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SBDC Performance Appraisal

Parent Organization (PO): **Iraqi Association of Securities Dealers (IASD)**

Date PO Established: **August 2004**

Date SBDC Established: **December 2006**

IASD's NGO registration is currently being renewed.

SBDC Maturity Stage: **Three; 101/150**

Assessment Period **May – July 2012 (2nd Quarter Assessment, 2012)**

Assessment Date: 30 August 2012

BDS Advisor: Timothy Ham

Signature of BDS Advisor:

Signature of BDS Director:



2. Purpose of Appraisal:

The purpose of this Appraisal is to clearly evaluate the activities and achievements of the Small Business Development Centers (SBDCs) as it relates to promoting provincial economic growth and prosperity for all Iraqis.

In particular, this Appraisal is intended to evaluate the effectiveness of the SBDC's in order to judge the following:

- Expansion of the services by the SBDCs for the benefit of their communities.
- Improvements brought about in the SBDCs sustainability by access to multiple funding sources.
- Increasing the number of people able to take advantage of services of the SBDCs.

2. Major Components of the Evaluation:

2.1 Revenue Generating Activities through a program of improved product offering and services delivery

- 2.1.1 Training Programs: (How to Start a Business; How to Improve a Business; Iraqi Youth Initiative YEAF and YEP; Stock analysis; Electronic Stock Trading; Back Office Operations of Security dealers; Computers, Languages, etc)
- 2.1.2 Business Consulting: (Legal Advice, Business Plans, Accounting Advice, Management Advice, etc)
- 2.1.3 Community Activities: (Trade Shows, Rental of Halls, Economic Surveys, etc)
- 2.1.4 Linkages with MFIs / Banks and Referrals for Loans

Strengths:

- IASD has offered a variety of training programs in addition to the Youth Entrepreneur Access to Finance (YEAF) and the Youth Employment Program (YEP) services of the Iraqi Youth Initiative, including Training of Trainers of the Ministry of Youth & Sports in How to Start Your Business, English, Computer skills and agribusiness training.
- IASD is diversifying its client base and revenue streams to support its operational overhead. Fee based activities and services are being provided to Security Dealers in "back office operations" and "financial analysis of stock companies". Additionally, IASD is marketing services to ministries of the GOI, to IOM, and to various NGOs and has conducted one training for the Ministry of Youth & Sports in Karbala and a program with International Relief & Development (IRD)
- IASD started their Tijara Performance Grant for Increasing Awareness of Iraq's Securities Market & Expanding IASD's Electronic Trading Training Capacity on February 1, 2012. The grant allowed for 13 provincial information seminars and two four day training sessions held in Baghdad. . The information seminars ran three weeks behind, but IASD completed the grant by the July 31, 2012 date.
- IASD plays a significant role in the Iraqi capital market, by advocating for reforms and change, consistent with the transformation of the country's economy towards the development of an independent and trustworthy institution for a vibrant economy, has developed a unique status in the community through fostering a learning environment in the financial sector, specifically the security broker companies; it has adopted strict corporate governance guidelines for enhancing both corporate accountability and the creation of funds to implement its objective
- IASD's training courses conducted on behalf of Tijara and other USG funded programs attract a high percentage of youth and women.
- IASD has an active Board of Directors and Board Chairman.



Weaknesses:

- The former Executive Director, Sofa Jawad, resigned in November from IASD to join a USAID funded program in Baghdad. The replacement Director, Mohammad Suri, didn't have the experience nor management skills or relationships developed by Ms Jawad with GOI and has struggled to keep programs moving forward in a timely basis and in responding to Tijara's request for documents and information. He was replaced by the Board of Directors with the IASD financial officer, Mrs. Baraka Salih who is much more responsive.
- Although IASD has diversified its revenue sources, it still needs to better assess the needs of the local Baghdad business community to identify additional training and services that can be developed and reach out to potential funders and donors in the international community and the GOI.
- IASD has completed the application submission for NGO registration and obtained a letter from the Registration Office that they are aware that IASD is operating. However, they have yet to receive the formal Certificate of Registration. As a result of this delayed process, IASD previously delayed conducting some training programs, although has during 2012 moved forward to conduct training.

Concerns/Issues:

- Loss of IYI and BDS funding in 2012 due to the completion of Tijara funding for training and service in both programs further emphasizes the importance of developing additional "for fee" services and marketing IASD capabilities and services to private business, government ministries and departments, state owned enterprises and national & international NGOs and multi-lateral agencies. IASD offers "back office operations" and "financial analysis" courses for Security Dealers. Given the role IASD has with its Security Dealers, it is assumed they will continue to focus on their membership to provide services and not reach out to the general business community in Baghdad to assess needs or provide services. IASD has interest from several Security Dealers to develop training programs in "financial analysis for security investors" and to establish an arbitration service for investors to resolve disputes with security dealers. In addition, IASD can also respond positively to requests should a donor or funder request they conduct various training programs.

Recommendations:

- IASD needs to continue to diversify its client base, revenue streams and funding sources as part of its own Business and Action Plans as well as support for the SBDC Network efforts. References have been offered to IASD regarding classes to be developed for their security dealer members, including financial analysis for investors and arbitration services. BDS will continue to review this with IASD as to additional clients, services and marketing of the SBDCs capability to additional sources of revenue.

2.2 SBDC Deliverables

- 2.2.1 Business Plan for future sustainability
- 2.2.2 Self-Assessment.
- 2.2.3 Monthly and Quarterly Program Reports
- 2.2.4 Financial reports.
- 2.2.5 Updated work plan

Strengths:

- IASD has provided a 2012 Business Plan.
- IASD provides a semi-annual Self-Assessment



- IASD provides Weekly, Monthly and Quarterly program reports through BDS Embedded Data & Reporting Coordinator Ibrahim S. Ahmed. Mr. Ibrahim has left Tijara and we now rely upon their Trainer, Yasser, to provide these updates.
- IASD provides monthly Jamsheed Financial reports

Weaknesses:

- IASD has become more timely in providing updates, documentation and reports on the Tijara Performance Grant, although still occasionally needs to be reminded.

Concerns/Issues:

- IASD's management was stretched very thin with all the reports and activities of this very busy SBDC for the IYI program and with other donors. This has resolved as the IYI program comes to a close.

Recommendations:

- IASD's outreach and communication needs to be improved substantially and they have to maintain their website, and take advantage of the very large and influential board of securities dealers. The website has been closed by the hosting company due to lack of payment. All necessary contact information has been passed to IASD. It is up to management to make payment and to then start to update the site.

2.3 Financial, Budgeting and Program Reporting

- 2.3.1 Record Keeping of Participants
- 2.3.2 Specific Revenue Generating Activities and Amounts
- 2.3.3 Monthly & Quarterly Financial Reports:
- 2.3.4 Monitoring & Evaluation of Activities
- 2.3.5 Monthly program tracking reports

Strengths:

- IASD has been more timely in their submission of weekly reports.

Weaknesses:

- IASD at times has delays in submitting complete documents for invoices of the IYI program, delaying income or in responding to information requests on the Tijara Performance Grant. This resolved with the departure of the previous Executive Director.

Concerns/Issues:

- None. The Tijara Performance Grant has completed.

Recommendations:

- None

2.4 Outreach, Communications and Community Awareness

- 2.4.1 Linkages with MFIs and Banks
- 2.4.2 Specific Market Led Training Programs Rolled Out
- 2.4.3 Linkages with Other Stakeholders
- 2.4.4 MSME Success Stories

Strengths:

- IASD does a good job of advocating for securities dealer (its members),



- The USAID-*Tijara* IYI Program links IASD's clients directly to the MFI Al-Basher through the Access to Finance component and to local businesses through the YEP component. As the IYI program concludes, IASD should continue with Al-Basher to refer clients to them to maintain the working relationship.
- IASD Website has been developed at: <http://www.iasd-iq.org/>, however they have not kept up with payment for the website hosting company and consequently the website has been offline for the last five months. All contact information and steps to resolve the problem have been shared with IASD several times.
- The Board of Directors has supported efforts for rolling out training and certification programs for security dealers operating in Baghdad and in the provinces.

Weaknesses:

- IASD's Website needs to be re-started, maintained and updated with current news information. BDS has contacted the web hosting company and provided updates to IASD so they can bring their account current.
- IASD has developed the Electronic Trading Training program and some other operational and financial analysis courses for Security Dealers but needs to constantly be developing or acquiring additional courseware for its members. .

Concerns/Issues:

- IASD does not seem to have any linkage with other associations of security dealers internationally to gain a better understanding of the options available for additional training or services. Although this has been suggested and contacts in other countries provided, IASD has yet to initiate contact with those in the US or within the Middle East.

Recommendations:

- IASD's Board of Directors, comprising over 50 securities dealers, needs to state their needs for training courses and services from IASD for the brokers and follow up with IASD management to complete the work..

2.5 HR Management and SBDC Staff:

- 2.5.1 Staff Qualifications & Turnover
- 2.5.2 Staff job descriptions updated and reflect the current SBDC organization structure
- 2.5.3 SBDC Director's efficiency in managing the Center
- 2.5.4 Training capabilities of the SBDC trainers
- 2.5.5 SBDC staff training needs

Strengths:

- It has proper organization structure
- They have an ample supply of high quality short-term trainers (college professors)
- BDS contracted with INI and they have provided the following organizational capacity building services. IASD is only now beginning to implement this training and these manuals:
 - HR, Project Management, Accounting and Grant Writing training (AUG-OCT 2010)
 - Provide Standard Operation Procedures (SOPs) manuals for HR, Finance, Operations and Administration (JAN-FEB 2011)

Weaknesses:

- IASD has a very small staff facilitating many programs



Vision and Mission defined	n=0, y=1	1
Development of a long-term strategic plan (2-5 years)	n=0, y=1	1
Development of SMART short-term goals (12 months or less) in the business plan; these goals should be aligned with and prioritized from the long-term strategic plan	n=0, y=1	1
Development of action plans	n=0, y=1	1
Evaluation of stakeholder needs	n=0, y=2	2
Evaluation of customer needs	n=0, y=2	2
Identified markets segments (customers) and delivery levels of key services to the local market	n=0, y=2	2
Role of the SBDC in its provincial economic development effort	n=0, y=2	2
SBDC is achieving results listed in business plans and action plans	n=0, y=3	3
BOARD OF DIRECTORS, BY-LAWS, AND ORGANIZATIONAL SUPPORT	0-6	6
Board of Directors initiated, parent organization buy-in	n=0, y=1	1
Clear and strong management, leadership, and governing structure	n=0, y=1	1
Board of Directors meet regularly	n=0, y=2	2
Board of Directors is providing effective oversight	n=0, y=2	2
STAFFING AND RESOURCE UTILIZATION	0-12	12
The SBDC's organizational structure must be consistent with the SBDC's mission, goals and funding ability. The SBDC must be capable of supporting the strategic plan.	n=0, y=2	2
SBDC leader systematically sets direction, addresses current and future opportunities, communicates and deploys performance expectations	n=0, y=2	2
Business advisors/counselors, research assistants, program directors, etc., have appropriate qualifications and experience	n=0, y=2	2
Position descriptions developed and the SBDC demonstrates that its staffing pattern is appropriate and adequate	n=0, y=2	2
Operations manual developed	n=0, y=1	1
Executive director and staff trained in basic SBDC functions	n=0, y=1	1
Staff and managers have been trained and achieved acceptable competency levels in advanced operations (accounting, proposal writing, reporting, etc.	n=0, y=1	1
Facilities and equipment are adequate	n=0, y=1	1
GOVERNANCE, LEADERSHIP AND ORGANIZATIONAL ISSUES Score	0-35	35

PROGRAM DELIVERY AND MANAGEMENT	value	score
PROJECT MANAGEMENT AND REPORTING SYSTEMS	0-13	13
Project management procedures documented	n=0, y=1	1
Project managers consistently following project management guidelines	n=0, y=1	1
The SBDC has systems in place that ensures sound fiscal and contractual management of its programs	n=0, y=1	1
Budget management and cost-effectiveness of results achieved	n=0, y=2	2
Achievement of action plans, short-term goals and strategy	n=0, y=2	2
The SBDC has a system in place to document its work performance and outcomes	n=0, y=2	2
SBDC staff produces/delivers regular performance reports	n=0, y=2	2



	The SBDC produces/delivers adequate and accurate financial reports on a regular basis	n=0, y=2	2
BUSINESS DEVELOPMENT AND FUND RAISING CAPABILITIES		0-17	17
	The SBDC demonstrates it has a systematic process or processes to analyze the needs of its small business community	n=0, y=1	1
	Regular customer satisfaction and needs assessments conducted	n=0, y=1	1
	The SBDC demonstrates it utilized the results of the analyses to develop and deliver programs to meet identified needs	n=0, y=2	2
	The SBDC systematically promotes its programs and services to the general public and particularly to the small business community	n=0, y=2	2
	The SBDC produces and distributes publications, pamphlets, brochures, audio/video aids, web site and/or other information and materials for use by small businesses	n=0, y=2	2
	The SBDC is capable of building strong stakeholder relationships and is able to determine stakeholders' level of satisfaction	n=0, y=3	3
	The SBDC is able to demonstrate a strategy for seeking supplemental funding that is consistent with the SBDC strategic plan	n=0, y=3	3
	Evidence of extensive networking, linkages, cooperation and integration with the chambers of commerce, business and trade associations and economic development entities in the province	n=0, y=3	3
CONSULTANTS AND ADVISORS NETWORK		0-5	5
	Database or roster of advisors and consultants to support SBDC service delivery is being developed	n=0, y=1	1
	Advisory and consultants network expanded and being used to help deliver training and consulting services	n=0, y=2	2
	Partnerships developed with universities and other service providers and being used to expand training and other service delivery capabilities	n=0, y=2	2
PROGRAM DELIVERY AND MANAGEMENT Score		0-35	35



SERVICE DELIVERY PERFORMANCE			
SERVICE DELIVERY		value	score
Average number of donor-funded training sessions conducted/quarter		0-5	0
	3-5 sessions	score 1 →	
	6-8 sessions	score 2 →	
	9-11 sessions	score 3 →	
	12 or more sessions	score 5 →	5
Ave. number of other donor-funded programs conducted/quarter (not training programs)		0-5	1
	0 programs	score 0 →	
	3-5 programs	score 1 →	1
	6-8 programs	score 2 →	
	9-11 programs	score 3 →	
	12 or more programs	score 5 →	
Number of for-fee training courses offered /quarter		0-5	1
	0 courses	score 0 →	
	3-5 courses	score 1 →	1
	6-8 courses	score 2 →	
	9-11 courses	score 3 →	
	12 or more courses	score 5 →	



# of clients who paid to participate in training programs/quarter		0-5	3
	0 clients	score 0 →	
	10-29 clients	score 1 →	
	30-59 clients	score 2 →	
	60-89 clients	score 3 →	3
	90 or more clients	score 5 →	
Number of for-fee business services offered during the quarter		0-5	0
	0 services	score 0 →	
	3-5 services	score 1 →	
	6-8 services	score 2 →	
	9-11 services	score 3 →	
	12 or more services	score 5 →	
# of clients who paid for business services during the quarter		0-5	3
	0 clients	score 0 →	
	1-5 clients	score 1 →	
	6-8 clients	score 2 →	
	9-11 clients	score 3 →	
	12 or more clients	score 5 →	3
SERVICE DELIVERY PERFORMANCE Score		0-30	13

SBDC INSTITUTIONAL CAPACITY DEVELOPMENT Total Score	0-100	83
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FINANCIAL PERFORMANCE AND VIABILITY				values	score
Year to Date Revenues (total)				\$87844	no score
Year to Date Operating Expenses (total)				\$46602	no score
<i>(Use figures from financial reports)</i>					
	Actual %				
% of revenues from USAID-Tijara and PRT	78%	if Tijara/PRT is 100%		score 0 →	
% of revenues from GOI sources and other (Non Tijara/PRT)	21%	if Tijara/PRT is 75-100%		score 10-19 →	18
% of revenues from client fees (for-fee services)	1%	if Tijara/PRT is 50-74%		score 20-29 →	
	100%	if Tijara/PRT is 40-49%		score 30-39 →	
		if Tijara/PRT is 25-39%		score 40-49 →	
		if Tijara/PRT is 0 %		score 50 →	
FINANCIAL VIABILITY Score				0-50	18



MATURITY INDEX	INSTITUTIONAL CAPACITY SCORE	VIABILITY SCORE	TOTAL SCORE
Stage I Maturity Level	0-35	0-12	0-47
Stage II Maturity Level	36-65	13-25	49-90
Stage III Maturity Level	66 - 80	26-35	92-115
Stage IV Maturity Level	80-100	36-50	116-150
SBDC SCORE	83	18	101

Stage III Maturity Level -101 of 150; previous ranking during 1st Qtr, 104 of 150. The principal difference between 1st and 2nd Quarter is the reductions in training courses offered. During this time, IASD was active in offering Information Seminars and Training classes under the Tijara Performance Grant.

4. Summary of Recommendations:

- IASD should try to add fee-based services and diversity donor, NGO and GOI funding sources
- IASD’s Board of Directors, representing over 50 securities dealers, needs to continue to support program development, marketing and community outreach and let IASD know of their training needs.

5. Specific Action Items and Timeline for Achievement:

- IASD has completed their Tijara Performance Grant of provincial information seminars and Baghdad based Electronic Trading Training. Although originally designed as a fee based course, IASD did not charge for the training. Additional parties want to attend the training. Subsequent training programs should be on a “for fee” basis.
- Follow-up with IASD on designs of Financial Analysis training modules and status of Arbitration Training/ Certification for Investors. Referrals have been made on both programs.
- Push IASD to make financial arrangements with the hosting company for their website and get the website back on line. If they are unable to do this, Tijara ICT| can develop a new website and establish hosting services with a new company.
- Push IASD to develop relationships with other Security Dealer Associations in the Arab market and Europe/US to expand their understanding of services for the investor public and dealers to develop additional services for their membership.