



# IRAQ MICROFINANCE POLICY FORUM

*in collaboration with USAID-Tijara and CGAP*

11-12 April, 2012  
Erbil International Hotel  
Erbil, Iraq

## Strategic Objectives:

1. Promote synergy between the Government's poverty alleviation and job creation efforts and the existing microfinance industry.
2. Enhance service delivery by microfinance institutions to MSME's.
3. Enhance access to financial services in Iraq to the population who currently have little or no access to microfinance, with focus on youth and women.

## Deliverables:

4. Reaching a consensus on the immediate enabling microfinance regulatory environment required for financial inclusion.
5. Agreement of key stakeholders on key issues to be included in the Iraq Microfinance Policy:
  - Role of the Government in microfinance
  - Interest rate caps
  - Foreign investments
  - NGOs as shareholders in MSMEs companies
  - Financial Services - not only credit
  - Range of service providers (NGOs, companies, banks, postal networks, mobile companies)

## Day 1: 11 April 2012

8:30 – 09:00 Registration and Welcome Coffee

### 09:00 – 09:45 **Welcoming and Introductory Remarks**

*Speakers:*

- Peter Batchelor, Country Director, UNDP Iraq
- Ali Al-Hussainy, USAID/Iraq and COTR, USAID- Tijara Provincial Economic Growth Program
- Arkan Rashid Ma'rouf, Deputy to Prime Minister's Economic Advisor
- Aziz Ibrahim Khalil, Ministry of Labor and Social Affairs

09:45 – 10:15 Coffee Break - Press conference

### 10:15 – 10:45 **Setting scene for the Microfinance Policy Forum**

*Speakers:*

- Simona Marinescu, Programme Director – Private Sector Development for Iraq, UNDP Iraq

### 10:45 – 11:45 **Session 1: Microfinance Globally – An Overview**

Institutional financial intermediation is essential for economic development. This session provides an overview on how other regions, namely Europe and Asia, are supporting an enabling environment for microfinance institutions in order to enable a range of providers to develop and flourish. Finally, this session will illustrate some key challenges in defining the role for the government in fostering a market-based interconnected ecosystem for microfinance institutions.

*Speakers/Panelists:*

- **Islamic microfinance**  
Alberto G. Brugnoni, Managing Director, Assaif (Italy)
- **European regulatory perspective**  
Grzegorz Galusek, Executive Director, Microfinance Centre (Poland)

*Facilitator:*

- Muhammed Junaid, Team Leader, Sustainable Microfinance, USAID-Tijara

11:45 – 12:30 Q&A

12:30 – 13:30 Lunch

### 13:30 – 15:00 **Session 2: Macro-level Challenges and Priorities in the Arab Region**

Microfinance industry in the Arab region as a whole is one of high growth, high portfolio quality and above average returns – and it is in the expansion phase. The sector is characterized by a good understanding of industry good practices, norms, and procedures. A significant number of MFIs in the region are fully sustainable financially and are servicing the majority of the market. Initial signs of product diversification are being seen as a result of increasingly competitive markets. A number of commercial banks have successfully entered the market, and transformation of MFIs is contributing to the growth and expansion of the sector. Debate on the need for special microfinance laws and/or regulatory frameworks conducive to the development of the microfinance sector have and are continue to take place. Despite different approaches and needs, regulators in the Arab world are confronting a wide array of similar policy challenges. A regional network dedicated to advocacy and capacity building for good practice microfinance is facilitating learning.

*Speakers/Panelists:*

- Moustafa Khalifeh, Director of Finance and Administration, CHF International ACSI Iraq (Lebanon)
- Al-Zakaki, Economic Growth Policy Technical Officer, Responsive Governance Project (Yemen)
- Julia-Assaad, General Manager, Grameen-Jameel Microfinance Ltd. (UAE)

*Facilitator:*

- Alaa Abbassi, CGAP

15:00 – 15:15 Coffee Break

15:15 – 16:30 Q&A

16:30 – 17:00 **Conclusions of Day 1**

- Simona Marinescu, Programme Director – Private Sector Development for Iraq, UNDP Iraq

20:00 Networking Dinner

<b>Day 2: 12 April 2012</b>
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08:30 – 09:00 Welcome Coffee

09:00 – 09:30 **Session 2: Macro-level Challenges and Priorities in the Arab Region (continued)**

- **Microfinance Policy in Asia – Emerging Trends of Islamic Microfinance**  
Muhammad Zubair Mughal, Chief Executive Officer, AlHuda Centre of Islamic Banking and Economics (Pakistan)

09:30 – 10:00 Q&A

10:00 – 10:40 **Session 3: Macro-level Challenges and Priorities in Iraq**

This session will build on the global and regional experiences presented during day one, focusing on national level issues confronting the Iraqi microfinance sector and steps taken by the Government to promote financial inclusion and expand access to microfinance across its various agencies. The first presentation will provide overview of the state of the microfinance industry in Iraq, trends in its growth since inception and remaining challenges and opportunities associated with its continued growth. The second presenter will make the link between the microfinance sector and broader national level private sector development goals. And the final presentation will attempt to define the appropriate macro-level framework required for creating an enabling environment supportive of the microfinance industry. The session will also make recommendations both to donors and to government agencies working on microfinance for their necessary support in expanding financial inclusion in the sector.

*Speakers/Panelists:*

- **Overview of the Iraq microfinance sector**  
Muhammed Junaid, Team Leader, Sustainable Microfinance, USAID-Tijara
- **The Status of Private Sector Development 2006-10: The Importance of Microfinance in Iraq**  
Kamal Field Al Basri, Iraq Institute for Economic Reform
- **Challenges and opportunities of the microfinance industry from an NGO-MFI perspective**  
Hussein Ibrahim, Chairman of the Iraq Microfinance Network
- Aziz Ibrahim Khalil, Ministry of Labor and Social Affairs
- Arkan Rashid Ma'rouf, Deputy to Prime Minister's Economic Advisor

*Facilitator:*

- Deena Burjorjee, UNDP

10:40 – 11:00 Coffee Break

11:00 – 12:30 Q&A

12:30 – 13:30 Lunch

13:30 – 15:00 **Session 4: Inclusive Finance Agenda – The State of the Iraqi Microfinance Sector**

This session will introduce the key elements of an inclusive finance agenda, and the rationale for supporting such an approach in Iraq. It will review basic stages of sector development, and attempt to identify where Iraq is vis-à-vis other global industries. An open discussion around issues raised will help set priorities for the next session.

*Presenter/Facilitator:*

- Deena Burjorjee, UNDP

15:00 – 15:15 Coffee Break

15:15 – 16:30 **Session 4: Feedback from the Forum - Building an Industry Consensus**

In this session the moderator will summarize key best practices presented and feedback provided over the two-day session that will form the basis for future policy recommendations and a joint resolution by the participants.

*Presenter/Facilitator:*

- Deena Burjorjee, UNDP

16:30 – 17:00 **Closing Remarks**

*Speakers:*

- Arkan Rashid Ma'rouf, Deputy to Prime Minister's Economic Advisor
- Aziz Ibrahim Khalil, Ministry of Labor and Social Affairs
- Ali Al-Hussainy, USAID/Iraq and COTR, USAID-Tijara Provincial Economic Growth Program
- Peter Batchelor, Country Director, UNDP Iraq