



THE ROLE OF COMMERCIAL BANKS IN FINANCING SMALL AND MEDIUM ENTERPRISES IN IRAQ

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Article history:	Abstract:
Received: 21 th July 2025	This research aims to analyze the role of commercial banks in financing small and medium enterprises in Iraq, and to study the challenges facing this sector and their impact on financing projects. The policies and procedures followed by commercial banks to provide financing for small and medium enterprises will be analysed. The various financing methods available for small and medium enterprises in Iraq will be studied, and the impact of financing small and medium enterprises on economic growth in Iraq will be evaluated. The study sample consisted of (668) employees of Iraqi commercial banks in Baghdad. Where the researcher designed a research tool measuring the contribution of commercial banks. in the financing of small and medium-sized enterprises in Iraq, and data were statistically processed using the program of statistical analysis (SPSS), and it came out with the following results:
Accepted: 20 th August 2025	1- Commercial banks are considered one of the significant sources of finance for small and medium-sized enterprises in Iraq because the banks provide these projects with their needed financing and lending. 2- Commercial banks of Iraq are currently suffering from some problems related to capital and security weaknesses and political problems that play a significant role in their ability to finance small and medium-sized industries

Keywords: Commercial Banks, Financing, Small And Medium Enterprises, Iraq

INTRODUCTION

the majority of countries.

One of the problems of these projects is the difficulty of obtaining the necessary funds to establish and execute the work. In Iraq, the small and medium projects sector has witnessed unprecedented growth over recent years; nevertheless, it is characterized by the same problems facing this sector in other countries. Commercial banks are able to overcome these problems by helping Iraqi small and medium projects with their necessary funds.

This research methodology will involve a bibliographic survey of the relevant literature relating to the contribution of commercial banks to the financing of small and medium-sized enterprises, data and information analysis based on a series of case studies of small and medium-sized enterprises operating out of Iraq and expert interviews within this domain.

This research will form an important contribution toward knowledge of the contribution of commercial banks within Iraq toward the financing of small and medium-sized enterprises, the issues of this sector and the way of solving these issues.

This research will be useful information to the commercial banks and other institutions when making strategies of financing small and medium-sized enterprises within Iraq and consequently contributing toward the development of the role of these projects toward stimulating the growth of the economy and employment creation within the nation.

CHAPTER ONE: THE PRELIMINARY FRAMEWORK OF THE RESEARCH

Firstly: Research problem

This research problem is characterized by: The lack of full and credible research on this topic, apart from the lack of adequate mechanisms of project funding within the commercial banks of Iraq, has an impact on the development and growth of this significant sector of the Iraqi economy. There is limited awareness of small and medium enterprises regarding the procedure and requirements of borrowing money from the commercial banks, which has an impact on

the development and growth of these projects within Iraq. The research problem of the current work is encompassed within the following question:

What is the role of commercial banks in financing small and medium-sized enterprises in Iraq?

Secondly: Research objectives

This work attempts to assess the role of commercial banks toward the funding of small and medium-sized enterprises in Iraq and explore the issues facing the sector and their impact on project financing. ,The policies and practices made by commercial banks toward granting financing to small and medium-sized enterprises shall be explored and the project financing options available to small and medium-sized enterprises doing business in Iraq shall be examined. ,The impact of project financing of small and medium enterprises on the economic development of Iraq shall also be explored...

Third: Importance of research

Small and medium-sized businesses are amongst the main engines of economic growth and achieving economic stability within Iraq. In spite of that, this type of project is often faced with failure of inability of acquiring the right finances necessary to establish or expand the company.

Therefore, the role of commercial banks in the financing of small and medium-sized industries (SMEs) is one of the solutions to this crisis. When banks are involved in the financing of these projects, they are indirectly contributing to stimulating economic growth and creating employment within the country:

Start-up financing: Banks are leaders in providing financing to small and medium-sized enterprises (SMEs), enabling borrowers to obtain the funds needed to start their projects. This enhances economic growth opportunities and creates jobs..

1. **Providing capital for expansion:** Successful performance of SMEs can bring them more funds, allowing them to expand their operations, increase growth rates, and their output levels. This can create employment and augment income levels of borrowers and investors.
2. **Providing financial security:** When banks enter partnerships with SMEs, borrowers and investors can access the funds they need to run their projects rather than resorting to other unsecured sources of finance. This reduces financial risks and improves hand The sustainability of the project in the long run.
3. **Reducing poverty rates:** With the allocation of finances to medium-sized and small enterprises, banks are capable of generating new jobs and improving revenues of those workers utilized on these projects and lowering poverty rates in the country.
4. **Promoting economic sustainability:** When banks support small and medium-sized enterprises, they contribute to enhancing economic sustainability in the country by improving products and services available to consumers, reducing harmful emissions, and achieving a green economy.

In general, it can be said that commercial banks play a vital role in financing small and medium-sized enterprises in Iraq, by supporting economic growth and job creation, enhancing economic sustainability, and improving citizens' living standards. Therefore, the government and relevant authorities must work to improve The banking environment in Iraq, and encouraging banks to provide the necessary financing for these projects.

Fourth: Research limits

- 1- Human limitations: Selecting a random sample of employees in some commercial banks in Iraq.
- 2- Time frame: The current research procedures were implemented within the year 2023 AD.
- 3- Spatial boundaries: Commercial banks in Baghdad-Iraq .
- 4- Objective limits: Commercial banks' limits on financing small and medium-sized enterprises (SMEs) in Iraq are based on objective criteria, including the borrower's credit rating and their ability to repay loans and manage projects. Banks use objective techniques and methods to assess borrowers' assets, experience, and financial capabilities..

Fifth: Information gathering tools

There are many tools available to collect information about the role of commercial banks in financing small and medium enterprises in Iraq, including::

- 1- Personal interviews: The researcher did Conducting interviews with commercial bank officials, investors, and owners of small and medium-sized enterprises to gather information related to the role of banks in financing these projects..
- 2- Previous studies: Previous studies and research conducted in this field can be used to gather information and data related to financing small and medium enterprises in Iraq.
- 3- Field visits: The researcher did Visit commercial banks and talk to their employees and customers to gather information related to financing small and medium-sized enterprises and evaluate the role of banks in financing these projects.
- 4- Questionnaire: The researcher designed a questionnaire by posing questions and a set of paragraphs to the research sample members about: The role of commercial banks in financing small and medium-sized enterprises in Iraq.

Sixth: Definition of research terms

1. **Commercial banks:** It means banks that operate in the private sector and provide services to individuals, companies and institutions..

2. **Financing small and medium enterprises:** This term refers to the process by which a bank provides the necessary financing for small and medium-sized enterprises, through loans, bank financing, and other financial services..
3. **Iraq:** A country located in Western Asia, bordered by Iran to the east, Turkey to the north, Syria and Jordan to the west, and Kuwait and Saudi Arabia to the south..
4. **Small and medium enterprises:** These are terms used to address companies and firms producing medium or small revenues. These terms tend to be used to imply companies with a low number of workers and medium value of investment.
5. **Bank financing:** This is the banking facilities that they will be extending to individuals, companies and institutions like loans, credit lines, property financing, personal financing and etc.
6. **Loans:** This is a definition of amount borrowed by a bank from customers like personal loans, business loans, loans against property, etc
7. **Islamic finance:** It is a system of financing that is consistent and compatible with Islamic Sharia and does not incorporate usurious interest but instead gives financing products that are compatible with Islamic principles and values.

Seventh: Previous studies

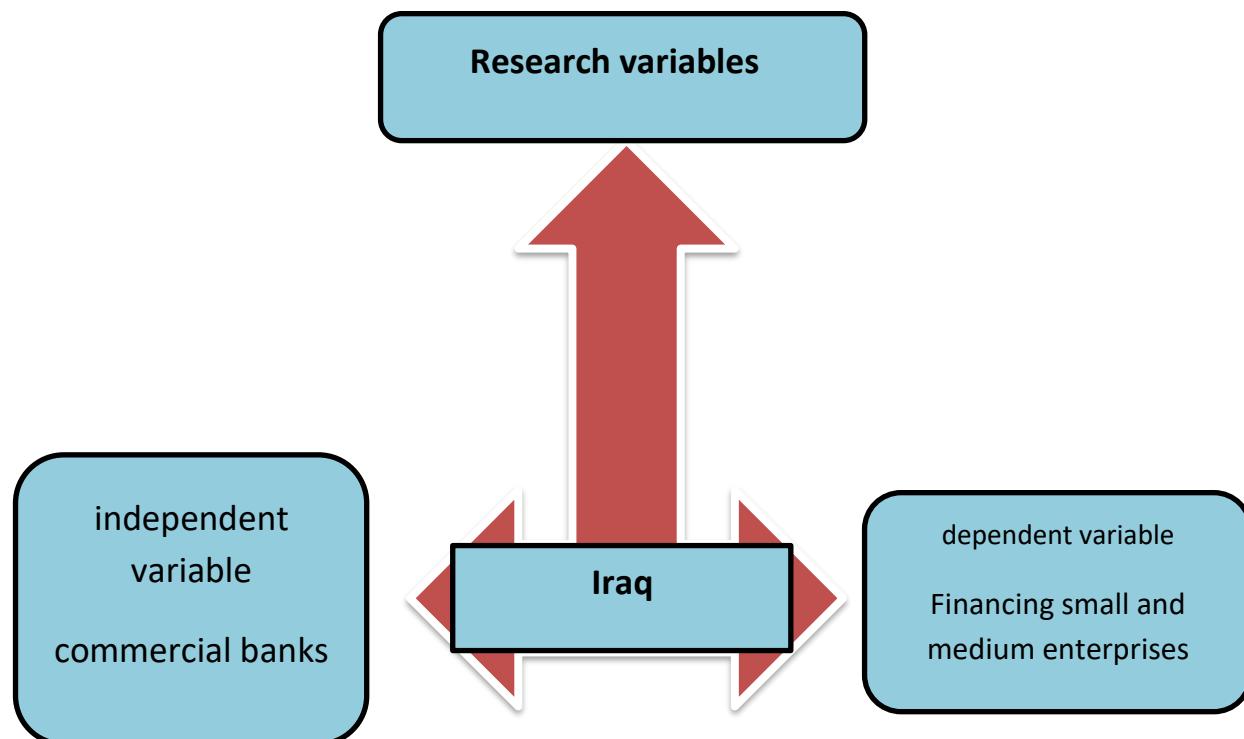
Several studies have been performed in Iraq on commercial banks' credit role in financing small and medium-sized enterprises. Some related studies follow::

1. Jabbar Khadir, published in Journal of Economic Studies in 2017.
2. A research study titled "Financing Small and Medium Enterprises in Iraq: An Analysis of Barriers and Opportunities" was prepared by Nadia Jassim Mohammed and was published in an economics publication in 2018.
3. One of these was "The Role of Commercial Banks in Financing Small and Medium-Sized Enterprises in Iraq: An Analysis of Problems and Challenges," written by Nizar Abdul Jalil and published in the Journal of Economics and Development in 2019.
4. A research article titled "Financing Small and Medium Enterprises in Iraq: The Role of Commercial Banks in Economic Development" was prepared by Hussam Abdul Jabbar and was published in Journal of Economic Development in 2020.

These works discuss how Iraqi commercial banks grant loans to small and medium enterprises (SMES) in Iraq, and conduct an assessment of how this sector confronts challenges and impediments. These works put forward proposals and suggestions to enhance how banks grant loans to these ventures and how this sector can be made better in the future. Classy

Eighth: Research model

building. For research variables And a problem Objectives and hypotheses Search The research was designed A Study model And the shape (1-1) shows A Study model And its variables.



Chapter Two: The theoretical conceptual aspect of the research

Commercial banks provide a crucial function in financing small- and medium-sized companies in Iraq and a central role in financing these ventures and supporting economic growth., Financing function of commercial banks to small- and medium-sized companies comprises several theoretical and conceptual aspects including:

1. Financial Sustainability: Commercial banks need to work towards becoming financially sustainable by granting loans and financial facilities to small and medium-sized enterprises. Loans need to be compatible with repaying them and creating long-term profitability.
2. Risk Assessment Knowledge: SME financing requires knowledge regarding risk assessment. Commercial banks must be able to identify risks within a project and assess how successful they can be. They must evaluate investment opportunities and economic chances and contain risks associated with SME financing.
3. Aiding project needs: Commercial banks can help meet small and medium enterprise needs by providing sufficient financing and other services needed by the project, including advice, guidance, technical aid, and instruction.
4. Transparency and Accountability: Commercial banks will be required to be transparent while interacting with small and medium-sized enterprises and be held liable for their social and financial performance. SME financing will require accountability in reporting to clients and beneficiaries on a regular basis regarding the bank's social and environmental responsibility, and observance of international standards applicable to SME financing..
5. Cooperation with government: Commercial banks need to cooperate with the government and relevant authorities to help provide financing to small and medium-sized companies (SMEs). It can be carried out in a way that governments provide loans to commercial banks at low interest rates, and extending technical help, training, and guidance to SMEs.
6. Development and innovation: A commercial bank must innovate and develop in a way that will help it serve SME needs and improve financial and non-financial services. It can innovate while using new technology and electronic media in making financing less burdensome and improving customer services..
7. Globally, it can be stated that commercial banks' role in financing small and medium enterprise in Iraq requires compliance with responsible financing practices, innovation, and partnership with the governmental sector and related authorities, in addition to possessing the capacity to professionally assess risks, meet project requirements, and achieve financial sustainability...

Furthermore, Iraqi commercial banks can be even more supportive in financing small and medium companies if they apply some policies and practices like:

7. Financial product innovation: Commercial banks must be able to issue financial products that can accommodate SMEs' diverse demands like Islamic financing, financial leasing, corporate financing, project financing, and other appropriate financial products designed to meet enterprise demands..
8. Reducing bureaucracy: Commercial banks should simplify banking procedure and reduce bureaucracy to facilitate procuring financing and reducing time and effort devoted to this procedure.
9. Collaboration with other financial institutions: Commercial banks can collaborate with other financial institutions such as investment funds and startups to provide SMEs additional financial and technical capabilities.

Providing financial and technical counsel: Commercial banks should provide SMEs with financial and technical counsel in order to enhance their efficiency, development, and financial performance.

In general, Iraqi commercial banks overall will have a paramount role to play in financing small and medium businesses and actualizing Iraqi social and economic development. To this end, they will need to adhere to standards of financing.

Commercial banks' roles in financing small and medium Iraqi businesses could be characterized into three categories: the social level, the economic level and the organizational level...

At the social level, commercial banks are the cornerstone of local community development by financing small and medium enterprises, which typically include small businesses that rely on local skills and natural resources, thus helping to provide job opportunities and improve the standard of living of the population..

At the economic level, commercial banks contribute to driving economic development by providing financing to small and medium-sized enterprises. This leads to increased productivity and sales, thus increasing national income and reducing unemployment..

At Organizational level commercial banks aid development in the domestic financial market by offering development-oriented financing products applicable to small and medium-sized enterprises and inducing investors to provide financing to such initiatives.

But while commercial banks have a central role in financing small and medium enterprise firms, a variety of problems need to be tackled in order to fulfill this role efficiently, like a deficiency in commercial banks' practice and education concerning financing small and medium enterprise firms, and legal and regulatory challenges confronted by small and medium enterprise firms in Iraq.

Additionally, SMEs will be faced with difficulty in gaining loans from commercial banks because they will mostly be lacking in sufficient collateral or a good credit history.

Therefore, commercial banks should adopt financing strategies appropriate to SMEs, extend better training and financial education to potential borrowers, and supply technical and advisory services and professional counsel to SMEs...

For the government, it is important to take measures to encourage commercial banks to finance small and medium-sized enterprises (SMEs), and to provide the necessary guarantees, legislation, and regulations to encourage the

development of this sector. It can further encourage new financing companies dedicated to SMEs to be established, which can provide the sufficient financing, counselling, and aid needed to undertake these actions

Chapter Three: The applied aspect of the research

Statistical analysis results and analysis:

After unloading the data obtained and processing it statistically using the program Statistical Package for Social Science (SPSS), the following results were obtained:

- **Distribution of study sample individuals In commercial banks by gender, as in Table (1):**

Table (1): Distribution of the study sample by gender

Sex	repetition	percentage
male	440	65.9%
feminine	228	34.1%
the total	668	100%

We note that the number of males exceeds that of females in the study sample. This is normal, given that the number of male employees in Iraqi commercial banks is higher than the number of females, with the percentage of males reaching 65.9% compared to 34.1% for females.

- **Distribution of study sample members according to the nature of work, as shown in Table (2).**

Table (2): Distribution of the study sample according to the nature of type the job

Nature of work	repetition	percentage
bank manager	36	5.40%
Assistant manager	73	10.91%
accountant	141	21.10%
employee	344	51.50%
treasurer	74	11.10%
the total	668	%100

Table (2) shows that 51.1% of the sample of employees in Iraqi commercial banks in various fields represented the lowest percentage of commercial bank managers, which amounted to 5.4% of the total sample. As for the cashier, it amounted to 11.1%, and as for the assistant manager and accountant, the percentage amounted to 10.91% and 21.1% respectively.

- **Distribution of study sample members according to age group as shown in Table (4):**

Table (4): Distribution of the study sample according to age group

Age group - year	repetition	percentage
20 - 25	244	%36.5
26 - 30	162	%24.3
31 - 35	99	%14.8
36 - 40	72	%10.8
More than 41	91	%13.6
the total	668	%100

We note that 36.5% of the study sample falls within the first age group (20-25) This is a good percentage and is considered the largest category among the other categories of the study sample. As for the fifth category (over 41), its percentage reached 13.6%, while the percentage of the remaining categories ranged between 10.8% and 24.3%.

- **Distribution of the study sample members according to academic qualifications as shown in Table (5):**

Table (5): Distribution of the study sample according to academic degree

Academic certificate	repetition	percentage
PhD	27	4.0%
Master's	107	16.0%
Bachelor's	355	53.1%
diploma	113	16.9%
Other	66	9.9%
the total	668	100%

Table (5) shows that 53.1% of the study sample hold a bachelor's degree, which is a good percentage considering that bachelor's degree holders in Iraq constitute the highest percentage, while doctorate degree holders represent 4% of the sample. In general, the percentage of holders of various degrees is 90% of the study sample, which is a positive indicator considering that dealings in commercial banks are concerned with financing projects.

- **Distribution of study sample members according to years of experience as shown in Table (6):**

Table (6): Distribution of the study sample according to years of experience

Years of experience - year	repetition	percentage
1-3	267	40.0%
4-6	136	20.4%
7 - 10	100	15.0%
More than 10	165	24.7%
the total	668	100%

From the table, we note that 40% of the study sample have experience between 1-3 years, followed by the second category between 4-6 years, while the last category (more than 10 years) represents 24.7% of the sample.

- **Obstacles, problems and success factors of financing small and medium enterprises in Iraq:**

To find out the opinions of bank clients regarding project financing in terms of risks, factors of success and failure, and reasons for the lack of spread of financing for small and medium enterprises, a set of questions consisting of 20 questions was directed, divided into three groups. The first question in each group was considered as a dependent variable. The rest of the questions in each group are used as independent variables. Tables (7, 8, 9) show the results obtained:

We note that the arithmetic mean for all questions was greater than "3" (the measuring tool), which means that most of the study sample customers' answers were between agree and strongly agree, but there were some questions in which the answers were almost equally divided between agree and disagree. For example, 46.9% of the study sample confirmed the existence of risks associated with the inability to obtain sufficient financing for the project (Q5), and approximately 50% of the study sample are there are risks around financing small and medium enterprises in Iraq. and Environmental and natural changes affect the risks associated with financing small and medium enterprises in Iraq. (Q1 and 8Q), and 82.6% of the study sample agree. There is a lack of financial resources available to finance small and medium enterprises. (17Q).

Although Strategies that small and medium-sized enterprises can use to attract investors interested in investing in startup projects. (13Q) and also Rising prices of raw materials and foreign currencies are affecting financing for small and medium-sized enterprises in Iraq. (6Q) and SMEs can maintain a good relationship with investors. (14Q) as Common Mistakes SME Owners Make When Looking for Financing (Q15) Although available Key components of small and medium enterprises to attract financing. (9Q).

One of the obstacles that limit the use or spread of small and medium enterprise financing services is that: Financial institutions suffer from a lack of willingness to take the risks associated with financing small and medium-sized enterprises. (16Q).

Before analyzing the results and in order to test the significance of the results, the value was calculated. t Which amounted to 60.21, and since the value t is 1.96 smaller than t This calculated confirms that there is a statistically significant relationship between the results at a 95% confidence level.

Table (7) shows the elements of risks of financing small and medium enterprises in Iraq.

The first group: Questions related to the elements of risks in financing small and medium-sized enterprises.										
T	Questions	Strongly agree	agree	neutral	Disagree	Strongly disagree	Std. Dev.	Mean	t	Sig.
1	There is Risks around Financing small and medium enterprises in Iraq	11.7%	40.1%	21.1%	22%	5.1%	1.09	3.31	7,395	.000
2	There are risks. Related Lack of management experience and competence in project management	16.5%	64.2%	12.3%	6.4%	0.6%	0.77	3.90	30,155	.000
3	The risks are associated with the lack of a clear and well-thought-out investment plan for the project.	29.8%	52.4%	13.6%	4.0%	0.1%	0.78	4.08	35,784	.000

4	Economic weakness and political instability affect the risks associated with financing small and medium enterprises in Iraq.	19%	60%	13.8%	6.9%	0.3%	0.79	3.91	29,674	.000
5	There are risks. Linked to the inability to obtain sufficient financing for the project	9.6%	37.3%	22.3%	27.7%	3.1%	1.05	3.22	5,509	.000
6	Rising prices of raw materials and foreign currencies are affecting financing for small and medium-sized enterprises in Iraq.	22.5%	51%	19.8%	6%	0.6%	0.84	3.89	27,395	.000
7	There are risks associated with Lack of sustainable and continuous funding for the project	21.6%	40.7%	19%	15.3%	3.4%	1.09	3.62	14,667	.000
8	Environmental and natural changes affect the risks associated with financing small and medium enterprises in Iraq.	12.9%	33.4%	22.2%	27.8%	3.7%	1.11	3.21	5.565	.000
General average							0.94	3.64		

We note that the arithmetic mean and standard deviation of all answers are close and within the normal distribution of the sample, and this indicates that there are no significant differences in the answers of the study sample. Also, if we compare these values with the general average of all answers, we find them also close. When analyzing the nature of the effect of the independent variables on the dependent variable (Question No. (1), the following results were obtained:

Question number	1	2	3	4	5	6	7	8	Sig.
Sig.	Constant	0.918	0.053	0.150	0.028	0.009	0.295	.000	.000

The value of (Sig).000For all variables as a single package which is considered less than 5% (the degree of significance adopted in the study) which means thatThere are risks around financing small and medium enterprises in Iraq.

Table (8) Explains the components and elements of success in financing small and medium enterprises.

The second group: Questions related to the components and elements of success in financing small and medium enterprises.										
T	Questions	Strongly agree	agree	neutral	Disagree	Strongly disagree	Std. Dev.	Mean	t	Sig.
9	Key components are available Small and medium enterprises have to attract financing.	18.9%	57.5%	20.8%	2.8%	0	0.71	3.92	33,580	.000
10	YSmall and medium enterprises can improve their chances of obtaining financing..	34.9%	54.8%	7.5%	2.4%	0.4%	0.72	4.21	43,651	.000

11	thereMajor obstacles faced by SMEs in obtaining financing.	21.1%	49.9%	23.1%	5.4%	0.6%	0.83	3.85	26,577	.000
12	AvailableProject business plan to attract investors.	25%	53.2%	12%	9.6%	0	0.87	3.94	28,006	.000
13	Strategies that small and medium-sized enterprises can use to attract investors interested in investing in startup projects.	50.6%	45.7%	1.6%	2.1%	0	0.64	4.45	58,679	.000
14	SMEs can maintain a good relationship with investors.	17.8%	43.3%	23.4%	13.6%	1.9%	0.99	3.61	15,992	.000
15	Common Mistakes SME Owners Make When Looking for Financing	15.3%	58.4%	21.9%	3.4%	1%	0.76	3.83	28,382	.000
General average							0.71	3.97		

The overall average of the standard deviation and the average of the answers were close to the values of all the variables in the study. To identify the elements of success in financing small and medium enterprises, the dependent variable was considered.-Question No. (9) is:Small and medium enterprises have key components to attract financing.The values reachedSig.For all independent variables less than 5% except for variables No. (12) and No. (15), the following table shows us the values of the degree of significance (Sig.) for all variables as follows:

We conclude from the table above thatFinancing small and medium enterprises is easy to use, low-cost, and

Question number	7	8	9	10	11	12	13	14	15	Sig.
Sig.	Constant	.000	0.039	0.023	.000	0.261	0.005	.000	0.343	.000

widely used, and saves time and expenses. The total significance level for all variables, which reached 0.000, is less than 5%. The significance level of the study confirms that all variables are components and elements of success.Financing small and medium enterprisesIt also meets the desires and needs of users.

Table (9) shows the possible reasons for the lack of spread of small and medium enterprise financing services.

Group Three: Questions related to the reasons for the lack of spread of small and medium-sized enterprise financing services.										
T	Questions	Strongly agree	agree	neutral	Disagree	Strongly disagree	Std. Dev.	Mean	t	Sig.
16	Financial institutions suffer from a lack of willingness to take the risks associated with financing small and medium-sized enterprises.	24.4%	46%	20.1%	8.8%	0.7%	0.92	3.84	23,777	.000
17	There is a lack of financial resources available to finance small and medium enterprises.	38.3%	44.3%	11.7%	4.6%	1.0%	0.87	4.14	33,844	.000
18	Small and medium enterprises suffer from a lack of experience and the ability to provide the necessary financial documents and	16.5%	43.9%	26.9%	12.7%	0	0.90	3.64	18,340	.000

	papers to obtain financing.									
19	High interest rates can affect the availability of financing for small and medium-sized enterprises.	12.7%	51.6%	18.4%	13.8%	3.4%	0.99	3.56	14,706	.000
20	Economic fluctuations play a role in the lack of penetration of SME financing services.	7.3%	35%	36.7%	19.2%	1.8%	0.91	3.27	7.618	.000
General average									0.92	3.69

Question number	16	17	18	19	20	Sig.
Sig.	Constant	0.108	0.037	0.146	0.067	.003

To identify the possible reasons for the lack of spread of small and medium enterprise financing services, Question No. (16) was considered as a dependent variable, and the value reached Sig. For question (18) 0.037 is less than 5%, the significance level of the study, which means: Financial institutions suffer from a lack of willingness to take the risks associated with financing small and medium-sized enterprises. As for the bank introducing electronic banking services And (Question No. (19)) The value has reached Sig. It has a value of 0.146 greater than 5%, which means that it High interest rates can affect the availability of financing for small and medium-sized enterprises., where the value reached Sig. 0.067, as for the value Sig. The total for all variables amounted to 0.003 less than 5%, which indicates that the bank is fully responsible for the lack of spread of financing services for small and medium enterprises.

RESULTS:

- 1- Commercial banks are among the most important sources of financing for small and medium-sized enterprises (SMEs) in Iraq, providing loans and financing for these projects.
- 2- It is worth noting that commercial banks in Iraq suffer from some problems related to a lack of capital and security and political challenges, which greatly affects their ability to finance small and medium-sized enterprises..
- 3- However, with some improvements in the economic and political situation, commercial banks in Iraq could increase their role in financing small and medium-sized enterprises, thus stimulating economic growth and creating job opportunities in the country..
- 4- It should be noted that bank financing for small and medium-sized enterprises (SMEs) depends largely on the viability and sustainability of these projects, as well as the ability of the beneficiaries to repay the debts and interest due.

RECOMMENDATIONS:

1. Enhancing communication between commercial banks and small and medium-sized enterprises: Commercial banks should enhance communication with small and medium-sized enterprises by announcing financing and support programs, and providing important information and guidance to emerging and medium-sized enterprises..
2. Launching financing programs specifically for small and medium-sized enterprises: Commercial banks should launch financing programs specifically for small and medium-sized enterprises, which include easy and effective financing terms, such as flexible repayment periods and low interest rates, to encourage emerging enterprises and enable them to grow..
3. Providing professional advice and technical guidance: Commercial banks can provide professional advice and technical guidance to SMEs regarding project management and development and assist in developing business plans..
4. Developing banks' technical capabilities: Commercial banks should develop their technical capabilities and adopt modern technologies, such as artificial intelligence and machine learning, to improve the quality of financing services, facilitate the financing process, ensure the speed of loan approval procedures, and facilitate administrative procedures and reduce bureaucracy. This is to improve the experience of small and medium-sized enterprises (SMEs) with commercial banks..
5. Expanding the geographical presence of commercial banks: Commercial banks should expand their geographical presence in Iraq to achieve broader coverage and provide financing opportunities for small and medium-sized enterprises in different regions.

6. Encouraging entrepreneurship and innovation: Commercial banks should encourage entrepreneurship and innovation by supporting small and medium-sized enterprises operating in new and innovative fields, which contribute to improving the local economy and creating job opportunities.

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