



Co-funded by the European Union



Financial Inclusion for Economic Restart and Integration in Iraq

The Opportunity

The banking system in Iraq is highly concentrated and dominated by seven state-owned banks accounting for about 80 percent of the banking system assets.

Despite that, only 23 percent of the adult population have an account at a formal financial institution, according to the 2017 Findex survey. Additionally, micro, small, and medium-sized enterprises (MSMEs) lack access to financial services such as bank lending (less than 5 percent).

Thus, Iraq has a significant opportunity to foster economic growth and social development by promoting financial inclusion. It allows individuals and businesses to access useful and affordable financial products and services that meet their needs and are delivered responsibly and sustainably.

Project name	Financial Inclusion (FI) for Economic Restart and Integration in Iraq
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ) and co-funded by the European Union (EU)
Implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Volume	18 Mio. EUR (EU Funds 11 Mio. EUR, BMZ funds, 7 Mio EUR)
Duration	December 2021 to December 2024
Project Regions	Iraq
National Partners	Ministry of Planning (MoP); Central Bank of Iraq (CBI)

Implemented by



What is FI project?

The Financial Inclusion (FI) project aims to sustainably improve access to inclusive financial services. The project achieves this through a comprehensive approach that focuses on both demand and supply of financial services and improves framework conditions by strengthening the Central Bank of Iraq's (CBI) capacities to promote and regulate inclusive financial services. The project is jointly co-financed by the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ).

#TEAMEUROPE

The project is part of the Team Europe Initiative (TEI) "Sustainable and inclusive socio-economic perspectives for Iraq" (2021-2026). Team Europe Initiatives are joint efforts facilitated by the EU in coordination with the EU Member States' Capitals, Embassies, field offices and their implementing and financing institutions. The Member State Partner for the FI Project is the Federal Republic of Germany.

Partners

The project will work with:

- Ministry of Planning of Iraq (MoP) and other relevant governmental entities.
- Central Bank of Iraq (CBI),
- State-owned and private banks,
- Iraqi Private Bank League (IPBL),
- Digital mobile payment service providers,
- Microfinance institutions,
- Fintech's,
- Micro, small and medium sized enterprises (MSMEs).

Beneficiaries

Vulnerable Iraqi population groups such as women, youth, people affected by poverty, internally displaced persons (IDPs), returnees, refugees and micro, small and medium enterprises (MSMEs).

Project focus

1. Developing inclusive financial services

Supporting the development and/or adaptation of inclusive financial services with innovations in product design (added value, ease of access, enhancing

trust), marketing approaches. In addition to advising and training financial / payment providers on pro-poor, inclusive product development and marketing for developing new or adapting existing financial services.

2. Awareness-raising on inclusive financial services

Supporting the development and implementation of training programmes tailored to the needs of target groups on financial literacy, inclusive financial services, and financing renewable energies.

3. Enhancing framework conditions

Analysing the impact of existing regulatory frameworks and identifying gaps, in addition to strengthening the organisational capacity of the CBI and other regulatory actors. Also, the project supports the government of Iraq's efforts to develop a comprehensive national strategy for financial inclusion.

4. Access to financial services for women-led businesses

Improving the institutional conditions for women-led businesses to gain access to financial services by advising CBI on regulation changes and developing joint initiatives; in addition, developing and rolling-out awareness-raising activities for women-led businesses about the access and usage of the new/adapted financial services

Expected results

- Financial services offered on the market are adapted to the beneficiaries' needs.
- Awareness-raising and information offers on inclusive financial services and the financing of renewable energies for the target group are tailored to their needs.
- Capacities of the Central Bank of Iraq (CBI) to promote and regulate inclusive financial services have been strengthened.
- The institutional prerequisites on financial service access by women-led businesses have improved.

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Women's Financial Inclusion Toolkit

The project is co-funded by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ).

GIZ is responsible for the content of this publication

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