

ZAQORA- SBDC STRATEGIC PLAN

1.Executive Summary:

1.1 Organizational History and Background

Situated in the south east of Iraq, northwest of Basrah, Dhi-Qar is the site of the ancient Sumerian cities of Ur, Eridu, Ngirsu and Lagash. The province is named after a famous battle – the battle of Dhi Qar -- in which the Arabs recorded their first victory over the Persian Empire in the pre-Islamic era (around 609 A.D).

The capital of the province is Nassiriyah, which is located 87 miles north-west of Basrah City and approximately 350 miles south of Baghdad. Dhi-Qar Province has 5 districts and 15 sub-districts, with a total population of approximately 1,850,000.

During the rule of Saddam Hussein, Dhi Qar was one of the most troublesome spots for the Baath government. Prior to 1991, Thi Qar was home to one of Iraq's largest areas of marshland, and produced large amounts of rice and other agricultural produce. However, when the inhabitants of the marshes supported a Shiite rebellion after the 1991 Persian Gulf War, Saddam retaliated by building dams, dikes and canals that drained large parts of the marshlands between the Tigris and Euphrates and decimated the local economy. After Saddam was ousted in 2003, Iraqi engineers and tribal members began restoring parts of the wetlands by cutting gashes in dikes and re-flooding the marshes. With life returning to the marshlands, the area's agricultural production and fisheries are slowly recovering.

The province contains various types of lands such as agricultural, marshlands, and desert areas. The Furate River crosses the Nassiriyah city and passes by most of the southern towns. Agriculture is the mainstay of Dhi Qar's economy. Grain production, including barley, wheat, and rice, is particularly important, although the province also produces a variety of horticultural products. Fishing is significant activity for communities that live near the marshlands. Fresh-water fish is caught for household consumption and local markets. Animal production is also important.

The province is home to two large state enterprises – the UR State Company for Engineering Industries and the Textile (Wool Knitting) Company. Throughout the province, small and medium enterprises (SME) are beginning to develop which include unique services such as contracting firms and export/import companies. The major portion of the SME sector in Dhi-Qar consists of small factories and workshops such as blacksmith, carpentry, mechanic services and commercial shops. This sector has faced marginalization during time of war which has had a negative influence on their performance and has also isolated them from the global economy hindering

their development in core business practices such as business planning, sales and marketing.

The Zaqora Small Business development Centre (*ZSBDC*) is a non-governmental organization that was established in April 2008 to support the SME sector in the province and provide small enterprises with business development services to help them grow their businesses. ZSBDC holds training programs, seminars, and workshops that foster an exchange of information and experience among national, regional and international human rights movements. Women's and human rights, gender equity, economic engagement and political participation are promoted, participation in the development and rebuilding process of Iraq especially in the economic terms and supporting them to locate employment opportunities. ZSBDC has been identified as a regional location to act as Small Business Development Center (SBDC) and has been supported by two USAID-sponsored projects -- IZDIHAR and TIJARA. ZSBDC has earned a unique status in the community in fostering a business learning environment, to serve as a proactive partner in providing for the aforementioned services.

The ZSBDC is focused on rebuilding the business community's vocational capacities through the offering of multiple high quality demand driven business development services. The training and consulting services provided by the ZSBDC include the use of modern technology for communications, the delivery of various types of business training courses, sales and marketing support, and the provision of market research and advisory services.

Vision

The Z-SBDC will become a leading economic development organization in Dhi Qar Province and will play a major role in stimulating the growth of private enterprises and creating new jobs and employment opportunities.

Mission

The mission of the Z-SBDC is to support private sector development in the province by improving the supply of business services to small and medium enterprises and working with local stakeholders to improve the business and investment environment.

Core Values are:

- Professionalism
- Transparency
- Advocacy
- Integrity
- Leadership/Pioneering

2.0 Situation Analysis

2.1. The External Environment

1. Technology: Local businesses are in the early stages of learning how to use modern technological devices to improve their businesses; currently only 1% from the SMEs owners can use computer and internet.

S-SBDC opportunities:

- Conduct computer training courses
- Provide internet services to SBDC clients
- Help our clients use computer and internet applications to identify market opportunities, communicate with new suppliers and buyer using email, advertise their products and services, and take advantage of other new information and communication applications.

2. Economy: Because of the brutal policies of the former regime and the embargo, the Iraqi economy had been isolated from the global market and the local economy has been particularly affected. During the rule of Saddam Hussein, Dhi Qar was one of the most troublesome spots for the Baath government. Prior to 1991, Thi Qar was home to one of Iraq's largest areas of marshland, and produced large amounts of rice and other agricultural produce. However, when the inhabitants of the marshes supported a Shiite rebellion after the 1991 Persian Gulf War, Saddam retaliated by building dams, dikes and canals that drained large parts of the marshlands between the Tigris and Euphrates and decimated the local economy. After Saddam was ousted in 2003, Iraqi engineers and tribal members began restoring parts of the wetlands by cutting gashes in dikes and re-flooding the marshes. With life returning to the marshlands, the area's agricultural production and fisheries are slowly recovering.

The province contains various types of lands such as agricultural, marshlands, and desert areas. The Furate River crosses the Nassiriyah city and passes by most of the southern towns. Agriculture is the mainstay of Dhi Qar's economy. Grain production, including barley, wheat, and rice, is particularly important, although the province also produces a variety of horticultural products. Fishing is significant activity for communities that live near the marshlands. Fresh-water fish is caught for household consumption and local markets. Animal production is also important.

The commercial sector represents 45% of the total economic activities. 70% of the companies in the province started operating after 2003. The province is home to two large state enterprises – the UR State Company for Engineering Industries and the Textile (Wool Knitting) Company. Throughout the province, small and medium enterprises (SME) are beginning to develop which include unique services such as contracting firms and export/import companies. The major portion of the SME sector in Dhi-Qar consists of small factories and workshops such as blacksmith, carpentry, mechanic services and commercial shops. This sector has faced marginalization during time of war which has had a negative influence on their

performance and has also isolated them from the global economy hindering their development in core business practices such as business planning, sales and marketing.

S-SBDC opportunities:

- Conduct Business training
- Help identify market opportunities
- Provide commercial consultancies
- Conduct feasibility studies
- Provide other business services to local entrepreneurs start new businesses and expand existing operations

3. Environment: It still suffers from the influence of the previous wars, particularly from the activities of the Saddam government to drain the marshes.

4. Socio-cultural: The population of Dhi-Qar Province is about 1,850,000; 60% of the people in the province live in the big cities whereas 40% live in the countryside.

5. Political: The Iraqi political situation is not stable because of the delays that have occurred in forming the government which caused many problems in deciding the national budget and identifying investment opportunities. The local government is still incapable of providing the citizens with the essential services because of:

- The lack of terms of references.
- The members of local government are elected according to their tribal affiliations and not by their qualifications, competencies or vocational experience.

S-SBDC opportunities:

- Help mobilize private sector stakeholders to advocate for policy and administrative improvements at the local level
- Help identify priorities and opportunities for overcoming current constraints that are restricting local economic growth and private sector development

6. Legal: New laws were issued after 2003 regarding trade, industry and other sectors and most of our entrepreneurs do not have complete understanding to these rules.

S-SBDC opportunities:

- Start legal clinic to help our clients register their businesses officially
- Provide legal consultancies to deal with business contracts and contracts with government agencies

2.2. The Organization's Internal Environment

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • We have experienced staff with various business specializations and skills acquired from training programs conducted by International NGOs • Distinguishable Location: Z-SBDC lies at the center of Nassiryah City which makes it easy for clients to access our services • 3. Ability to utilize IT applications to organize and document SBDC administrative functions and operations, including accounting and reporting • 4. Facilities and Equipment: Big hall, three classrooms and four offices furnished and equipped with new furniture and equipments that enable the center to provide its services effectively • General Relations: Good relations with the majority of the local ministerial departments, business association and International NGOs working in the province 	<ul style="list-style-type: none"> • Some of our trainers lack business skills and on-the-job experience • Unstable relation between the Center and Chamber of Commerce • Some of the Board members interfere with SBDC efforts to execute our programs and make it difficult for us to fulfill our goals and objectives • High operating costs and limited revenues, which make it difficult for us to become financially sustainable
Opportunities	Threats
<ul style="list-style-type: none"> • We can expand our services to cover all the four big districts and 15 sub-districts of Dhi-Qar province • The Z-SBDC can provide support to investors that are interested in undertaking new business activities in the province. The growing number of investment opportunities in Dhi-Qar Province especially in petrol sector will provide opportunities for the Z-SBDC to attract new customers and think about new projects • We can introduce new services such as marketing and advertising services that will generate income for the Z-SBDC while responding more effectively to client needs • We can develop relationships with other local organizations such as the PICs and thereby qualify for grant-funding from the GOI 	<ul style="list-style-type: none"> • The influence of some radical parties on the attitudes of local people will prevent them from receiving our services because of our relationships with international NGOs • The bureaucratic procedures of local banks limit our ability to help local SMEs obtain financing from banks and other formal financing sources • Declining levels of USG funding • The emergence of competitors

3.0 Goals and Objectives

Goal #1 -- Build the capacity of the SBDC to serve as a leading business development organization in Dhi Qar Province

Strategic Objectives:

- Enhance the technical and administrative capacities of our staff to enable them to provide high quality services to our clients.
- Strengthen our trainers' business skills so that they can deliver practical training programs and advice to help local companies start new businesses and improve their existing business operations.
- Develop partnerships with governmental and non-governmental entities in our local areas to undertake joint efforts to promote economic growth and improve the business and investment environment in our province
- Develop partnerships with local and international companies to help expand market opportunities for local enterprises and create jobs
- Develop a capacity to provide market information and economic data to support local economic planning and business development programs

Implementation Strategy: Invest in capacity development initiatives such as TOT programs, staff training, systems development, and marketing; actively engage in partnerships with other private sector development organizations and stakeholders.

GOAL #2 Support enterprise formation and growth in Dhi Qar Province

Strategic Objectives:

- Increase number of business start-ups
- Improve access to finance
- Help local SMEs expand sales
- Help improve the business and investment environment in Muthanna Province in order to generate more business and employment opportunities in the province

Implementation strategy:

- Implement the Iraqi Youth Initiative in Dhi Qar Province, including the **YEAF and YEP components**.
- Open up a new Marketing and Printing Services Center to provide marketing, printing, and advertising services to local entrepreneurs
- Develop new partnerships and working relationships with local government organizations, business associations, NGOs, and other private sector stakeholders to identify business environment constraints and cooperative efforts that could be undertaken to remove them

GOAL # 3: Z-SBDC will become financially sustainable

Strategic Objectives

- Diversity funding sources from donor organizations and sponsors
- Reduce overhead costs
- Increase revenues from for-fee client

Implementation strategy:

- Attract new donors support by establishing high-valued reputation as leader of economic development programs, building organizational capabilities to manage development programs, improving proposal writing capabilities, and engaging in active fund raising initiatives
- Implement new accounting system, develop operating budgets, and engage in systematic cost-cutting measures to eliminate unnecessary costs
- Assess and evaluate the market demands, introduce new fee-based services that respond to these needs