



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 B: South

Participants in the working group represented the MFIs operating in the southern governorates and donor organizations interested in further development of microfinance services in the region.

More than 25% of the credit portfolio of USAID Grantees is concentrated in the southern provinces: Basra, Muthana, Thi-Qar, and Missan. From 2003 to the most recent time, there was only one microfinance provider in the region. A few months ago, another private volunteer organization started operations in Missan. The total value of the loan portfolio in the governorates has reached about 4,000 loans totaling about \$5,000,000.

1. Southern Iraq is one of major governorates that has been facing:
 - Poverty
 - Unemployment
 - Economic failure
 - Shattered infrastructure
 - Illiteracy
2. How microfinance can help economic growth in southern Iraq:
 - Support entrepreneurs in strengthening their businesses and stabilizing their incomes.
 - Provide long term access to credit.
 - Contribute to economic growth in southern Iraq.
 - Create job opportunities.
 - Encourage and promote women-owned businesses.
3. Challenges in achieving microfinance goals:
 - Security situation in Iraq
 - Understanding of microfinance program and interest strategy according to Islamic religious beliefs
 - Bank systems are untrustworthy which could ease and facilitate the microfinance program.
 - Communications and transportation are banned in some places due to the security situation.

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