



## IRAQ NATIONAL MICROFINANCE SUMMIT Erbil, November 13-16, 2006

### Session 6

#### Concurrent Sessions: “Regional Initiatives”

Facilitated discussions leading to outline of issues and suggestions.

#### Group A: North

Participants in the working group represented the MFIs operating in the North and donor organizations interested in further development of Microfinance services in Northern Iraq.

At the moment, the north of Iraq, as a whole, is more stable socially and economically than other territories of the country. Two microfinance institutions, USAID grantees, are operating in the northern and central northern provinces of Tameem, Ninewah, Erbil, Sulamaniah and Diala; one began in 2003 and the other in 2006.

At the moment, 3,600 small and medium business enterprises in five provinces use \$4.7 million borrowed from the two institutions. The MFIs offer rather few credit products targeted at poorer categories of population, mostly urban: short-term loans with an average size of \$1,300 to cover shortages of operating funds. Potentially, there is a big demand for bigger loans, as well as both the need and opportunity for the MFIs to expand lending geographically, which may be done by setting up new offices or operating from the existing ones.

There are also potential donors interested in establishing microfinance activity in other areas of northern Iraq, including post-conflict areas. Both microfinance practitioners and donors are interested in dialogue to explore their objectives and expectations and make the cooperation more effective.

The working group discussed the following issues:

- Background review: the existing economic situation and financial services in the North of Iraq.
- Market development trends, potential clientele, and products in demand.
- Geographical expansion: reasons, risks, benefits, conditions.
- Donors’ objectives and expectations.
- Microfinance practitioners’ objectives and expectations.
- Existing microfinance providers: competition and cooperation.
- Regional microfinance services strategy.

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