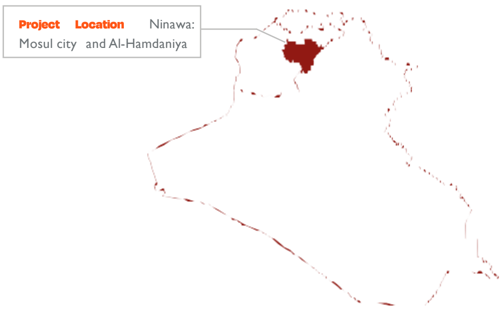
World Vision

Safe Returns Project

Ninawa, Iraq

Safe Return in Ninawa, Iraq is a 5-year project financially supported by the Australian Department of Foreign Affairs and Trade (DFAT) through the Australian NGO Cooperation Program (ANCP) funding scheme, imple- mneted by World Vision Iraq. It aimed to create market systems that are resilient, sustainable, and inclusive.The project focused on strengthening household institutions for enhanced economic participation; strengthening market systems for inclusive economic development; supporting conflict prevention and greater social cohesion; building capacity in natural resource management and climate resilience; conducting local level advocacy on mental health, gender, and disability inclusion, and ensuring the long-term sustainability of actions.

Project Outcomes



Outcome 1:
Strengthened household institution for enhanced economic participation.

Outcome 2:
Strengthened market systems for inclusive economic development.

Outcome 3:
Improved resilience to climate change and social cohesion for sustainable livelihood.

Outcome 4:
Strengthen evidenced-based analysis, consensus building for informed decision making and advocacy.

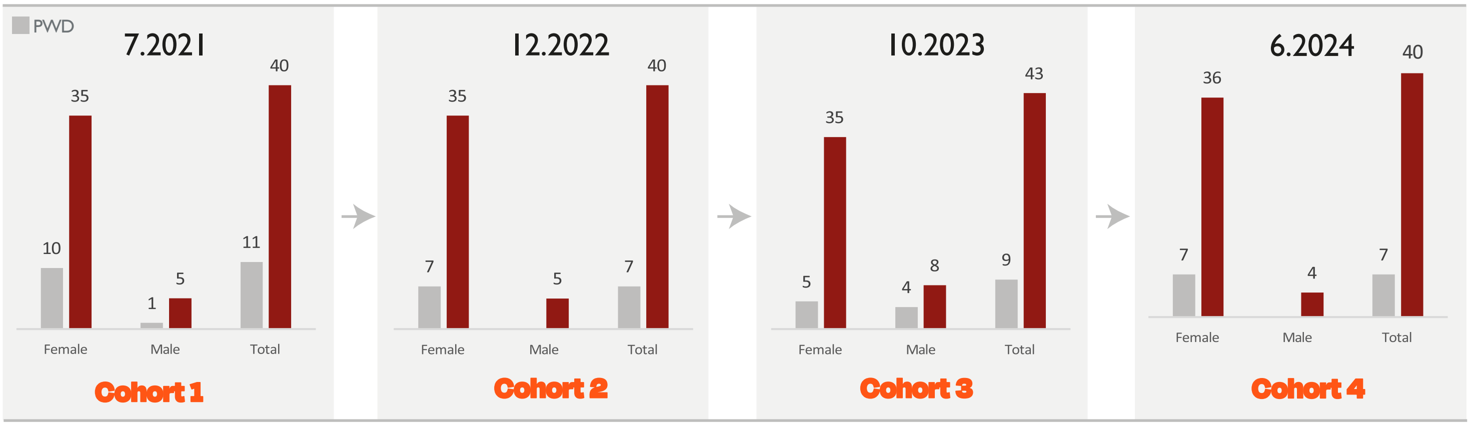
Project Impact
Building Integrated, Inclusive and Resilient Market Systems in Fragile & Conflict Context

Micro, Small, and Medium Enterprises

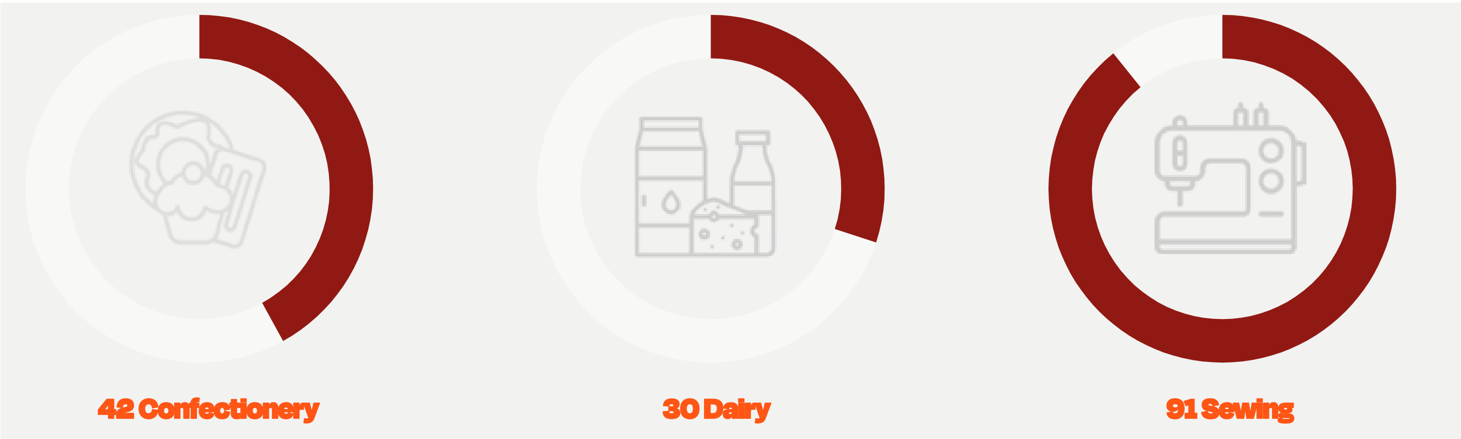
To contribute the project outcome, the Project supported 163 MSMEs in Ninawa. It's intended that these MSMEs will actively participate in the economic recovery process. As such, the project provided MSMEs through asset provi- sion or grant amount with soft skills development to grow their business, increase income, and boost business man- agement. The targeted MSMEs consisted of four cohort, one cohort per year, during four years.

Main Achievements

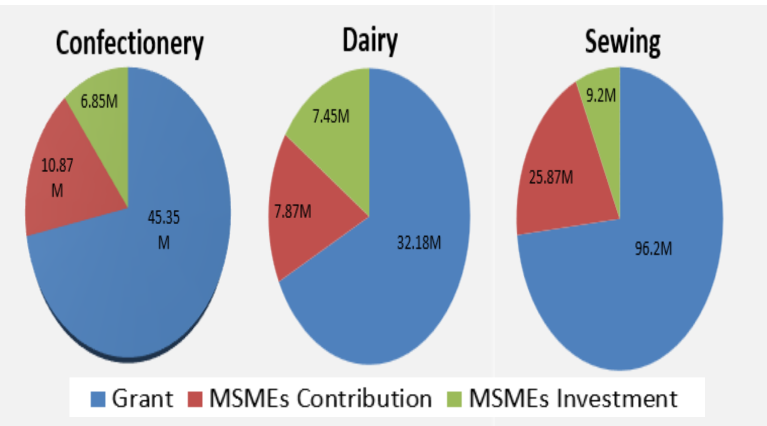
Number of supported per cohort, disaggregated by gender and people with disability (PWD)



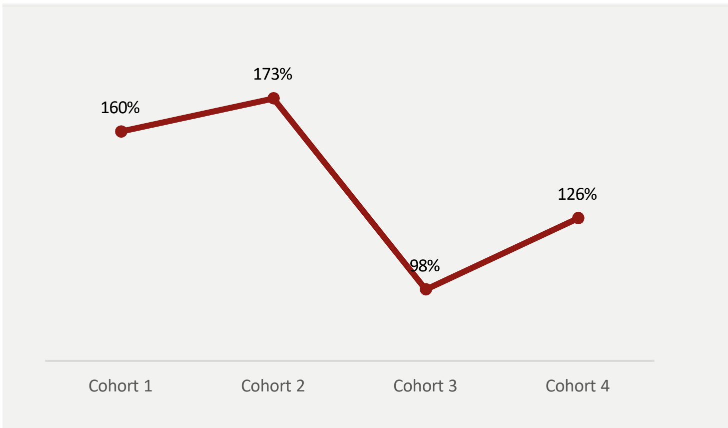
Number of supported MSME value chain type



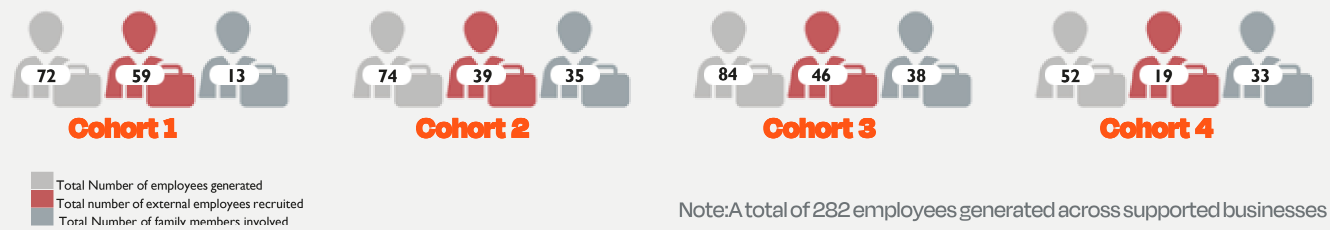
Total of investment (awarded grant by project + contribution) per cohort



% Average income increase since receiving support (October 2024)



Total number of Jobs created & maintained, as June 2024

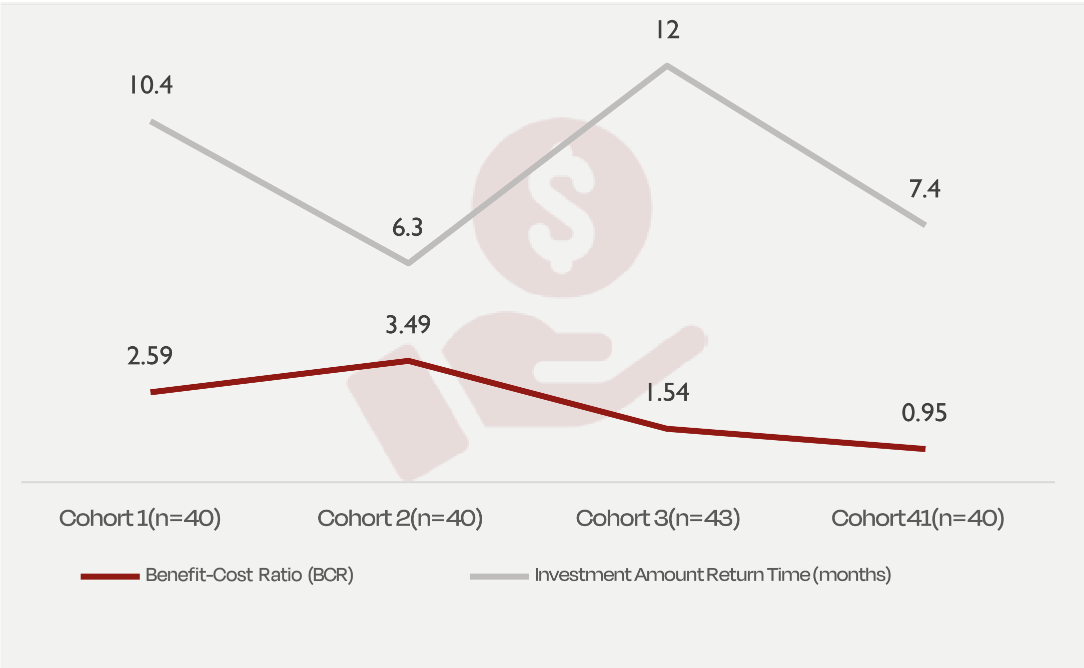


Note: A total of 282 employees generated across supported businesses in October 2024, which is an increase from 230 in June 2024

Cost-Benefit Analysis

A Cost-Benefit Analysis (CBA) has been performed on the supported MSMEs per cohort.Thus, the CBA is determined for MSMEs that have a clear investment, either on their own or through the project. Net income is collected before to project support and at the end of the intervention, October 2024. As a result, the following calculations are based on net income, total investment (by business owner and grant), and time-frame.

Cost-Benefit Ratio analysis and investment return time (in months)



Cohort 1

A Cost-Benefit Analysis (CBA) was conducted for Cohort 1, focusing on 40 MSMEs that received support between July 2022 and October 2024. These MSMEs invested a total of IQD 14.25 million from their own funds and received an additional IQD 45.38 million in grants through the project, bringing the total investment to IQD 59.63 million. Over the 27-month period, their combined monthly net income increased from IQD 4.49 million to IQD 10.22 million. This growth resulted in a total incremental net income of IQD 154.7 million.The Benefit-Cost Ratio (BCR) was calculated at 2.59, meaning that for every IQD 1 invested, MSMEs generated IQD 2.59 in net income.The Return on Investment (ROI) reached 259.5%, and the full investment was recovered within 10.4 months

Cohort 2

Cohort 2 made an investment of IQD 47.65 million, which included IQD 45.00 million in grants and IQD 2.65 million in business owner contributions. The net income increased from IQD 7.69 million in December 2022 to IQD 15.25 million in October 2024. Over the 22-month support period, the incremental net income totaled IQD 166.32 million. The benefit-cost ratio (BCR) was 3.49 million, and the ROI was 349%, with the expenditure recouped in just 6.3 months, demonstrating a financially efficient and impactful intervention.

Cohort 3

Cohort 3 received a total investment of IQD 84.99 million, comprised of IQD 38.79 million in project grants, IQD 39.61 million contributed by MSMEs, and an addi- tional IQD 6.6 million invested by MSMEs during the project period. Between October 2023 and October 2024, their combined net income rose from IQD 11.24 million to IQD 22.15 million, generating an incremental net income of IQD 130.92 million over 12 months. The analysis shows a Benefit-Cost Ratio (BCR) of 1.54 and a Return on Investment (ROI) of 154%.

Cohort 4

Cohort 4 received a total investment of IQD 89.24 million, equally shared between project grants (IQD 44.62 million) and MSME contributions (IQD 44.62 million). Between September 2024 and April 2025, their combined net income rose from IQD 6.38 million to IQD 18.5 million, generating an incremental net income of IQD 84.88 million over seven months. The analysis shows a Benefit-Cost Ratio (BCR) of 0.95 and a Return on Investment (ROI) of 95%, with the initial investment expected to be recovered in approx- imately 7.4 months. While the results highlight a strong income increase, the short timeframe limited the cohort from reaching a benefit-cost ratio above 1 within the measurement period.

Challenges

Barriers in accessing bank loans

Complex loan requirements, high-interest rates, and institutional distrust discouraged MSMEs from seeking formal financial services. Many opted for informal borrowing, limiting opportunities for business growth.

Insufficient Investment Leverage

While the project provided grants to MSMEs, the overall investment leverage remained limited because the equity contributions from MSME owners were often too small to unlock more transformative investments. As a result, the support enabled basic operational improvements but fell short of enabling scale or adoption of advanced equipment.

Market competition from imports

Local MSMEs faced stiff competition from low-cost imported products.This challenged their ability to maintain quality while staying price-competitive, especially in sectors like textiles and food.

Weak market linkages

Although some MSMEs expanded locally, most lacked institutional access to distributors, retailers, or broader markets. The absence of formalized market connections limited long-term growth prospects.

Recommendations

Enhance grant amount and its modality

Revise the grant modality to improve investment leverage. Introducing flexible grant packages—tailored to MSME size, available equity, and growth potential—can help address financing gaps and unlock more meaningful upgrades. By aligning grant levels with business capacity and ambition, the project can support the MSME ecosystem and scale operations more efficiently.

Expand access to finance mechanisms

The project design harmonization to improve financial sources worked well. However, there is need to invest more in future program through partnership with local actors. In the meantime, these local actors and project participants require to undergo a comprehensive capacity development on loan literacy, business planning and financial management. This type of intervention might bring a better result with more efforts from WV, especially when it comes to providing requirements to the third parties. Although, the loan amount should also be based on the scope of the business and clear business development plan.

Deepen market linkages and branding support

Despite conducting sessions on value chain and enhancement of market linkages, there is still a gap to improve MSMEs market networks. This also could be through networking events, building distribution partnerships, and facilitating participation in trade fairs. Technical assistance in product packaging, quality certification, and brand development will enhance competitiveness.

Promote digital and e-commerce skills

Given the success of MSMEs using social media, future programs should integrate digital marketing and e-commerce training.This can include social media optimization, digital payments, and basic online sales skills to improve market reach. Flexibility in grant packages with options based on business size, sector, and growth potential could promote the efficien- cy and maximize project outcomes. This would allow MSMEs to invest in higher capacity equipment and expand their operations, in particular larger businesses.

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