,459,375	\$1,153,125	\$4,042,340	\$1,347,447	\$3,484,125	\$1,161,375	\$3,456,030	\$1,152,010	\$14,441,870	\$1,203,489
		# loans	1,710	570	1,775	592	1,561	520	1,476	492	6,522	544
14.	Ninewah	\$ value	\$3,786,150	\$1,262,050	\$3,992,925	\$1,330,975	\$3,962,650	\$1,320,883	\$3,918,300	\$1,306,100	\$15,660,025	\$1,305,002
		# loans	1,621	540	1,734	578	1,748	583	1,633	544	6,736	561
15.	Qadisiya	\$ value	\$2,072,000	\$690,667	\$2,091,490	\$697,163	\$2,022,360	\$674,120	\$1,708,350	\$569,450	\$7,894,200	\$657,850
		# loans	731	244	892	297	728	243	655	218	3,006	251
16.	Salah Ad Din	\$ value	\$1,280,100	\$426,700	\$1,118,500	\$372,833	\$1,210,200	\$403,400	\$1,376,000	\$458,667	\$4,984,800	\$415,400
		# loans	661	220	635	212	598	199	627	209	2,521	210
17.	Suleimaniya	\$ value	\$5,349,000	\$1,783,000	\$7,189,000	\$2,396,333	\$6,621,589	\$2,207,196	\$5,807,726	\$1,935,909	\$24,967,315	\$2,080,610
		# loans	2,144	715	2,549	850	2,353	784	2,110	703	9,156	763
18.	Wasit	\$ value	\$2,071,100	\$690,367	\$2,601,600	\$867,200	\$2,379,700	\$793,233	\$2,259,800	\$753,267	\$9,312,200	\$776,017
		# loans	1,217	406	1,457	486	1,395	465	1,305	435	5,374	448
GRAND TOTAL		\$ value	\$53,542,250	\$17,847,417	\$62,685,213	\$20,895,071	\$60,682,733	\$20,227,578	\$59,258,137	\$19,752,712	\$236,168,333	\$19,680,694
		# loans	22,401	7,467	25,367	8,456	24,127	8,042	22,677	7,559	94,572	7,881

D. SME DEVELOPMENT & BANK LENDING

ONGOING TASK AREAS / ACTIVITIES

The component continued to provide:

- SME Banking: Training and technical assistance to partner banks to increase the quality and variety of their lending and service delivery to SMEs nationwide throughout their branch network, while increasing profits and lowering risks.
- Support to ICBG: Training and technical assistance to improve ICBG operational and risk management controls, and profitability, in offering loan guarantees to banks to cover up to 75% of risk on loans to SMEs.
- Support to ICF-SME: Technical assistance to ICF-SME to maintain its unique loan capital management and loan monitoring function and to raise its loan capital resources to fund new SME loan programs throughout Iraq.

DELIVERABLES / MILESTONES / EVENTS / QUANTIFIABLE OUTPUT

SME Banking Highlights	Dec 2011 Only***		Dec 2011, Outstanding		Dec 2011, Cumulative	
Disbursed Volumes	Loans	Loan Value	Loans	Outst. Balances	Loans	Loan Value
ICBG Guaranteed Loans *	102	\$1,044,303	2013	\$14,584,018	3943	\$50,972,975
Loans Funded by ICF-SME*	34	\$614,159	756	\$8,162,507	1255	\$23,315,757
SME-LU - other*	50	\$1,017,900	1665	\$29,302,973	2040	\$52,426,926
Overlapping programs*	-1	-\$26,495	-89	-\$1,103,502	-196	-\$3,728,454
SME Lending Overall**	185	\$2,649,947	4335	\$50,945,995	7042	\$122,987,204

*Source: SME-LU data as reported by banks (reports done in banks manually - the data is not fully accurate)

**Includes ICF, ICBG and other SME Loans

***Calculated as a plug against the previous month report

Cumulative volumes are here calculated beginning February 2008 (start up of Tijara activities)

Exchange rate: ID 1,170 / \$

ICBG is using different terms of recognition of guaranteed loans, therefore their internal data are different.

Compiled by SME Banking team from reports produced by banks manually.

Iraqi Company for Financing SMEs (ICF-SME)

- USAID-Tijara facilitated visit of the CBI Investigation team which was conducted to examine the financial and operational procedures of the Iraqi Company for Financing Small and Medium Enterprises (ICF-SME). The team expressed their satisfaction at the end of their four-day visit.

Iraqi Company for Bank Guarantees (ICBG)

- Visited four Turkish and Lebanese banks in Erbil (IBL Bank, Turkyie Bankasi, Ziraat Bank and Byblos Bank) out of which three of them showed interest to participate in USAID-Tijara program's training initiatives, technical assistance and ICBG guarantees.
- Assisted the Iraqi Company for Bank Guarantees (ICBG) to conduct two board meetings this quarter, focusing on portfolio quality management, business planning, capital formation and resource mobilization for the year 2012.
- Supported the ICBG in drafting its business plan and reviewing its marketing plan for the year 2012. The marketing plan outlines economically viable marketing strategies that will offer the Company to increase its access to finance for SME development in Iraq.
- Supported the ICBG to prepare a manual on pay out of loan guarantee defaults for the use of participant banks.

SME Lending Unit Development

- USAID-*Tijara* drafted SME Incubation Inception Report that assesses the SME incubation readiness and systems at Iraqi Middle East Investment Bank and North Bank. The report sets forth the desired institutional changes and deliverables aimed at increasing lending to small and medium businesses.
- Supported SME lending processes at National Bank, Baghdad Bank North Bank in Erbil and Iraqi Middle East Investment Bank in Baghdad to improve their structures, systems and to enable them to increase the number of loans to small- and medium-sized businesses.
- Completed data export from Iraqi Middle East Investment Bank to consolidate and generate reports for progress monitoring and trend analysis of loans.
- Branch Manager Orientation and Q&A session held for the personnel of Iraqi Middle East Investment Bank (IMEIB) in its head quarters in Baghdad. The meeting resulted in gaining buy-in and increasing understanding of the SME Incubation program. The IMEIB Head of Credit agreed to address the hiring of additional Credit Officers in the branches in order to boost generation of new SME loans and handle current loan portfolios effectively.
- Developed portfolio monitoring and risk management tools, loan instruction guidelines and reporting templates to implement a SME incubation program at the Iraqi Middle East Investment Bank in Baghdad to enable them to increase the number of loans to small- and medium-sized businesses.

SME BANKING CAPACITY BUILDING

- USAID-*Tijara* organized a graduation ceremony for 31 SME bank officials (20 men, 11 women) who successfully completed a series of training workshops held during 2011. Six participants were awarded “Cum Laude” as a result of their outstanding performance. These graduates will play a key role to enhance the delivery of SME financing to viable enterprises throughout Iraq.
- Conducted training on core banking system for 11 loan officers (three women, eight men) of North Bank in Erbil from December 21 to 22. The training was conducted as part of the automation of the reporting system in the SME loan incubation program.
- Provided training on credit risk management to 16 bankers (nine men, seven women) from nine partner private banks from November 27 to 30. The training focused on strengthening the operational and risk management skills of bank officials.
- Conducted training on Marketing and Product Development for 17 bankers (15 men, two women) from the branches of North Bank and Iraqi Middle East Investment Bank



Bank officials proudly celebrating at a SME graduation ceremony hosted by USAID-*Tijara* on December 10 in Baghdad.

in Baghdad, Erbil, Sulaymaniyah and Dahuk provinces from November 20 to 24. The training focused on strengthening practical skills for developing new loan products and improved marketing practices.

- Conducted training on “Task of Loan Officer” for IMEI Bank in Baghdad for eleven bank’s loan officers and middle management. The training was organized to support “Incubation Program” in IMEIB.
- Prepared training material to be used to equip bank officials of Gulf Commercial Bank, Iraqi Middle East Investment Bank and North Bank in improved risk management, financial analysis and marketing and product development skills.
- Conducted a training SME Credit Review for nine SME bankers (four women, five men) from Baghdad Bank, North Bank, United Bank, Al-Huda Bank and Gulf Bank from October 2 to 5.
- Conducted three trainings on Financial Analysis for 38 SME bankers (26 men, 12 women) from 16 private banks from October 9 to 26. The training focused on strengthening practical skills for financial analysis and loan management using real life case studies from Iraq.



USAID-*Tijara*'s Samih Jaradat facilitates a training session on Marketing and Product Development for North Bank and Iraqi Middle East Investment Bank on November 20-24 in Erbil.

E. BUSINESS AND INVESTMENT ENABLING ENVIRONMENT

ONGOING TASK AREAS / ACTIVITIES

- Researching and consolidating sectoral reports as part of the assessment of the Iraqi Economy.
- Conducting discussions with senior officials of the Ministry of Trade and the PMAC for legal and regulatory reforms.
- Assisting select SOEs to develop revised business plans and seek commercialization opportunities.

DELIVERABLES / MILESTONES / EVENTS/ QUANTIFIABLE OUTPUT

- The Council of Representatives approved the proposed amendments in the law of the Ministry of Industry and Minerals. The COR acquiesced on the removal of clauses, as proposed by USAID-*Tijara*, that called for explicit subordination of the private sector industry to the Ministry. USAID-*Tijara* endeavors to improve the business and investment environment by advancing regulatory, legal and administrative reforms in Iraq.
- USAID-*Tijara* finalized a white paper on “import and export licensing” as part of project’s efforts to address constraints to business and improve Iraq’s ranking on the World Bank “Ease of Doing Business” report.
- Held discussions with member of the State Shura Council and policy advisor of Ministry of Trade to review the pending company law, commercialization legislation, import and export licensing law and other issues to ease the business and investment environment.
- Drafted the English version of the Company Registration Guide as part of its assistance to the Company Registration Office at the Ministry of Trade. This guide outlines complete procedures of registering company in Iraq.
- Submitted the final Investor Guides for Baghdad and Kirkuk provinces (Arabic and English versions) to the Investment Commission of Baghdad and Kirkuk for approval. These guides provide the domestic and international investor community with a comprehensive guide on doing business in the provinces.
- Assisted the Baghdad Investment Commission to update and improve their website in order to provide investors with comprehensive information on the business environment in the province.
- Developed business plans and company profiles for the General Systems Company, SIDCCO, Ibn Sina and State Company for Electrical Industries, state-owned enterprises (SOEs) of Ministry of Industry & Minerals (MIM), following review of the company’s existing business plans. An initial analysis of the potential strategic partners for GSC was also completed. These documents will be finalized with the Ministry of Industry and Minerals and used in commercialization activities of the state-owned enterprises.
- Conducted an in-depth review of some of the preliminary findings of the Economic Assessment with key representatives of USAID/Iraq and discussed ongoing status of the assessment with the legal advisor of the Prime Minister’s Advisory Council. So far, seven sectoral reports of the economic assessment package have been

completed including Agriculture, Tourism, Housing and light construction; Water resources, Electricity, Oil and Gas; and Freight and logistics (Transportation). Also, consolidated four sectoral reports for translation in Arabic. The translated reports will be shared with the Prime Minister Advisory Council for review and discussion.

TRAINING

- USAID-*Tijara* organized a seminar for 15 officials from Ministry of Industry and Minerals and Provincial Investment Commission (PIC) members on USAID-*Tijara*'s "Investor and Entrepreneur Roadmap" and the World Bank's "Ease of Doing Business" in Iraq analysis and findings during a workshop held in Erbil from October 9 to 13.
- Attended the first Iraq International Conference held in Erbil and participated in discussions on issues pertaining to the merits and demerits of investing in Iraq.

F. IRAQI YOUTH INITIATIVE

ONGOING TASK AREAS / ACTIVITIES

- Microfinance institutions throughout Iraq are disbursing loan capital to prospective young entrepreneurs who have been trained on how to start and run businesses, under the Youth Entrepreneurship Access to Finance (YEOF) activity.
- Local businesses across Iraq are pledging and offering apprenticeship positions to youth who have been equipped with employability skills, under the Youth Employment Promotion (YEP) activity.
- Small Business Development Centers are offering employment and entrepreneurship training to youth across Iraq.
- Small Business Development Centers and microfinance institutions throughout Iraq are conducting Business Review Panels to allocate loan capital to prospective young entrepreneurs.



Roqaya Sabah, 26, from Basrah province, successfully running a general store and employed two people after receiving entrepreneurship training and a \$3,000 loan through the Iraqi Youth Initiative

DELIVERABLES / MILESTONES / EVENTS/ QUANTIFIABLE OUTPUT

- Under the YEOF activity, 451 youth entrepreneurs (406 men, 45 women) in ten provinces received loans valued at \$1,634,500 to start new businesses, thus creating 1,010 jobs (885 for men, 125 for women) in agriculture, manufacturing, services and trade sectors.
- Under the YEP activity, 275 youth (161 men, 114 women) got apprentice positions among local businesses in ten provinces, while 153 (104 men, 49 women) were able to sustain their jobs.
- A total of 726 youth (627 men, 99 women) in twelve provinces received training on "How to Start a Business," under the YEOF activity.
- A total of 361 youth (209 men, 152 women) were equipped with employability skills under the YEP activity in seven provinces.
- During the quarter, the number of employers who have pledged apprenticeship positions rose from 515 to 680, while the positions increased from 1,929 to 2,392.

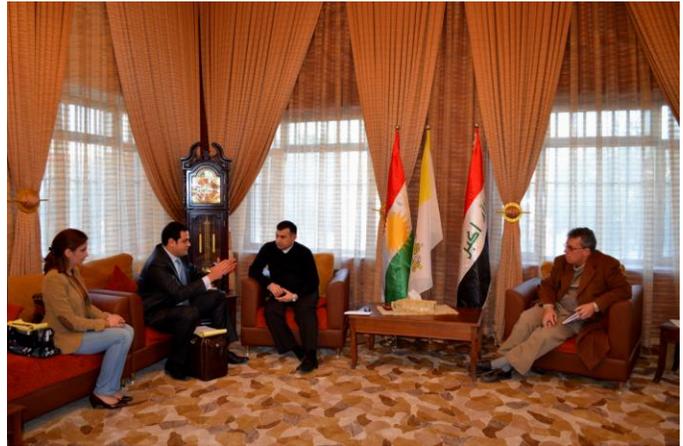


Yahia Risan, 31, from Basrah province, opened a steel workshop and employed three people after receiving entrepreneurship training and a \$2,500 loan

G. IRAQI VULNERABLE GROUP SUPPORT

DELIVERABLES / MILESTONES / EVENTS/ QUANTIFIABLE OUTPUT

- Reviewed the draft memorandum of understanding to be signed between USAID-*Tijara* and the International Organization for Migration. Under this MOU, approximately 8000 internally displaced persons currently served by the IOM Programme for Human Security and Stabilization would be reviewed as potential beneficiaries under the USAID-*Tijara* program. The Iraqi Vulnerable Group Support will improve the well being of 2,600 vulnerable minority groups by creating a safety net for those who have been displaced, and will affect their livelihoods opportunities for reintegration in receptor communities.
- USAID-*Tijara* met with the Bishops at the Chaldean Church in Erbil and Siryan Church and Council of Christian Church in Baghdad, as part of the scoping process to identify vulnerable minority groups to benefit from the Iraqi Vulnerable Group Support.
- Delivered a presentation to the Christian Youth Club, a society within the Chaldean Cathedral in Ainkawa, that assured to provide promotion and referral assistance for furthering the initiative.
- Held discussions with the senior officials from the Ministry of Labor and Social Affairs (MoLSA) and the European Technical Training Center, a German funded vocational center in Erbil, to seek their support in vocational skills training to prospective vulnerable minority groups in Iraq.
- The advisory board of the Iraqi Company for Financing Small and Medium Enterprises (ICF-SME) discussed the utilization of \$9,000,000 grant allocations, engagement of banks and reporting requirements in Iraqi Vulnerable Groups Support, among other key issues during its shareholders meeting held in Baghdad.
- Drafted Operating Agreement for engagement with banks to provide loans to the internally displaced persons and other vulnerable minority groups in Iraq.
- A \$500,000 grant agreement was signed with partner microfinance institution Al-Thiqa for the Iraqi Vulnerable Group Support in Ninawa province.
- Drafted terms of reference (TOR) for the field staff and a request for quotation for engaging NGOs with expertise in vocational skill enhancement among vulnerable minority groups.



The Archbishop of the Chaldean Diocese of Erbil discuss the needs of vulnerable minority groups during a meeting with USAID-*Tijara*'s representatives in Erbil