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# FOURTH ANNUAL REPORT: OCTOBER 2014 – SEPTEMBER 2015

**USAID SME DEVELOPMENT PROGRAM**

**November 2015**

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## USAID SME DEVELOPMENT PROGRAM

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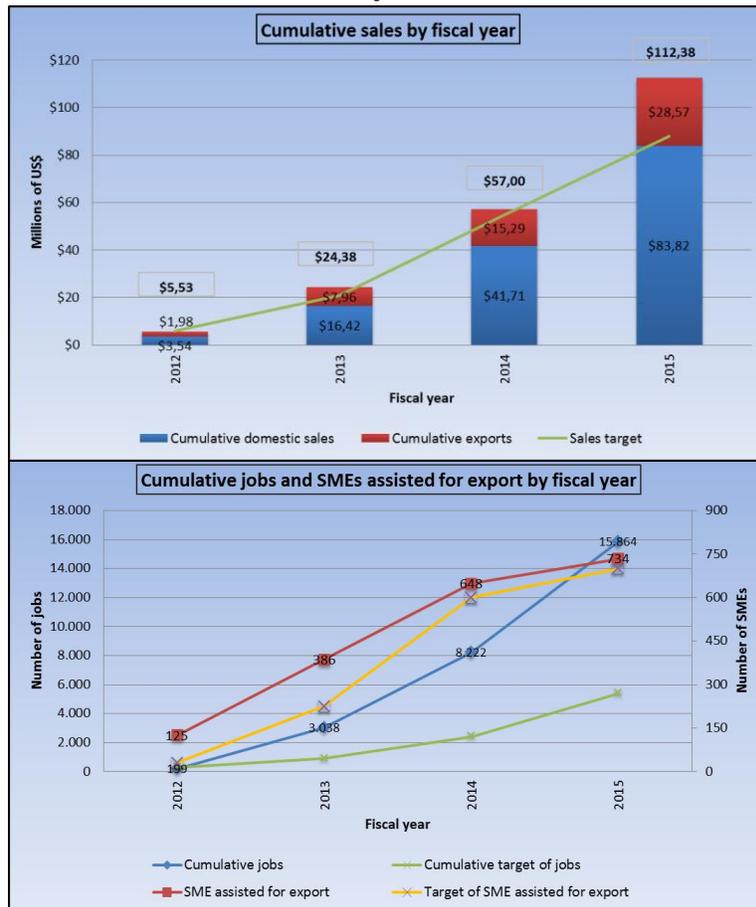
# ACRONYMS

AMEES	Association of Business and Entrepreneurial Women of El Salvador
ASBDC	Association of Small Business Development Centers
ASI	Salvadoran Association of Industrialists
CCIES	El Salvador Chamber of Commerce and Industry
CICR	Chamber of Industry in Costa Rica
CEDART	Artisan Development Centers
CDMYPE	Micro and Small Enterprise Development Center
COEXPORT	Exporters Corporation of El Salvador
CONAMYPE	National Commission for Micro and Small Enterprise
DIPOA	Animal Products Safety Division
DGDF	Directorate General for Drugs and Pharmacies
EEUU	United States
FDA	Food and Drug Administration
FEPADE	Foundation of Businesses for Economic Development
FGR	Attorney General of the Republic of El Salvador
FOMIN	Multilateral Investment Fund
FSMA	Food Safety Modernization Act
FONDEPRO	Productive Development Fund
FUSADES	Salvadoran Foundation for Economic and Social Development
GIZ	German Agency for Technical Cooperation
GOES	Government of El Salvador
HACCP	Hazard Analysis and Critical Control Point
ITCA	Central American Institute of Technology
MAG	Ministry of Agriculture and Livestock
MINEC	Ministry of the Economy
MIPYME	Micro Small and Medium Enterprise
MOU	Memorandum of Understanding
MSE	Micro and Small Enterprise
NGO	Nongovernmental Organization
PSO	Private Sector Organization
PDP	Program for Supplier Development
UNDP	United Nations Development Program
PROESA	Export and Investment Promotion Agency of El Salvador
SME	Small and Medium Enterprise
SBDC	Small Business Development Centers
UJMD	Dr. Jose Matias Delgado University
USAID	United States Agency for International Development

# EXECUTIVE SUMMARY

The USAID SME Development Program contributes to achieving goal number six of the Partnership for Growth, which is “to overcome low productivity by transforming production factors of the tradable sector through strategies to improve innovation, quality and internationalization.” During its fourth year of implementation, the Program executed a series of activities with its strategic partners, achieving significant accumulated results in several indicators, including \$112.3 million in sales (of which \$28.5 million are exports); 15,864 new jobs; 734 MSMEs assisted to export, and \$22.1 million in leveraged funds. Support was provided to industries with potential to create jobs in the tradable sector of the economy, including chemical-pharmaceutical, metalwork, food and beverages, handicrafts and beekeeping.

**Cummulative sales, jobs and SMEs assisted**



To achieve these results the Program has used a variety of approaches and development strategies, including supply chain development; preparing companies to compete in international markets; targeted sector development activities; technical assistance for innovation; collaboration with diaspora and volunteer organizations; institutional strengthening of public and private partners, and fostering women's entrepreneurship.

This year the Program partnered with the Chamber of Commerce and Industry of El Salvador (CCIES) to promote INNOVEXPORT, the first program designed specifically to improve the capacity for innovation of Salvadoran companies. Eleven SMEs of the chemical-pharmaceutical

sector received training and technical assistance for nine months through INNOVEXPORT, under the leadership of a lead consultant from the Chamber of Industry of Costa Rica. This initiative has resulted in significant impacts to date regarding new sales, as well as investments in 46 new products and improvements and adjustments to 22 existing products.

The Program organized the "First Business Meeting of the metalwork sector" together with the Specialized School of Engineering ITCA-FEPADE. This is the first initiative of its kind in this industry in the country, aimed at opening business opportunities in a venue that allowed the SMEs to showcase their products and services and hold business meetings with large potential buyers such as Kimberly Clark and Industrias La Constancia.

The third and fourth modules of the International Certification Program in Bakery Goods were executed in conjunction with the Program for Innovation Promotion (Proinnova) of the Salvadoran Foundation for Economic and Social Development (FUSADES). The modules were imparted by international facilitators and with the collaboration of milling company MOLSA, which provided the facilities for carrying out the practical workshops. This year technical assistance in innovation was also provided through Proinnova to 17 food and beverage SMEs, and the "Food and Beverage Technology Summit 2015" was supported.

Almacenes SIMAN organized ARTECA for the third consecutive year, making high quality crafts and design collections of cultural identity available to the public. The Program joined forces with SIMAN to provide technical assistance to 21 supplier SMEs which materialized 48 purchase orders, some of which will go to SIMAN stores in other Central American countries. It is noteworthy that SIMAN has been invited to share the ARTECA experience as a social impact investment for the development of cultural enterprises in the *Latin American Impact Investment Forum (FLII)* to be held on November 5 and 6 in Antigua, Guatemala.



Siman shop window decoration during the ARTECA 2015 festival.

The Program began tracking and monitoring 24 SMEs participating in the Advanced Beekeeping Program that had received technical assistance supported by the Program and which are also suppliers of the honey chain. Sales reported to date by these enterprises amount to more than a million dollars. In September the Program signed a memorandum of understanding with the Ministry of Agriculture and Livestock, the Honey Chain and the Salvadoran Agency for Technical Regulation (OSARTEC) to print and disseminate the *Salvadoran Technical Regulation of Good Beekeeping Practices in Honey Production* and thus contribute to the growth of the sector.

The Program continued promoting and strengthening woman entrepreneurship with initiatives such as ESCALA (with CCIES, Sabios y Expertos and UJMD), *Tejiendo Esperanza* (Weaving Hope) (Del Sur and Lula Mena), Gourmet Station (Siman) and through specialized technical assistance (Vital Voices). The first edition of ESCALA - a mentoring program designed specifically for businesses headed by women - took place between February and May with the participation of 10 companies, and 17 more companies signed up for the second edition, which began in August. *Tejiendo Esperanza* is generating opportunities for 10 women residing in Santiago Texacuangos, who have become suppliers of fabric with copper cable applications by

Lula Mena. The Program also supported SIMAN in their launching of the Gourmet Station, with five women-led companies members of the Association of Business and Entrepreneurial Women of El Salvador (AMEES) that sell their products to this major retail chain. Technical assistance is being provided to 13 women-led SMEs in areas such as costing, sales strategies and financial analysis through Vital Voices El Salvador.

The Program, together with PROESA, COEXPORT, CCIES and tractor companies like Lula Mena and Exporsal, facilitated the internationalization of 65 SMEs in miscellaneous manufacturing, food and beverages, chemicals and pharmaceuticals, handicrafts, footwear and other sectors through their participation in 11 international trade fairs held in seven different countries: Salvadoran Corridor in Los Angeles, VIP Lounge Grammy Awards, Artisan Resource, Las Vegas Market, EXPOANTAD Mexico, SIAL Canada, EXPOCOMER Panama, New World Crafts and EXPOCALZADO in Guatemala, Ambiente in Germany, and Gifts and Premiums in Dubai, in addition to three trade missions to Central America and training and assistance to 71 SMEs in export issues. Participating companies have made export sales amounting to more than \$4.2 million.

The Program has continued working with CONAMYPE to consolidate the CDMYPE model in the transfer of best practices and the training of human resources, and has also supported the creation of the *Association of Operating Institutions of Micro and Small Businesses Development Centers (ACDMYPE)*. The First Conference of the CDMYPE Association was held in March, with the participation of 150 CDMYPE advisers and directors, as well as a number of CONAMYPE officials. The event comprised approximately 20 conferences, workshops and talks with national and international experts, including prominent representatives of the Puerto Rico, Maryland and Texas SBDCs. The participation of a delegation of CONAMYPE and CDMYPE Association representatives was supported to attend the *35th Annual Conference of the SBDC Association (ASBDC)* held in San Francisco, California, from September 9 to 11, 2015, and a best practices exchange program was started among the centers of the CDMYPE network.

The Program also supported the implementation of FONDEPRO's "Fund Contest for Territorial Productive Development", whereby more than \$1.1 million was channeled to 22 winning initiatives. FONDEPRO was also supported with training and technical assistance to assess and measure its impact, and \$16.9 million in sales were identified by 147 companies as a result of financing received from the Fund.

Thanks to its extension for one more year – until October 2, 2016 - the Program will be able to continue working to consolidate initiatives in key areas such as women's entrepreneurship, innovation and technological development, and networking with the Salvadoran diaspora to support SMEs. It will also work on systematizing the successful initiatives carried out, on institutionally strengthening a number of its key partners, and will continue supporting the internationalization of SMEs.

# I. SUPPORTING THE GOVERNMENT OF EL SALVADOR (GOES) IN CONSOLIDATING THE MICRO AND SMALL BUSINESS DEVELOPMENT CENTERS (CDMYPEs)

The National Commission for Micro and Small Businesses (CONAMYPE) is the agency of the Ministry of Economy responsible for promoting and coordinating the implementation of public policies for micro and small enterprises (MSEs). In the last six years its role and impact on public policies to support MSEs has increased, achieving not only the enactment of the first law for the promotion of micro and small businesses in 2014 (Law for the Promotion, Protection and Development of Micro and Small Businesses, or MSE Act), but also, a significant increase in the state budget to operate it.

The Program has supported CONAMYPE since 2012 in the consolidation of the micro and small business development centers (CDMYPE) model that was implemented in El Salvador in 2010, based on the experience and methodology of the Small Business Development Centers (SBDC) of the United States. The "public-private-academia" partnership that sustains the model was expanded in 2015 with the addition of two new universities operating CDMYPEs, thereby achieving a network of 14 CDMYPEs nationwide.

Technical assistance and training was also continued this year with the purpose of strengthening the CDMYPE model, and also the creation of the CDMYPE Association as an entity that will provide continuity and sustainability to the model. Moreover, towards the end of the reporting period, the Program began collaborating with CONAMYPE in implementing an initiative in Ciudad Delgado aimed at reducing crime rates by creating and developing an economic corridor.

The main activities, by area of intervention are as follows:

## 1.1 SUPPORTING CONAMYPE AND STRENGTHENING THE CDMYPE MODEL

The consolidation of the CDMYPE model was supported by the Program through programs and workshops to share best practices, training of center directors and business advisors, reformulation of organizational and procedures manuals, and the participation in the 35th Annual Conference of the SBDC Association (ASBDC).

*a) Best practices exchange program among CDMYPE centers.* The first meeting was held at the ADEL in Morazán on May 29, with the participation of more than 50 representatives of CDMYPEs operated by ADEL Morazán, ADEL La Unión, Universidad de Oriente, Gerardo Barrios University, Francisco Gavidia University and PROCOMES. Among the best practices highlighted was the one presented by ADEL La Unión regarding the management of CDMYPE customer financing through closer ties and work with financial institutions. The second meeting was held at the Cayaguanca Association of Municipalities, on September 4, with the attendance of 25 representatives of the CDMYPEs operated by: Cayaguanca Association, University of Sonsonate (USO), ADEL La Unión and Universidad de Oriente (UNIVO). Among the best practices highlighted was the one presented by UNIVO, whereby they have integrated CDMYPEs into different areas of the university, such as research, quality, planning and academia, thereby strengthening their ability to support SMEs.

b) *Training for advisors.* CONAMYPE aims at promoting the professional development and performance of business advisors, who according to the new strategy must serve more clients in need of expert advice. The Program is supporting this initiative, whose basic principles have been adopted from the SBDC Consultant Certification Program of Puerto Rico. This year the following progress was made:

- *Preliminary design of the program and its regulations.* A monitoring committee outlined the training and certification program in three phases: 1. *Induction*, addressed to new human resources hired by CDMYPE and whose contents will be developed virtually; 2. *Basic training*, prioritizing business development topics that could be taught by leading CDMYPE advisors who have reached a certain level of expertise, and 3. *Certification*, which requires a self-education process that includes taking courses related to their jobs, success stories, economic impact and customer references, among others.
- *Diagnosis of training needs.* It was conducted between June 17 and 24, with the participation of 58 consultants of a total of 80, who through a survey expressed their training needs, identifying the areas and topics in which they seek to develop and strengthen their knowledge. The areas mentioned include: innovation management, import and export logistics, trademark registration and business registration. The results of this exercise will be considered for the design of the training.
- *Development of two focus groups with CDMYPE advisors.* These groups were developed on June 30 and each was attended by nine advisors, equivalent to 22% of the total. The focus groups revealed important recommendations related to the thematic content and implementation mechanism, which will be considered in the design of the training and certification programs. All participating advisors expressed their agreement with the creation of a certification program and considered that it will help to generate greater confidence among CDMYPE users.
- *Hiring of a consultancy service to develop a virtual training course.* This consultancy started in September and will last for three months. The product will be a virtual course for the induction of CDMYPE advisors. This course was previously taught by CONAMYPE under the name of “Diplomado”, which is the first phase of the Training and Certification Program for CDMYPE advisors.
- A workshop on *Writing Terms of Reference* was offered to center directors and business advisors on August 25, 26 and 28, with the attendance of 102 people.



CDMYPE advisors participating in a focus group. San Salvador, June 30, 2015.

c) *Workshop on "Gender Mainstreaming in the CDMYPE network."* This workshop was held in March and about 100 CDMYPE directors and advisors attended to learn about issues related to the gender regulatory framework, focusing on business services and economic empowerment of

women as the path towards territorial economic development. The gender equality indicators achieved were released at that time.

d) *Three representatives of CONAMYPE and six representatives of the CDMYPE Association participated in the 35th Annual Conference of America's SBDC (ASBDC) held in San Francisco, California, from September 9 to 11. Attendees had the opportunity to participate in a wide range of conferences on customer advisory, innovative tools and best practices developed by SBDCs, technology platforms to support business development, among other. The President of the CDMYPE Association and President of the Francisco Gavidia University, Mario Antonio Ruiz and CONAMYPE Deputy Executive Director, Rosibel Flores attended the event along with*

*prominent CDMYPE directors and advisors. Three representatives of the CDMYPEs operated by the Catholic University of El Salvador and the Francisco Gavidia University also attended the conference in addition to the delegation supported by the program. The conference brought together more than 1,300 SBDCs of the United States, Mexico, Brazil, Canada and other countries in the hemisphere that have adopted this model for providing SME services. Mrs. Maria Contreras Sweet, Director of the Small Business Administration of the*



*Members of the Salvadoran delegation participating in the 35th Annual America's SBDC (ASBDC) Conference San Francisco, California, September, 2015.*

*United States spoke at the Conference. The United States Department of State conducted an International SBDC Twinning Workshop in the framework of the Small Business Network of the Americas initiative. The President of the CDMYPE Association participated in a panel on SME development programs, along with representatives of the Mexican Association of Small Business Development Centers (AMCDPE), the Brazilian Service to Support Micro and Small Businesses (SEBRAE) and the Technical Cooperation Service of Chile (SERCOTEC).*

e) *Redesign of the CDMYPE and CONAMYPE s Regional Centers Manuals. Between November and March CONAMYPE was supported with the redesign of these manuals, according to the new intervention strategy embodied in the 2014-2019 five-year plan, which establishes that the regional offices of CONAMYPE will serve clients in the "creation and implementation of the company" stages, while the CDMYPEs will serve companies in their growth, sustainability, expansion and internationalization phases. The main changes made to the CDMYPE manual resulted from the consultative workshops with CONAMYPE management and implementation staff, which is summarized as follows:*

- Redefining the customer segment to be served by CDMYPE (micro and small businesses), which should at least be registered as VAT taxpayers.
- The agreements with CDMYPE's operating institutions will be subscribed for up to five years (framework agreement), and an addendum will be signed annually to regulate the budget.
- The new goals of the CDMYPEs include sales indicators and the number of jobs created in clients served, as a result of CDMYPE's intervention.
- CDMYPE directors shall devote one hundred percent of their time to the activities of the center, and not fifty percent as they do now. They will also be absolutely responsible for the compliance with goals and administrative processes.

- The CDMYPEs will measure the economic impact generated by their customers up to two years following the Center's intervention.
- CONAMYPE will differentiate and assign targets to the CDMYPE based on the following criteria: geographic dispersion of the production network in the territory assigned to each CDMYPE; size of production structures; customer profiles in the territory, and resources allocated by CONAMYPE to the CDMYPEs.

The manuals for CONAMYPE's Regional Centers were written based on the work processes and methods to guide the service provided to entrepreneurs. Its contents are summarized as follows:

- The general legal and institutional framework in which the service to beneficiaries is based on:
- Roles and duties of the staff of the regional centers
- Definition of customers and customer profiles and their entry and exit into the service
- Characterization of the types of entrepreneurship
- Service processes and methodologies to be used
- Impact measurement and indicators
- Instruments to be employed.

These working guidelines will be implemented gradually until CONAMYPE has the necessary resources in its regional offices to meet the demand of entrepreneurs, and also obtains agreements from partner institutions that operate the CDMYPEs, to work under these new guidelines.

*f) Participation in the Sixth National Meeting of Micro and Small Enterprises (MSEs).* The program supported CONAMYPE as a sponsor of this event for the fourth time in a row, which this year was called "Connecting MSEs with innovation and technology." The event was inaugurated by President Salvador Sanchez Ceren on September 17 and was attended by more than 2,900 people from across the country, including businessmen and representatives of public and private organizations that support MSEs. CONAMYPE launched the "Online MIPYMEs" project, a platform that allows companies to sell online. Attendees were able to participate in various conferences on the themes of innovation and technology, with outstanding national and international exhibitors.

## **1.2 CREATION AND STRENGTHENING OF THE CDMYPE ASSOCIATION**

The program has supported the creation of the Association of Operating Institutions of Micro and Small Business Development Centers (ACDMYPE) for two years, which was launched in March this year. ACDMYPE was created with the participation of five universities and four NGOs as founding members, with the purpose of not only representing the collective interests

of the operating institutions, but also to ensure continuity, continuous improvement and sustainability of the model through the commitment assumed by their member institutions in the operation of the centers. The launch of the CDMYPE Association took place in March during the First CDMYPE Conference, where the first Board chaired by the President of the Francisco Gavidia University, Mario Antonio Ruiz was also sworn in.



*Ileana Rogel, Executive Director of CONAMYPE, swearing in the first Board of the CDMYPE Association. San Salvador, March 18, 2015.*

In May the charter of the Association was signed by the founding members: 1.

Francisco Gavidia University; 2. Universidad de Oriente; 3. University of Sonsonate; 4. Gerardo Barrios University; 5. ADEL Morazán; 6. PROCOMES; 7. La Union ADEL; 8. FADEMYPE, and 9. Association of Cayaguanca Municipalities. In addition, the Catholic University of El Salvador, which currently operates two CDMYPEs, has submitted its membership application to the authorities of the Association, although its official incorporation will not occur until the association is granted its legal status.

*a) Creation of the CDMYPE Association.* The program hired a legal counsel who supported ACDMYPE in preparing the documents required to obtain its legal status. The application was submitted to the Ministry of the Interior in June and a response is expected by the end of 2015.

*b) Design of a three-year strategic plan.* This took place between January and April, with the participation of representatives of member institutions of the Association. This plan defines the three areas of work in which the Association will focus: 1) Capacity building of human resources in the network; 2) Implementation of a continuous improvement system in the provision of services by the CDMYPEs, and 3) Management of financial resources for the implementation of projects that contribute to CDMYPEs services. An Operational Plan with concrete actions to be implemented during the first year was also delivered to the association, which is ongoing.

*c) Design of ACDMYPE 's website and newsletter.* The ACDMYPE designed its website and newsletter with the support of the Program and the Francisco Gavidia University (see <http://www.acdmype.org.sv/>). This site is a



**Alejandro Benítez**  
**Secretary of the Board of the CDMYPE Association.**

“The technical and financial support we received from the USAID Program for SMEs Development and the Creation of the CDMYPE Association have been very important, especially in the definition of norms and internal instruments (profiles, statutes, organizational manual, internal regulations, strategic plan, etc.) as well as legalization. The Association also received strong support from the Program in the organization and execution of the First Conference of CDMYPEs in El Salvador. We are confident that the work to be undertaken by our association will help improve the quality of services provided by the CDMYPEs, thereby promoting the development of productive and competitive capabilities of micro and small enterprises and their articulation to the national and international economy.

means of communicating between members and strategic partners of the Association and of informing the public about the organization's work and its impact in benefit of micro and small enterprises.

d) *CDMYPE's continuous improvement process.* The *Continuous Improvement Committee* was set up in August, composed of five CDMYPE directors, one representative from CONAMYPE and one representative from the CDMYPE Association. This committee will promote the implementation of the improvement plans designed by each CDMYPE to strengthen different management areas, based on the Malcolm Baldrige excellence model. It plans to implement these improvement plans in the first half of 2016.

e) *First Conference of the CDMYPE Association.* The First Conference of the CDMYPE Association was supported by the Program from March 18 to 20. The opening ceremony was chaired by Mario Ruiz, President of the Association; Merlin Barrera, Deputy Minister of Trade and Industry; Gregory Howell, Acting Deputy Director of USAID; Ileana Rogel, CONAMYPE's Executive Director, and Robert McKinley, Vice President of the Economic Development Institute of the University of Texas at San Antonio. Around 20 lectures, workshops and talks with national and international experts were offered during the event, highlighting the participation of the US SBDC representatives, including Carmen Martí and Brenda Rodriguez of the SBTDC Network of Puerto Rico, who shared their experience related to the management of SMEs financing and quality control mechanisms in the services provided by their Centers. Marisela Villamil, Project Manager of the Center for Hispanic Business of the University of Maryland, shared her experience on "Providing effective advice" and Robert McKinley gave a lecture on how the SBDC model has expanded throughout the hemisphere and partnering opportunities for SMEs to market their products.

The activity was attended by about 150 representatives of the CDMYPE network, CONAMYPE and some CDMYPEs of Guatemala, and special guests. CONAMYPE granted awards to the CDMYPEs and advisers that obtained the best results during 2014, among which the following can be highlighted: ADEL Morazan, as the CDMYPE with the highest number of customers; Francisco Gavidia University as the best performing CDMYPE, and University Dr. Jose Matias Delgado as the CDMYPE that achieved greater impact on customer's sales growth. A special award was presented to Mr. Larry Sacks, Acting Director of the USAID Mission in El Salvador, for the support provided in the consolidation of the CDMYPE model.

### **1.3 VIOLENCE PREVENTION SUPPORT EFFORTS**

This year the Government of El Salvador launched the Safe El Salvador Plan, which contains priority short, medium and long term actions to curb violence and crime in the country in the 50 most affected municipalities. This plan has targeted its first phase of implementation in 10 municipalities, including Ciudad Delgado and Mejicanos. The Program joined this effort and together with CONAMYPE designed the "Municipios Floreciendo" initiative, which seeks to promote the development of economic corridors in the territories to boost the productive sector, create employment and thereby reduce violence and crime through a coordinated effort with the private sector under the leadership of the municipality and with a philosophy of recovery and promotion of the identity of the municipality. Among the activities that "Municipios Floreciendo" would take to the territories we can highlight: entrepreneurship programs focused on youth and women, cultural activities and promotion of the supply of small local producers, and improvement of the appearance and safety of the selected economic corridor.

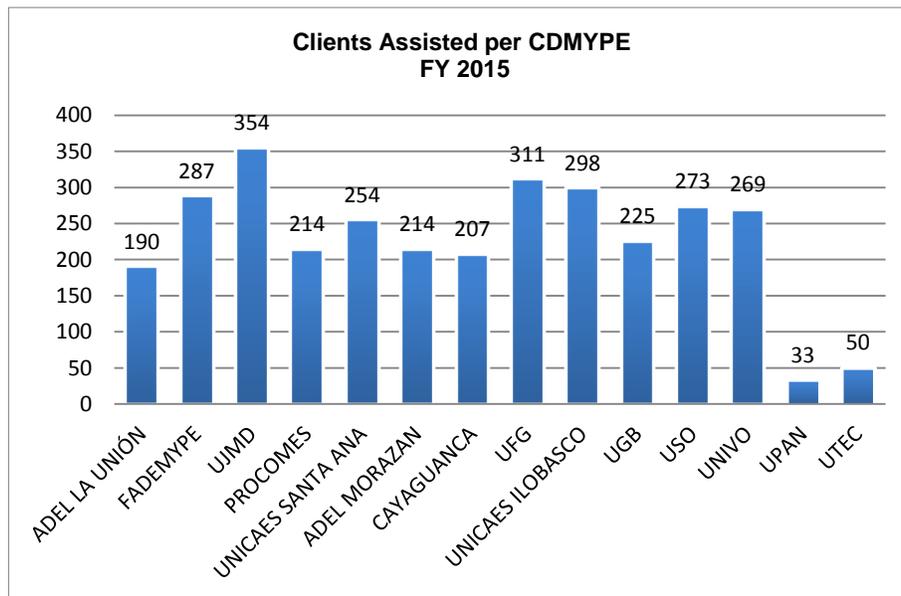
In September, a specialist in violence prevention and public safety, Mr. Enrique Betancourt, visited the country and met with municipal authorities and local stakeholders of Ciudad Delgado and Mejicanos as well as governmental institutions responsible for the implementation of the Safe El Salvador Plan, including CONAMYPE, in order to share their experience in implementing successful initiatives to prevent violence in Latin America. During the meetings the expert learned about the safety problems faced by municipalities and small business, in order to propose strategies to help ensure the success of the "Municipalidades Floreciendo" initiative. During FY 2016 the Program will work with CONAMYPE in implementing this initiative.



Enrique Betancourt, a Violence and Citizen Security Prevention expert, during the workshop with municipal authorities and stakeholders, September, 2015.

#### 1.4 MAIN RESULTS OBTAINED BY THE CDMYPES IN FY2015

Between October 2014 and September 2015 the CDMYPE network handled a total of 3,179 clients, including micro and small enterprises and entrepreneurs.



In terms of geographic regions, of the total number of clients served, 54.1% corresponded to the Central and Paracentral region, 29.3% to the eastern region of the country, and 16.6% to the western region. The CDMYPES that benefited more customers during the year were operated by the Dr. Jose Matias Delgado University (11% of the total), followed by the Francisco Gavidia University (UFG) (10% of total).

The CDMYPE network provided a total of 9,542 services, of which 95.5% were advisory services in several fields of expertise (business, financial, women's entrepreneurship and ICT).

This service has been directly provided by the CDMYPEs' staff of advisors that accompany businesses for a period of no less than four months. The technical assistance provided by external experts accounted for only 2.3% of all services provided during the year. The CDMYPEs that provided more services to their customers were the Catholic University of El Salvador at the Santa Ana campus, with 12%, and PROCOMES, with 14% of the total.

### Services provided by the CDMYPEs October 2014 - September 2015

Center	Clients	Advisory Services	Technical Assistance	Training	Linkages	Total Services
ADEL LA UNIÓN	190	648	22	10	6	686
FADEMYPE	287	681	10	9	6	706
UJMD	354	550	16	12	2	580
PROCOMES	214	972	15	21	15	1,023
UNICAES SANTA ANA	254	1,090	18	9	7	1,124
ADEL MORAZAN	214	766	40	11	20	837
CAYAGUANCA	207	540	18	10	6	574
UFG	311	898	11	5	0	914
UNICAES ILOBASCO	298	801	12	8	4	825
UGB	225	545	18	9	12	584
USO	273	765	15	9	8	797
UNIVO	269	689	22	9	6	726
UPAN**	33	74	0	0	0	74
UTEC**	50	92	0	0	0	92
<b>Total</b>	<b>3,179</b>	<b>9,111</b>	<b>217</b>	<b>122</b>	<b>92</b>	<b>9,542</b>

Source: SGI – CONAMYPE, October 2, 2015

\* Includes assistance in business administration, finances, ICT and female entrepreneurship.

\*\*The UTEC and UPAN CDMYPEs started operations in August 2015

## II. GOES COLLABORATION TO STRENGTHEN SME DEVELOPMENT

### 2.1 SUPPORT TO THE PRODUCTIVE DEVELOPMENT FUND (FONDEPRO)

This year the Program continued to support the strengthening of FONDEPRO's internal management to enable the organization to provide efficient services to SMEs. Between November and December thanks to the implementation of the "Fund Contests for Productive Territorial Development", FONDEPRO channeled more than \$ 1.1 million to 22 winning initiatives. It also strengthened the institutional capacity of the Fund to assess the economic impact caused as a result of its support. This year, for example, the institution managed to capture impact of more than \$ 16 million in sales and 996 jobs created by the companies it financed. Progress was made in the review of the Fund's internal manuals, which allowed it to organize and systematize its operational and administrative activities. The Program also

endowed the institution with two communication switches to optimize the operation of its computer system.

*a) Awards to finance regional productive development.*

In order to allow more companies access to resources provided by FONDEPRO and promote regional development, the Program jointly with the German Agency for Technical Cooperation (GIZ), supported the design of a new instrument for co-financing SME projects in MINEC target territories. Between May and July 2014, with the support of the Program, MINEC launched nine contests in the following territories: La Union, Usulután, Morazán, San Vicente, Cabañas, the micro-region of Los Nonualcos in La Paz, Sonsonate, Santa Ana, and the micro-region Cumbres del Mar in La Libertad. The contests were targeted to formally constituted associative groups, with gross annual sales of less than \$1 million, and projects focused on improving production



*The Vice Minister of Commerce and Industry hands a check to the Asociación Cooperativa Agropecuaria, Candelaria Sociedad. Morazán, November 21, 2014.*

processes, conduct business in a collective and associative manner and encourage technological innovation in the following sectors: agriculture, fisheries, aquaculture, forestry, tourism, livestock, agro-industry and handicrafts. In total around 102 projects were received, of which 22 were selected and received co-financing for over \$ 1.1 million. Between November and December seven award events took place with the support of the Program.

*b) Strengthening the capacity of FONDEPRO to measure the economic impact caused by the initiatives supported.*

In 2013 the Program helped FONDEPRO design a system to measure the impact of the assistance the institution provides to SMEs, including an Instructions Manual to Capture and Measure Impact. The idea was for FONDEPRO to be able to measure performance not only based on process indicators such as number of clients served, amounts placed and approved projects, but also to measure impact on the economy. The Fund implemented the methodology that same year and was able to record approximately \$13.8 million in new sales. However, in 2014 it was unable to fully capture the institution's impact on its customers, due to changes of personnel responsible for carrying out this activity.

This year the Program's technical team provided technical assistance and support to new staff responsible for measuring the impact on the companies financed by the Fund, carrying out the following activities:

- *Training on the methodology to capture the impact of FONDEPRO to the technical staff of the organization.* Between February and March two training sessions were held in the offices of FONDEPRO, with special emphasis on the definition of impact indicators and management. In addition, measurements made in previous years were reviewed.
- *Technical assistance for capturing impact.* In April a measurement exercise was launched, from which a total of 97 companies reported more than \$16 million in sales, while 90 companies reported having created 996 jobs.

c) *Consultancy to review and update FONDEPRO's job position manuals and procedures and diagnosis of its institutional situation based on ISO 9001.* At the request of Merlin Barrera, Vice Minister of Trade and Industry, and in order to continue supporting FONDEPRO with the improvement of its internal processes so as to be able to provide more efficient services, the Program hired a consultant to implement a process management model that will allow the Fund to operate under quality standards that will ensure the efficient provision of co-financing. A diagnosis of the working of the institution has been concluded and an action plan has been proposed to align the internal systems to the requirements of a process-based management system. Recommendations have been made to improve each one of the Fund's internal processes. Progress has also been made in the following products:

- Staff skills assessment, based on the requirements of each job position, as well as a gap analysis between the job profile and the profile of the occupant.
- Evaluation of the workload of the job positions and recommendations for an effective redistribution.
- Updating the Job Positions and Tasks Manual.
- Updating the Processes and Procedures Manual.

This consultancy should be completed by December 2015 with an institutional status diagnosis based on the ISO 9001 standard.

d) *Support with computer equipment.* The program delivered two switches to FONDEPRO's Communication Department to optimize the operation of the Business Initiatives Management System, developed with the support of the Program between 2013 and 2014. This equipment enabled FONDEPRO to strengthen the system's infrastructure connectivity and the rate at which data is transferred.



Right: Claudia Sequeira, Director of FONDEPRO receives computer equipment provided by USAID. San Salvador, April 29, 2015.

#### *Management and Economic Impact.*

FONDEPRO approved a total of \$ 4,534,190 in co-financing this year through 242 business initiatives that benefited 230 companies. A total of 43.9% of the funds went to medium enterprise initiatives, 31.3% to micro businesses and 24.8% to small businesses. Women-led businesses received 14.4% of the funds.

A total of 55.9% of the funds went to innovation and technology; 27.3% to productive chains and associativity; 9.7% to market development; 4.7% to quality and productivity, and 2.5% to cleaner production.

In terms of economic sectors that have been supported, 18.7% of the initiatives were related to food and beverages; 18.2% to agribusiness; 13.4% to computer industry; 7.7% to creative industries; 7.5% to textiles and clothing; 5.1% to chemical-pharmaceutical and natural cosmetics, and 29.4% to other sectors.

Moreover, in the year a total of \$3,226.881 were reimbursed due to the execution of 275 approved initiatives.

In terms of impact outcomes, FONDEPRO reported that 97 companies supported last year generated sales in the amount of \$ 16.9 million, of which 54% were domestic sales and 46% exports. Additionally, 90 companies reported having created 996 jobs through FONDEPRO co-financing received, of which 44% (435) were positions occupied by women.

## 2.2. STRENGTHENING THE CAPACITY OF PROESA TO PROVIDE EXPORT SUPPORT SERVICES FOR SMES

PROESA was supported this year in the development of three trade promotion activities in Panama, the United States and the Dominican Republic. In addition, a group of 43 companies that participated in two trade promotion events were trained in trade negotiation techniques. Likewise, 13 exporting companies were integrated to the SBDC Global online platform by which exporters can trade with companies in other countries, mainly the United States. Finally, a workshop with 25 exporting companies led by women was developed in conjunction with PROESA and ECLAC, in which stories of companies that have successfully incorporated gender equality practices in their business models were shared.

a) *Support to trade promotion events abroad.*

- *Salvadoran Corridor Fair in Los Angeles.* The Program supported the participation of PROESA and COEXPORT in the first Salvadoran Corridor fair in Los Angeles, held from October 24 to 26. The Program funded an exhibitor's stand for 15 companies from different sectors to have the opportunity to showcase their exports. Representatives of eight companies traveled to Los Angeles and seven were represented by COEXPORT and PROESA officials. Employers also had the opportunity to participate in a business conference. As a result, at least 35 contacts with a potential to close business deals with the participating companies were identified. PROESA's Export Director and COEXPORT's Executive Director participated, in addition to the Deputy Minister for Salvadorans Abroad.

### FONDEPRO's Results October 2014 – September 2015

Indicator	Oct 2014 - Sep 2015
<b>Placed Amounts</b>	<b>\$4,534,190</b>
<b>By support line</b>	
• Innovation and technology	\$ 2,533,317
• Market Development	\$ 438,716
• Quality and Productivity	\$ 212,878
• Cleaner Production	\$111,167
• Productive Chains and Associations	\$1,238,112
<b>Number of Initiatives</b>	<b>242</b>
<b>Per support line</b>	
• Innovation and technology	122
• Market Development	76
• Quality and Productivity	13
• Cleaner Production	5
• Productive Chains and Associations	26
<b>Businesses that were supported</b>	<b>230</b>
<b>By gender of the legal representative</b>	
• Women(44)	\$653,462
• Men (198)	\$3,880,728
<b>Placement by support modality</b>	
• Projects (54)	\$1,953,568
• Fast Tracks (125)	\$344,467
• Contests (63)	\$2,236,155
<b>Disbursed Amounts</b>	<b>\$3,226,881</b>
<b>Economic Impact:</b>	
• Sales	\$16,178,118
• Jobs	918

- *Support participation in EXPOCOMER Panama and a trade mission to that country.* 12 companies participated in the trade mission and 10 exhibited in EXPOCOMER 2015, held from March 11 to 14. This multi-sector fair held annually in Panama is the largest trade event in the region. Food, textile, construction, technology and service companies participated. The Program funded the area occupied by the exhibitors at the show, and hired a Panamanian consultant who organized a total of 65 business meetings for the companies that participated in the trade mission.



Part of the stand of El Salvador in EXPOCOMER 2015. Panama, March 12, 2015.

The economic impact to date caused by this initiative represents more than \$ 2.6 million in sales and 19 jobs created. One of the success stories belongs to Mayan Gifts, a company that managed to do business with Gran Morrison, a major department store in Panama.

#### Companies Participating in the EXPOCOMER Fair 2015

Company	Products
MELHER	Production of chocolate-based confectionery.
INCO	Manufacture of aluminum and fiberglass ladders.
SALVAPLASTIC	Plastic products for domestic and industrial use.
PLANTOSA	Production of roasted, ground and soluble coffee.
A & E Sistemas, S.A. de C.V.	Computer software development and IT consulting.
Industrial Systems	Distribution of Boards, Automatic Transfers of Plants, Capacitor Banks, Supply special control in low and medium voltage for large industry and energy projects.
Casa Bazzini	Candies.
Comercializadora 503	Marketing of food products.
Famensal	Manufacture of automatic and semi-automatic packaging machines for packaging.
GRAMI	Plastic injection and manufacture of metal goods.
Mayan Gifts	Decorative and utilitary crafts.
RF Systems	1) Mantool WEB Software. 2) Video Alarm System OPLINK.

- *Trade Mission to the Dominican Republic.* A Salvadoran delegation of 10 companies attended the trade mission from June 8 to 12 comprised of companies in the manufacturing, food and beverage sectors. The program hired a Dominican consultant who organized an average of six business meetings for each participating company. To date, the companies have reported \$ 38.900 in new sales. This activity also had the support of the Commercial Attaché of the Embassy of El Salvador in the Dominican Republic.

## Companies participating in the Trade Mission to the Dominican Republic, June 2016

Company	Products
1. DROGUERÍA HERMEL, S.A. DE C.V.	Bakery inputs: baking powder, liquid flavors, whipped cream, gelatins, puddings, confectioner's cream, meringue, liquid and powder colorants. Consumption products: soy milk, bouillon, gelatins.
2. Industrias CARICIA S.A. DE C.V.	Footwear in different materials such as leather, textiles and synthetic. Polyurethane, PVC and TPR soles. Footwear in different styles: casual, school (leather), industrial (steel cap), formal, athletic.
3. Empaques y Etiquetas, S.A. DE C.V.	Labels for different markets such as: cigars, food and liquids.
4. Multipack, S.A. DE C.V.	Safety seals: heat-shrinking sleeve-type plastic that is placed around container caps. Heat-shrinking sleeves: sleeve-shaped labels to totally or partially cover a container to adapt to its shape.
5. HEROMETAL, S. A. DE C. V.	Stainless steel hospital furniture.
6. Industrias Consolidadas, S. A. DE C.V.	Aluminum and fiber glass ladders, sliding windows, formica paper blackboards, mirrors with or without frames.
7. Industrial Systems, S. A. DE C. V.	Distribution boards. Circuit breaker boxes. Custom metal electric boxes.
8. Industrias KAWAKI	Diverse plastic products for home use: cabinets, multiple use sets, toy boxes, shoe racks and plastic boxes.
9. Confecciones Samia	Underwear for men, women, girls, boys and babies. Formal wear and textile accessories for babies, formal wear for girls and boys, clothes for women and men. Dance and ballet wear for girls and women.
10. FERELIS, S.A. DE C.V.	Meringue and cookies covered with meringue, gluten-free cookies, crackers, cookies with fiber.

b) *Support to 43 exporting companies on trade negotiation skills.* The Program supported PROESA with two training sessions for exporters who took part in the following events:

- *Buyers Mission under the framework of the Second Business Meeting El Salvador-USA:* 17 service sector companies were trained on August 18 on how to sustain effective trade negotiations with 10 U.S. buyers who participated in the buyers mission carried out from August 19 to 20 in the premises of the International Fair. This trade event is part of PROESA's Export More initiative. The Program hired an international trade expert who developed the training and assisted the companies in resolving queries that arose during negotiations with American buyers.
- *Trade missions to Central America as part of the "Exporting Step by Step Business Club" (Club EPAP):* 30 companies from different sectors were trained on October 1, 2015 in exporting goods and services to Nicaragua, Honduras, and Guatemala, as part of the EPAP Club. These trade missions will take place in October 2015. The Program's support consisted in hiring an international trade expert who developed the training and will be supporting companies in resolving issues that arise during the negotiations with the Central American buyers.

c) *13 companies were registered in the SBDC Global trading platform.* 13 companies were trained by PROESA on November 4<sup>th</sup> and did an online exploration of the SBDC Global website. The training was developed through a remote session with the University of Texas at San Antonio, where SBDC Global is located, explaining to the participants how to access the system and view the supply and demand of products by participating companies, primarily in the United States.

d) *Workshop for 25 women-led exporting companies.* This activity was organized in conjunction with PROESA and ECLAC and was held on September 8 at the Holiday Inn hotel. The purpose was to introduce the owners of the companies QUMBO/LULA MENA and LINEA ROSA, who incorporated gender equity into their business model. The entrepreneurs shared the challenges they faced when exporting their products and the opportunities that exist to strengthen their businesses. During the workshop it was possible to promote links with programs and organizations that serve women entrepreneurs, such as Vital Voices and ESCALA.

## III. ASSISTANCE TO BUSINESS ASSOCIATIONS AND OTHERS TO STRENGTHEN SME NETWORKS FOR EXPORT GROWTH

Consistent with the market-led approach promoted by the Program, partnerships with leading companies, trade organizations and others that support SMEs were established, as well as with groups of companies that are jointly looking to increase their domestic and international sales. The Program has partnered to date with more than 30 private companies to support the development of SMEs (see Annex A, Indicator 11).

Program interventions with private sector support can be classified into the following seven major subject areas:

1. Strengthening supply chains
2. Export promotion
3. Sector development
4. Innovation
5. Female entrepreneurship
6. Diaspora
7. Volunteer programs

These areas respond to development strategies successfully undertaken by the Program, but also to priorities established by the governments of El Salvador and the USA for the country, such as Innovation, Diaspora and Women Entrepreneurship. It is worth mentioning that there are initiatives that can be classified in more than one area: for example, an initiative may encourage innovation, but also target a specific sector and/or women-led companies. In these cases, the description of the initiative is only developed in the section considered most relevant; however, it will also be mentioned in the other relevant sections.

According to this grouping, the activities developed by the Program during FY2015 are listed below.

### 3.1 STRENGTHENING SUPPLY CHAINS

One of the most important approaches to SME development implemented by the Program is the strengthening of productive chains integrated by lead firms and their suppliers, since the method is effective in strengthening business relationships and in growing sales volumes. The first effort supported under this approach was the Supplier Development Program (PDP, for its acronym in Spanish) promoted by CCIES, through which five supplier chains and 50 SMEs have been supported so far. But the program has also supported other productive chains in the case of lead firms Siman, Qumbo/Lula Mena, and EXPORSAL. The initiatives implemented this year and their main results are described below.

a) *Supplier Development Program (PDP)*. The PDP methodology requires lead firms willing to co-finance the development of their suppliers. It was developed by UNDP and requires the intervention of specialized consultants with participating companies for a period of 9-10 months. It includes interaction between lead firm and suppliers in order to develop improvement plans to overcome obstacles that avoid increasing sales. The Program has been supporting PDP since 2012, and this year, this partnership concluded with the completion of the last two productive chains, out of a total of seven that were supported:

- Quesos de Oriente and eight of its suppliers concluded a second PDP. The second PDP for lead firm Los Quesos de Oriente (LQO) began in January 2014 and ended in March 2015, yielding results such as new products or services and new clients, cost reduction, and sustained and new jobs, in addition to investments for the implementation of improvement plans, which in the case of LQO was approximately \$10,000, while suppliers jointly invested more than \$30,000.
- Grupo Campestre and eight of its suppliers completed their PDP. Grupo Campestre is a business group based in the city of San Miguel, composed of seven companies, among which the best known is Pollo Campestre. A total of eight supplier companies participated in the PDP, including a cattle ranch that received specialized technical assistance to increase herd productivity, and suppliers of items such as printing, advertising and marketing. The assistance began in August 2014 and ended in June 2015. Grupo Campestre is the last lead firm recruited through the PDP and the last chain supported in conjunction with the CCIES. Among the achievements highlighted by Grupo Campestre is the strengthening of its purchasing manager and the hiring of two new members of his team; the company also claims to have seen substantial improvements in the organization of the SMEs, in the quality of their service and in their growth. With respect to SMEs assisted, they concluded at least 80% of their improvement plans, which in several cases consisted in improving their financial management and the adoption of sales and marketing strategies. Some companies, like INDIVA, of the metal mechanics sector, and INNOVA, industrial printer for advertising, reported substantial improvement in sales and earnings as a result of the assistance received.

The Supplier Development Program Unit of the CCIES is currently concentrating on implementing the methodology for entrepreneurship development among young people at risk and on transferring the model to other countries.

b) *Almacenes SIMAN*. For the third consecutive year Almacenes SIMAN organized ARTECA, a seasonal festival held annually in their stores to celebrate the independence of the Central American countries, showcasing collections of crafts with the cultural identity of each of countries where SIMAN operates. This festival has been developed in coordination with the Program since 2013 and has managed to link 47 SMEs as suppliers. This year the Program provided technical assistance to 21 SMEs that were selected as ARTECA 2015 suppliers. Two consultants specialized in craft design helped each selected company to meet quality, delivery and logistical requirements demanded by SIMAN. The results of this initiative are detailed in the Crafts and Design section.

#### ARTECA Chronology

Year	Recruitment	Selection Criteria	SME No.	SME Earlier years
2013	The SMEs were recruited in a private exhibition organized by the Program and CONAMYPE.	Well finished and good quality goods.	25	-
2014	The program encouraged its members to apply through applications including pictures of the product. A total of 98 applications were received.	SIMAN selected through applications.	32	14
2015	SIMAN selected the companies based on historical sales and only three were new companies selected based on their interest to purchase their products.	Based on sales results from the previous two years.	21	17

c) *QUMBO/Lula Mena*. The Program has supported QUMBO since 2013, linking the company with potential buyers, strengthening its suppliers and sponsoring its participation in international trade shows. As a result, the company and its suppliers have generated \$448,000 in revenue. With the Program’s assistance the company has improved product quality and connection to international markets. In quantitative terms, the company has experienced improvements in product turnover as well as an increase in sales. As part of its international expansion strategy, the company decided to transition away from the QUMBO brand to position itself under the name Lula Mena. This allowed the company to convey the originality behind its product design (created by its founder and head designer), while also referencing the Latin American origin of the brand and the female leadership of the company. Due to the growth generated by the Program’s support, Lula Mena moved its store to a different location where sales have increased fivefold, exports are now more relevant and the main craftswomen (Women’s Cooperative from Palmira, Ahuachapan) have progressed substantially, becoming the top providers in their respective households.

d) *EXPORSAL*. The Program’s partnership with EXPORSAL dates back to 2013; this is a Salvadoran medium sized, woman-led company dedicated to exporting goods for gardening and the home to more than 40 countries, especially Europe and the United States. EXPORSAL stands out among Salvadoran SMEs as one of the most diversified in its export destinations. The company has opened markets in 44 locations between 2014 and 2015. With support from the Program it included more artisan products in its annual presentation at the Ambiente Fair in Germany and started to launch its products to markets like the US west coast and Dubai. The

impact of EXPORSAL's growth in recent years, despite facing a weak economy in Europe between 2012 and 2013 and disadvantages in the exchange rate in recent months, has resulted in strengthening and enhancing revenues for its network of providers, consisting of approximately 200 artisans located in the municipalities of San Sebastián, Santo Domingo, La Palma, San Ignacio and Chalchuapa in the hinterland, and Cuscatancingo, Apopa and San Jacinto in the metropolitan area of San Salvador.

To this date, the incremental sales that can be attributed to the Program's assistance, from both EXPORSAL and its artisan suppliers, surpass \$2.7 million. As a result of the support in product development and participation in international fairs, in FY2014 EXPORSAL's sales and those of its suppliers increased by 45%. The company also expanded its warehouse space, making an investment of \$92,000 to meet the demand for its products.

e) *3PUNTOS*. The Program established a partnership with 3 PUNTOS in July 2014; this is a medium sized firm, founded and led by a woman specializing in household retail sales with three showrooms in high traffic commercial malls in San Salvador. This company is focused on identifying local suppliers who can provide products with high design and organizing private showings for the appreciation of its main buyer. As a result of this alliance, seven companies were identified to be evaluated by 3 PUNTOS, five of which were able to establish business relationships: SirCus, Mrs. Lula Mena, MOJE and Verata. Four of these companies are enterprises in the national creative industry, led by women or having women as co-owners. 3PUNTOS imports most of its products and therefore created an area called "The Local Spot" to highlight domestic products in their stores. The first product collection was on display since October 2014 with three suppliers: SirCus, La Señora and Verata, with the opportunity to sell a second collection in March 2015. In total these companies sold \$22,000 at the closing of this report.

A second private showing for 3-PUNTOS was organized in July 2015, with eight companies that the procuring company had shortlisted from a portfolio prepared by the Program. The selected firms were notified and they began a development and modification stage based on the interests expressed by 3-PUNTOS buyers. At the closing of this report four companies - Stamper, Rodrigo Palacio, Gatti and Bugambilias - have closed business deals and are awaiting new orders. The nine suppliers that were linked to 3 PUNTOS - of which only seven persist - have received technical assistance in product development, production techniques, quality supervision, trade facilitation and delivery logistics. The Program hopes to link a total of 10 domestic producers to 3PUNTOS in a sustainably manner.

### 3.2 PROMOTING INTERNATIONALIZATION AND EXPORTS

One of the Program's main challenges is to achieve greater internationalization of SMEs and a significant increase in exports, given the high concentration of exports on a few large companies and in relatively few sectors. At the date of this report, the Program has managed to generate over \$ 28.5 million in new cumulative exports, opening new markets and ensuring that more SMEs participate in international markets. These results were achieved through a consistent business strategy oriented towards major or potential markets for SMEs in various sectors. This year the Program supported the participation of 65 SMEs in 11 fairs and trade missions in eight countries, as well as various preparation and monitoring activities.

#### a) International Fairs and Missions

- **Multisectoral Expo ANTAD Fair**, from March 18 to 20, Expo Center Guadalajara, México. Eight Salvadoran SMEs participated in one of the most important retail trade fairs in the region. The Salvadoran delegation presented a wide range of exportable products such as ladders, brooms, brushes, plastic shoes, bakery, candies, and school supplies. Fair organizers estimate that an influx of 45,000 persons visited the fair, mainly from Mexico, USA, Canada, Spain, Asia and South America. The companies had business agendas with around 150 appointments with potential buyers. Visitors to the fair included the purchasing managers of some of the top retailers in Mexico as well as retailers and wholesalers from Mexico and the United States

Companies participating in ANTAD Expo March, 2015	
Company	Product
GARBAL, S.A. de C.V.	Rubber boots and footwear, plastic fiber brushes.
Industrias Facela, S.A de C.V.	School accessories and supplies
COMELSA	Chocolate coating and confectionery.
Distribuidora Cuscatlán	Food, ethnic and frozen products
Industrias Consolidadas, S.A de C.V.	Aluminum ladders, aluminum Windows and profiles,
Santa Eduvigis	Pineapple pastry treats and variety of pastries
Pan San Antonio	Pineapple pastry treats, and variety of pastries
MT Carga Expreso El Salvador S.A.	Logistic operators, cargo services

- **SIAL Fair, Canada**. Seven food and beverage sector SMEs exhibited their products at the leading food fair in Canada, Salon International de L'Alimentation (SIAL), held from May 28 to 30 in Toronto. This year the number of visitors was 15 thousand people, mainly from Canada and the United States, with a profile as food wholesalers and distributors. This activity was organized by joining forces with the Trade Facilitation Office (TFO) of Canada, which financed the entrepreneurs' business agendas. During the trip, the participants also visited different outlets to appreciate the presentation of similar products and compare prices and also received training sessions by TFO, which included a session given by the Canadian Food

Participating Companies in SIAL, Canada, May 2015	
Company	Product
SHUCHIL	Organic soaps
Jeques	Antipasto and jellies.
Chefs Home	Antipasto and sauces.
VAPE, S.A. de C.V.	Creamed honey.
PAMEM S.A. de C.V.	Noni products.
AMAPALA	Linseed.
AGROTROPICAL	Jellies and marmalades.

Inspection Agency (CFIA) in which exporters learned about the requirements that food importers in Canada have to comply with, especially those related to food safety.

A diverse range of exportable products such as antipasti, organic soaps, noni, flaxseed and creamed honey were exhibited. The products most in demand were those made with natural ingredients and with organic certifications, such as the ones manufactured by PAMEM, JEQUES and SUCHIL. Each of the companies managed to hold at least four meetings with potential buyers and, as a result, project export sales of approximately \$175,000 in the medium term. VAPE and SUCHIL seem to have better prospects for closing business deals in the short term. In the opinion of buyers, Salvadoran firms must improve packaging and adapt products to the target market, without forgetting the safety certifications required by the market. For their part, the participating companies believe that logistics is one of the major constraints for export to this market and more preparation is needed.



SHUCHIL products in the stand of El

- *New World Crafts Fair, from September 7 to 9, Antigua Guatemala.* The Program supported a group of 10 handicraft SMEs for the fourth consecutive year in this important fair. The SMEs were selected through a competitive process and were prepared prior to the show through group technical assistance and personalized coaching during August and September. Participating companies showed high satisfaction with the assistance received and some changed their corporate image as a result of the process. During the fair, Mayan Gifts, Sol Azul and Piezas managed to close business deals with major purchasing companies in the region, such as NOVICA and Charity, while others that participated for the first time, like Manolitas and Callotl, had important contacts with companies like Evergreen. The 10 participating companies were: Art Comasagua, Callotl, Manolitas, Bea Falla, Mayan Gifts, Sol Azul, Assembly, R & R, Piezarte and Comizahual.



Buyers and exhibitor during Expocalzado, Guatemala, August 11-13, 2015.

- *EXPOCALZADO Fair, took place in Guatemala from August 11 to 13:* The Program assisted the footwear sector for the third year in a row through COEXPORT to participate in the region's largest fair for this sector. Three SMEs participated: Group GW, Garbal and Jamcalza, in addition to the Salvadoran Footwear Manufacturers Association, which was represented by a group of six small footwear producers. Companies were assisted with a business agenda of five meetings each.

This fair has been important in the internationalization of GW and Jamcalza, which have participated in the three editions of the fair supported by the Program and as a result are already



Arte Comasagua at the New World Crafts Fair, September, 2015.

exporting their products to Costa Rica. In a feedback meeting with SMEs attending this fair, the opportunity to strengthen assistance in the area of trade negotiations was identified, and has been scheduled for early FY2016. There will also be support from the Program to pursue business contacts created during the fair and to explore the opportunity to create a joint warehouse in Guatemala City as a strategy to penetrate that market.

- *2015 VIP Grammy Awards:* The Program supported the participation of QUMBO / LULA MENA in the VIP lounge of the Grammy Awards, held in Los Angeles, California on February 7. This is the third exhibition of this type in which the Program supports the company, thereby notably helping to increase its visibility and its domestic and international sales. The support consisted in financing the stand occupied by the company and providing strategic advice on communicating the social project behind its products, in order to sensitize Grammy Award participants on the goal of the company to create jobs for Salvadoran women artisans. The company was invited to participate free of cost in the lounge area of the 2016 Academy Awards (Oscars); It was also contacted by fashion magazines for the young in the United States such as OK Magazine and Teen Scene, and was interviewed by E! Entertainment Television and Univision. This last chain even prepared a report on the women hand crafters of the Palmira Cooperative in Ahuachapán, which was aired in February on the Despierta America program, reaching Hispanic households in the United States.

- *Artisan Resource, New York:* This year, the Program supported the participation of QUMBO/LULA in this fair that specializes in handmade products from recyclable materials, which took place between August 16 through August 19. This activity complemented an alliance between LULA MENA and DELSUR to promote products made from recycled copper (see the Tejiendo Esperanza initiative on page 19). The company doubled its sales compared to the previous year; while expanding its contacts in the United States, and closing sales with Scandinavian and Japanese companies. This fair has become the main source of export orders and international collaborations for LULA MENA, so it is expected to continue participating in coming years.

- *Ambiente Fair, 13-17 February in Frankfurt, Germany:* This fair specializes in consumer goods. EXPORSAL was supported to assist and exhibit not only its own products (cushions, bags and hammocks), but also handicrafts from three artisan groups with the potential to complement its offering and consolidate exports to the European market. Among the achievements of the companies represented we can highlight the sale of El Yagual products to a client of Exporsal in France and a purchase order of \$9,400 from the same customer and another one from Sweden for custom jewelry made by a group of women crafters of San Luis de Comasagua village. Exporsal is expected to continue representing El Yagual in coming events, and the artisans of San Luis de Comasagua are expected to strengthen the business relationships they generated during this fair.

- *Las Vegas Market Fair, August 2-6:* This is the most important furniture, home decor and gifts fair in the western United States, with more than 1,200 exhibitors. The fair represented the entry of EXPORSAL to the West coast of the US, where the company had not penetrated. EXPORSAL exhibited a wide variety of cushions, printed bags and place mats and deck chairs and hammocks designed exclusively for the American market. As a result, they managed to establish business relationships with four new customers and include their products in well-known catalogs in this region of the United States, including Gumps (San Francisco), Acacia Lifestyle (Minneapolis) and Solutions (Pennsylvania). The company has confirmed that it will continue to participate in future editions of this fair with its own resources and has already

received two proposals to be part of the permanent exhibition stands, one of them from renowned Ivystone Group.

- *Gifts and Premiums Fair in Dubai:* The Program helped finance the participation of EXPORSAL in the Dubai Gifts and Premiums fair, which specializes in gifts and home accessories, and took place between September 7 and 9 at the World Trade Center show fair. In addition to funding the stand, the Program linked EXPORSAL's women owners with entrepreneurs who know the Middle East market and were able to give them advice on how to do business in that region and how to handle possible gender issues. Despite the entrepreneurs' concerns, the company did well, as it was the only one exhibiting hammocks and deck chairs, products that can only be enjoyed during four months of cool weather at the destination. The deck chairs were unknown to visitors, so EXPORSAL had the opportunity to position itself with an innovative product that attracted much attention. Moreover, no



*Deck chairs, a product of EXPORSAL that resulted very attractive at the Dubai Gifts and Premiums Fair. September 2015.*

competitor of EXPORSAL is developing that market, so exhibiting here represents a high-risk business opportunity, but with many potential benefits as well. The fair was visited by buyers from other regions such as Lebanon, Iran, Iraq, Kenya, Brunei, India and Japan, who do not attend the fair in Germany where EXPORSAL has more experience, so they were able to confirm that it represents an opportunity to expand their target markets. As a result of participating in this fair, the women entrepreneurs received a purchase order, they are currently negotiating another four, and they have an offer to grant exclusive distribution of their products in Kuwait. Now that EXPORSAL was able to confirm the business opportunity that exists in Dubai, the company is considering participating in 2016 in a larger exhibition called INDEX.

- *Trade Mission to Dominican Republic with CCIES:* The program supported CCIES in organizing a trade mission to the Dominican Republic from 16 to 20 March, with the participation of six SMEs in the chemical-pharmaceutical industry. Support started with a preparation phase in December, during which a consultant expert in international trade trained SMEs in preparing a product portfolio to promote and improve their negotiating skills. In addition, the Chamber of Commerce and Production of Santo Domingo was hired to provide training to the six participating SMEs through virtual workshops that took place between 10 and 16 February, by which they were provided information about doing business in the Dominican Republic and obtaining trademark registrations and medical records; These workshops were given by staff of the National Office of Industrial Property (ONAPI), an office pertaining to the Directorate General for Drugs and Pharmacies (DGDF) and the Center for Exports and Investment of the Dominican Republic. The Chamber of Commerce was also in charge of establishing contacts with distributors and organizing business agendas for the Salvadoran firms. Two strategic allies joined in this phase: FONDEPRO, which co-funded three of the six SMEs participating in the mission (Laboratories Vides, Fardel and Pronavid), and the Embassy of El Salvador in the Dominican Republic, through Engineer Maria Ivania Hanania, the Commercial, Economic and Tourism Attaché, which collaborated by surveying prices at sales outlets, identifying business contacts, accompanying companies in their business appointments, and following-up on trade

negotiations. The trade mission took place from 16 to 20 March, during which 46 meetings with potential buyers were held, that is, an average of seven meetings per company.

To date the following early results are available:

Participating Companies in the Dominican Republic Trade Mission, March 2015		Investment Target presented to FONDEPRO	Approved FONDEPRO Financing
Company	Results		
1. FARDEL	Closed a distribution deal of their products in the Dominican Republic.	\$ 78,684.24	\$47,210.54 (60%)
2. MEDITECH	DINAFA will distribute 10 of their medications in an initial phase.		-
3. LABORATORIOS ARGUELLO	Currently negotiating with six companies.		-
4. LABORATORIOS S&M	Expecting sales of \$60,000		-
5. LABORATORIOS VIDES	Explores a twin track distribution.	\$90,000.00	\$54,000.00 (60%)
6. PRONAVID	Sales of approximately \$40,000 through eight of their products.	\$97,000.00	\$58,200.00 (60%)

Additionally, Pronavid, Vides Laboratories, FARDEL Laboratories and S & M companies started their trademark registration process in the Dominican Republic, which takes four to six months. Meanwhile, Meditech Laboratories continues in negotiations with the DINAFA distributor.

#### b) Technical Assistance and Workshops

- *Monitoring trade missions to Honduras, Nicaragua and Guatemala* Following up on trade missions to these countries with the CCIES in 2014, a workshop was held on February 19<sup>th</sup> to identify lessons learned and obstacles faced by SMEs, particularly for closing business deals.
- *Technical assistance to seven companies in the food sector.* COEXPORT provided technical assistance to seven food sector SMEs on topics such as HACCP, GMP, process standardization, product development and health registration and labeling between December and March. The program supported a total of 38 companies with technical assistance through COEXPORT, which has reported to date over \$1.2 million in sales attributable to the initiative.

Company	Products	Progress and achievements
Proserqui, S.A. de C.V.	Tea and dehydrated fruit	1.- Sanitary registration processed for 10 products: tea with hibiscus, mix of lemongrass, hibiscus, ginger, lemon and orange peel, mint, guava and peppermint, which took 100 hours.

Company	Products	Progress and achievements
		2.- Design of a logo, main tag of the product, 15 small tags for each tea bag, advertising box, rollup and flyer for the new 100% natural Tea Santa Cecilia, which took 40 hours.
Nutrialimentos, S.A de C.V.	Nutritional snacks made of seeds and dehydrated fruit	Updated manuals and staff trained in complying with BPM and POES, which involved 40 consultancy hours.
Sweet's el Palacio de los Postres	Alfajores and meringue, gourmet coffee	Sanitary registration processed for 6 products: dulce de leche flavored meringue, cinnamon and vanilla flavored meringue; glazed butter cookies; chocolate covered coffee grains and dulce de leche with guava jelly alfajores. Invested in 60 hours of consultancy.
Fresco Mar, S.A. de C.V.	Exports fresh fish to USA	Created manuals and implemented HACCP, GMP and SSOP, which required an investment of 160 hours.
Productos Doña Tortilla	Corn based products	Sanitary registration processed for four products: wheat tortilla with chipilín, onions, spicy peppers and basil. 55 consultancy hours were invested.
Pan San Antonio	Pineapple pastry treats and various pastries	Four labels were designed and adapted for the following products: Pan Peperecha, Sandino, Margarita de coco, Margarita tradicional, in order to comply with the labeling norms of the United States, which required an investment of 80 hours.
Refresca, S.A. DE C.V.	Frozen drinks in plastic tube-shape container	Adapted four labels for the following products: Delipop orange drink, gelatin, chocolate covers, chicken stock, in order to comply with the labeling norms of the United States, which required an investment of 50 hours.

- *Workshop on “European market trends and food purchasing criteria.”* As a follow up to the EUROFORUM organized by COEXPORT in October to raise awareness among SMEs about the challenges of exporting to Europe - and during which the need to help them improve their skills was identified - a workshop was organized on March 10 with the European Union’s Regional Program to Support Central American Integration and the implementation of the Association Agreement (PRAIAA). PRAIAA funded the participation of expert David Cabrera, a specialist in product development and placement with European buyers such as Carrefour, Mercadona, Caprabo and Tesco. COEXPORT organized and coordinated the conference and the Program funded the cost of food for more than 30 attendees. After the conference COEXPORT organized nine individual business meetings between the consultant and business assistants to evaluate the products with the greatest potential for export to Europe.

c) *Events in the export sector*

- *Annual Exporters Gala.* The Program has supported the organization of this event since 2012, in which the most outstanding exporters are recognized. This year's gala was held on July 28<sup>th</sup> in a San Salvador hotel, and was attended by approximately 500 people. Several awards were distributed, including to SME Exporter, Export Innovator, Exporter to the Central American Region, and Exporter of the Year. The Program co-financed the event and sponsored the SME Exporter of the Year award, which was won by URRUTIA's STATE COFFEE, which

develops products from gourmet coffee and has received support from the Program. The Exporter of the Year award went to LACTOLAC, a company run by a woman, who received the award from Vice-President of El Salvador, Mr. Oscar Ortiz.

- *Launching of ExportNET:* With more than 100 attendees, the Program supported COEXPORT in the launching of a service platform for exporters called ExportNet, on September 28. The platform will allow access to two services for exporters: 1) Circle of Exporters, a corporate social network that allows exporters to connect with each other and with service providers and products often required by exporters, and 2) Online catalog, through which COEXPORT hopes to encourage exporters to increase their online presence to display their products in a more attractive and accessible way and realize the ease of online sales. During the event COEXPORT facilitated a talk on the importance of digital marketing for exports and promoted, together with PROESA, the need to update information for the next exporters directory.



Representatives of Urrutia's State Coffee, receiving the award as SME Exporter of the Year from the Director of the USAID-El Salvador Economic Growth Office, Greg Howell.

### 3.3 SECTOR DEVELOPMENT

Although the Program was mandated through its design to promote the development of SMEs in general, as it advanced it was able to identify and promote dynamic sectors of the economy such as the chemical and pharmaceutical, food and beverages, crafts and design, metalworking and honey. This sector approach was implemented in conjunction with key partners such as CCIES, FUSADES-Proinnova, tractor companies, ITCA-FEPADE and the Regional International Organization for Agricultural Health (OIRSA). During its fourth year of implementation the Program continued to support these sectors with initiatives that achieved important results, as described below.

#### a) *Handicrafts and design*

The country has an extensive artisanal base in the market of traditional crafts, and on the other hand, there is also a growing design trend that is gaining ground. The program has been able to link both sectors -handicrafts and design- over the four years of its implementation to develop new products and inspire the creation of spaces that were not available for marketing in the recent past. This has promoted crafts with design collections that have been sold in stores like SIMAN, TRES PUNTOS and others and that have been exhibited in international fairs. These initiatives have helped create new jobs and boost these sectors. Following are the initiatives developed this year:

- *Third Edition of ARTECA.* Between January and March the Program and SIMAN selected suppliers for the 2015 edition, based on sales achieved the previous years. The selected suppliers were invited to an induction session the first week of April, where they received guidance on changes in SIMAN's purchasing procedures, payment terms, logistics requirements and they were also told the support they would receive from the Program. A total of 21 companies were selected as suppliers, of which 17 had already participated before

and eight had participated in the previous two editions. It is worth highlighting that 18 of the 21 participating companies developed new products for ARTECA, while two suppliers (CALLOTL and CREATTE) are social enterprises that are making their first formal sale. This year SIMAN also innovated, including the first sale of online products through *siman.com* and through a digital magazine with the products and stories of each of the SMEs; they also promoted the artisans' stories during the assembly of the showrooms. At the closing of this report a total of \$18,900 in sales were recorded for this collection and SIMAN has been invited to share the experience of ARTECA as a social impact investment for the development of cultural enterprises during the Latin American Forum on Impact Investment (FLII), which will be held for the first time in Central America and will take place on November 5 and 6 in Antigua Guatemala.



*Siman shop window decoration during the ARTECA 2015 festival.*

In addition to this initiative, the Program supported the craft and design sectors by linking SMEs with leading companies such as Qumbo/Lula Mena, Exporsal and 3 PUNTOS (see section “*Strengthening the Supply Chain*”, on pages 16-19) and promoting the participation of SMEs and tractor companies at international fairs (see section “*Promoting exports and internationalization*”, pages 19-23).

- *Workshop "New Product Development for companies in the Handicrafts sector", in San Salvador and Morazán.* During the last three years the Program has worked with COEXPORT promoting the participation of SMEs in the craft sector in the New World Crafts Fair held annually in the city of Antigua Guatemala. It has been recognized that it is important for companies to improve their product designs and presentation. To achieve this, the Program supported COEXPORT in a workshop on 11 and 12 March with the expert artisan designer Milagro Menjivar, during which she trained 16 SMEs in the areas of color trends and fashion, Incoterms, innovation and product development.

CONAMYPE joined this initiative through CDMYPE and Artisan Development Centers (CEDART) which have programs to support the craft sector, identifying the craft MSEs and offering their services. Upon completion of the training, companies analyzed their needs in terms of design and new product development. As a result of the positive reception of this activity, the regional development NGO ADEL MORAZAN requested the Program to replicate this workshop with craft SMEs they are working with through a program funded by the European Union. The workshop in Morazán was held on July 29 and 30 at the ADEL premises and with the participation of 19 SMEs. As a result of this workshop five companies with the potential to be linked with leading companies working with the Program were identified.

- *Biennial CONTEMPO Design 2015.* Although this year the Program did not support the organization of the biennial exhibition, it is satisfying to see how this initiative that began in 2007 with support from USAID celebrated its eighth edition in the field of furniture design and surfaces competitions. In 2013 the Program participated in its consolidation by financing

the seventh edition of CONTEMPO, facilitating the invitation of two international judges to the country and the visit of the six winners of the competition to the ICFF and SURTEX fairs held in New York in 2014. Likewise, in 2013 and 2014 support was provided to The Carrot Concept, a design group of entrepreneurs born from this competition, by financing the area occupied at the Wanted Design international fair. Thanks to the reputation of the competition and the importance for the development of the participating companies, this year's competition was funded by Salvadoran companies involved in the design market and the pieces were exhibited at the Museum of Art of El Salvador from August 27 to October 11.

Besides the consolidation of The Carrot Concept and its foray into international markets, promoted by the Program, the Program also linked the winners of the 2013 furniture category to 3 PUNTOS. Moreover, this year the organizers had an international jury and five Salvadoran SMEs made business with WantedDesign a Designer shop that was recently opened in Brooklyn, ensuring that their products will be displayed there.

#### b) Metalwork Sector

The program has worked with the Specialized Engineering School ITCA-FEPADE since 2014 to strengthen SMEs in the metalworking sector. That year 16 SMEs were supported through seminars, workshops and good practices in the implementation and use of the Computer Numerical Control (CNC) and Mechatronics technologies. In October, six of the 16 SMEs completed their individual diagnosis with the assistance of an international consultant and received a report that included an assessment of their production system and technological capabilities, as well as recommendations and an action plan to advance the development of these companies.

On November 18 there was a breakfast meeting in which 15 SMEs that attended talked about the obstacles they face at customs, which prompted ITCA to set up a workshop on customs issues with the Directorate General of Customs. Subsequently, between December and February, a number of business trips were scheduled to promote the relationship among SMEs in the sector and between them and large companies that buy their products and services to meet market demands. During the first visits it was identified that most buyers now import their products and ignore the potential of local supply.

#### Project with the Vice Ministry of Science and Technology



*The Vice-Minister of Science and Technology, Erlinda Handall jointly with the President of ITCA/FEPADE, visited one of the stands during the First Meeting of the Metalwork Sector. San Salvador, April 21, 2015.*

One of the most important results of the First Business Meeting of the metalwork sector was the production of dental prostheses and implants in the country with support from the Department of Science and Technology. The idea is to produce implants and prosthetics to meet the demand of national hospitals.

The companies selected for this project are Torno Lara, Mayprod and Delpin Group. To date they are making implant prototypes which will be tested by maxillofacial doctors, who are advising them to make the ideal prototype. It is expected that during the second quarter of FY2016, companies will explore the acquisition of equipment.

As a result of these activities the idea of the "*First Business Meeting of the Metalwork Sector*" arose and became a reality on April 21 at the Sheraton Presidente Hotel, where 20 sector SMEs exhibited their products, plus 10 input, equipment and funding suppliers for the metalworking sector, which joined this effort as sponsors. The conference "*Coping with industry competitiveness by reducing costs with new technologies*", was offered by an international consultant. As part of the event, business meetings were held that allowed the SMEs to showcase their products and services to large companies which require them. In total 119 business appointments were held with 21 procuring companies, including some major ones like Kimberly Clark and Industrias La Constanca. The first catalog of metalwork sector companies was developed, which includes technical information on the 20 participating SMEs and 10 sponsoring companies. This is the first catalog of its kind and has become a useful promotional tool for companies that participated in the event.

On May 28 another breakfast meeting was held at ITCA-FEPADE to follow-up on the April event; 18 of the 20 SMEs participated. The results of the event were evaluated and specific needs of the companies to improve their productivity were identified.

At the request of the companies, in September the Program and ITCA organized a sales seminar-workshop, which was held at ITCA and was attended by 15 representatives from 9 SMEs and three ITCA representatives. After this seminar-workshop, six companies will participate in a counseling program through which the consultant will develop a diagnosis and a strategic sales plan for each company. New training sessions are being coordinated for FY 2016 in the areas of production, metrology, thermal processes and molds, for which institutions of Colombia, Mexico and Costa Rica have been contacted.

c) *Food and Beverage Sector*

In December the Program signed an agreement with the Partnership for Innovation (Proinnova) of the Salvadoran Foundation for Economic and Social Development (FUSADES), to complement efforts in the area of SME growth promotion, mainly in the food and beverage sector, through innovation. This initiative encourages food and beverage companies to develop new products, processes or business models. The sector approach is also encouraged through the implementation of workshops aimed at upgrading SMEs and in some cases, helping them achieve international certification.

The first workshop targeted the bakery sector and was called International Certification Program in Bakery and Pastries. The first and second modules were developed with IDB-MIF funds, and the third and fourth modules were funded by the Program. The last module corresponded to Bakery Effective Management and Plant Design and took place from December 2 to 4 with theoretical training and one day of practice at MOLSA facilities. A total of 17 SMEs, as well as five MOLSA and five Proinnova technicians, participated in this activity. The course included a group project to develop a new product, an activity that required participants to put into practice the knowledge acquired. The course ended in January and participants were awarded a diploma and certificate accrediting them internationally. To date, participating companies have reported \$182.400 in sales thanks to the improvements learned during the course.

Additionally, the Program and Proinnova are providing specialized technical assistance to a group of companies in the food and beverage industry, as detailed in the innovation section (see page 31).

d) *Beekeeping Sector*

The Honey Chain is an association of beekeepers which aims to integrate and strengthen the sector and improve its business environment. Mielles Joyas de Ceren is its leading exporter. The Program has supported them since 2013 with various activities such as the Beekeeping Diploma, which was taught by experts from the International Regional Organization for Agricultural Health (OIRSA), and the X Central American and Caribbean Congress on Beekeeping Integration and Upgrade.

In late 2014, the tracking and monitoring of the improvement plans of the 24 SMEs participating in the Advanced Beekeeping Program initiated and participants received technical assistance from the Program; these participants are also suppliers of the honey chain. Six companies were selected for this first monitoring and the president of the honey chain, accompanied by a specialist hired by the Program, visited them. The results of these visits in the areas of animal health and company management were satisfactory, but four of the six companies showed deficiencies in the areas of registration and traceability. In early 2015 a second monitoring of another group of six companies was conducted with similar results, but a third group of six companies achieved good results in the three areas assessed.

Sales reported to date thanks to the *Beekeeping Diploma Program and the First Advanced Beekeeping Program* amount to more than a million dollars, and currently the *Second Advanced Beekeeping Program* is being planned in coordination with the Honey Chain, the Ministry of Agriculture and Livestock (MAG) and the International Regional Organization for Agricultural Health (OIRSA).

<b>Sales Results of the Honey Chain As of October 2015</b>		
<b>Strengthening</b>	<b>People Trained</b>	<b>Sales Generated</b>
Beekeeping Certification	25	\$609,000
First Advanced Beekeeping Program.	214	\$510,000

Additionally, the honey chain and MAG requested assistance in the design and implementation of an impact monitoring system not only for beekeepers who participated in the training program, but also to follow up on more than 1,800 beekeepers nationally registered in the Ministry through the Single Beekeeping Code (CUA). On November 7 a workshop with representatives of the MAG, OIRSA and Mielles Joya de Ceren was developed to define relevant areas to monitor beekeepers. The Program prepared a first proposal of indicators using these inputs, as well as the unit of measurement and frequency of measurement, which were discussed and validated by the MAG, the honey chain and OIRSA.

On September 29 the Program signed an MOU with MAG, the Honey Chain and the Salvadoran Agency of Technical Regulations (OSARTEC) to print 2,000 copies of the Salvadoran Technical Regulations of Good Beekeeping Practices in the Production of Honey, which will be distributed among beekeepers registered in the CUA through five outreach workshops across the country, starting at the end of 2015. These workshops are expected to train at least 250 beekeepers so they can meet the demands of the new regulations and export requirements. A total of 10 technicians of the Animal Products Safety Division (DIPOA) of the MAG and the Beekeeping Unit have been trained so that they can better convey to SMEs what steps to take to meet export requirements. The workshops will be coordinated and delivered by a representative of the Technical Regulation Salvadoran Agency (OSARTEC) and the head of the beekeeping Unit of the MAG. The MOU signed by the Program also includes providing assistance for the development of an automated impact-monitoring system.



USAID/El Salvador and Ministry of Agriculture and Livestock representatives (center) together with representatives of the Honey Chain and OSARTEC, during the signing of the MOU. Santa Tecla, September 29, 2015.

e) *Pharmaceutical-Chemical Sector*

The Program also contributed to the development of SMEs in the pharmaceutical-chemical sector through collaboration with CCIES, through export-promotion initiatives (see pages 23-25), and by promoting innovation through the INNOVEXPORT Program.



Representatives of the companies that participated in the first edition of INNOVEXPORT. San Salvador April 17, 2015.

### 3.4 INNOVATION

Innovation and technological development are two of the major catalysts for business and economic development. Many of the most dynamic and developed economies in the world have invested and will continue basing their growth on the ability of companies to innovate. El Salvador has not yet unleashed the potential of this engine of development at the enterprise, sector and policy levels. The Program, together with partners such as CCIES and FUSADES-Proinnova, is contributing and helping to position the subject in the agendas of the private sector and the government. The most important contributions during fiscal 2015 are detailed below.

a) *INNOVEXPORT Program.* INNOVEXPORT started under a subcontract with CCIES in May 2014 as the first local initiative to improve companies' innovation capacity. The methodology was developed and transferred by the Chamber of Industry of Costa Rica (ICRC) and part of the implementation included the training of six CCIES consultants. Through INNOVEXPORT 11 pharmaceutical SMEs received training and technical assistance for nine months by local

consultants and the lead consultant of the ICRC. During the first quarter of FY2015, the companies worked on their innovation project profiles and received technical assistance to select the projects with the best opportunities. Local consultants were also trained on how to apply for co-financing lines from FONDEPRO, to help companies submit their innovative projects to that financial institution. As an added bonus, the CCIES organized eight-hour training on digital marketing, a new activity carried out at the request of the participating companies. Training and advisory activities were completed in January and February with two visits of the leading consultant to the companies, to review progress in implementing the innovation plans and provide assistance to ensure goal achievement. The closing ceremony of the first edition of INNOVEXPORT was held on April 17. All participating companies expressed satisfaction with the results obtained: many of them improved their product processes, others innovated with new product lines, some strengthened their organizational structure, and others are expanding into new markets.

Almost a year into the program, companies have shown the following results:

- Three companies increased local and export sales for a cumulative amount of \$296,000.
- Six companies invested in 46 new products.
- Improvements and adjustments of 22 existing products.
- 21 new customers.
- New employment opportunities, opening 32 permanent and five temporary positions.
- VIDES Laboratories was granted \$90,000 in funding by FONDEPRO for innovation and to consolidate its participation in the Nicaraguan market
- All 11 companies created innovation committees
- Six local consultants have been accredited in the methodology to replicate it.
- The CCIES defined a sustainability strategy for continuing with the Program and promote innovation management in SMEs.
- The CCIES now has a participant's and a consultant's manual, as well as tools that allow the continuity and sustainability of the Program.

Given the success of the first edition of INNOVEXPORT, CCIES requested Program support to implement a second edition, focused on the food and beverage industry, a dynamic and important export sector that has shown much interest in implementing innovation processes. The Program will support this second edition, where 12 companies will participate. To ensure sustainability, this edition will be developed with the support of three local consultants who were trained in the first edition of INNOVEXPORT and who were selected by the Chamber of Costa Rica for their good performance during their training. These consultants will be accompanied by the ICRC lead consultant under a coaching modality during workshops and their respective technical assistance. Another strategy followed by CCIES for this second edition is to seek new strategic partners, for which they visited bank representatives that might be interested in co-sponsoring INNOVEXPORT. On September 30 the Program subcontracted CCIES to implement the second edition of INNOVEXPORT. The information and launching event is expected to occur on October 5<sup>th</sup>.

*b) Specialized Technical Assistances through a FUSADES- Proinnova partnership.* Technical assistance was provided to eight food and beverage SMEs, between October and December, aimed at developing new products, process innovation, mechanization and automation. Seven of these companies received assistance in process design and new product development. The companies received support in the preparation of the documents necessary to be granted funding from FONDEPRO and ensure the possibility of having the resources needed to invest and successfully

implement their projects. Among the new developed products are frozen and dried banana base, encapsulated products, and crystallized fruit. Upgrades were made to five existing products and seven new processes and plant designs.

A new initiative was executed between March and September, through which five SMEs in the food and beverage sector received technical assistance to improve and equip their production and develop new products. It is expected that the participating companies will make, in aggregate, sales of more than \$82,000. Later in the month of September, three other food and beverage SMEs began to receive technical assistance for the development of new products, compliance with good manufacturing practices and process automation, which is expected to help make aggregate sales amounting to \$40,000. In October three more sector SMEs will be assisted through specialized technical assistance.

### c) Promotional Events

- *Food and Beverage Technology Summit 2015*. This fair was held for the fourth consecutive year, on September 21 and 22, to promote innovation and technological development of the food and beverage industry in El Salvador. It was developed jointly by the Ministry of Economy (MINEC) and FUSADES through the Innovation Research Program (Proinnova) and the Sector Cell "Invent Food and Beverages", with funding from the Program.

The activity included the organization of an innovation congress for the business sector to develop new products and services. National and international experts from Brazil, Canada and Mexico participated, and addressed topics such as manufacturing, ice cream production, audits to improve risk management, innovation in packaging and packaging automation in food chains, and international standards in the food industry. The event included an exhibition by technology providers to facilitate business deals between firms and suppliers. The latest products and services were exhibited, as well as raw materials, quality control, and equipment for industry, quality laboratories, and packaging. The exhibition area that the Program received as sponsor of the fair was given to a group of four AMEES female entrepreneurs, who displayed their products during the two days of the event.



USAID/El Salvador, representatives at the opening ceremony of the fair. San Salvador, November 21 2015.

- *XI Industrial Fair, 2015: "We grow by Innovating"*. The Salvadoran Association of Industrialists (ASI) requested a sponsorship from the Program for its 11th Industrial Fair, to be held between October 8 and 10 in San Salvador, which this year will be on innovation. The Program also provided ASI a list of SMEs that might be interested in participating in the fair, and has offered to subsidize half the cost of the stands of six SMEs of the metalwork sector.

- *“First Tuesday” Platform.* The Program has supported FUSADES in promoting this platform since 2013, to develop new businesses and knowledge through meetings between technology entrepreneurs and investors. Several contests have been held under First Tuesday to promote entrepreneurship, innovation and new product development. In July 2014 the Application Development Contest (APP Challenge) was launched through this platform, sponsored by TIGO, a telecommunications company. A total of 60 applications were submitted, of which 16 passed to the final stage of the competition. The proposals of the



Winners of the TIGO App Challenge Contest, together with USAID representatives.

participants were revealed in a public event on October 30, 2014, through the new “Get in the Ring” format, in which contestants fought one another in a ring for three rounds. The jury consisted of Erlinda Handal, Vice Minister of Science and Technology; Gregory Howell, Director of the Economic Growth USAID / El Salvador Office; Marcelo German, CEO of Tigo El Salvador, and a representative of the newspaper El Diario de Hoy. The program offered an award of \$800 in technical assistance to the first place winner, Victor Manuel Montoya, for his app Embark SV, which is designed to provide information on the ecosystem formed by institutions that support and provide services to entrepreneurs. This application facilitates the socialization of entrepreneurial initiatives, allowing investors or institutions with seed capital to invest. Mr. Montoya requested the Program to exchange the \$800 award for two business services: online training on application development and technical assistance on trade issues.

- *“Innovative Enterprises”*, was organized by FUSADES-FIGRO in January 2014. The Program offered an \$800 award to the third place, corresponding to SECANTS SA de C.V. for the presentation of fruit wine Atonal. The winning company cashed in its prize with a marketing consultancy provided by the Program during February and March.

- *EMPRETEC Training Program.* An MOU was signed with ITCA on October 8, 2014 to support a training course for entrepreneurial students in their final year of science or technology careers. The training was delivered in February to 25 students and five ITCA-FEPADE professors, by FUNDEMAS. The methodology used was EMPRETEC, created by the United Nations to promote entrepreneurship and innovative businesses.

As a follow-up to the training program, ITCA offered EMPRETEC participants and other students talks to motivate them to innovate and start up their own businesses. On November 4<sup>th</sup> ITCA will organize a small entrepreneurial fair where students that participated in EMPRETEC will be able to show their business ideas. During the event, Banco Agrícola will offer seed money for the best two projects and will offer loans to other participants.

### 3.5 DIASPORA

Approximately one third of Salvadorans live outside of El Salvador, and remittances sent by this diaspora amounts to almost 17% of GDP. Channeling resources from the diaspora for development has been a challenge for the government and for international donors. In this area the Program so far has advanced on only one initiative: a collaboration with the Salvadoran

diaspora NGO *Fundación Para la Educación Social, Económico y Cultural*, FUPEC to promote the development of a fishers association, the *Asociación de Pescadores de la Playa el Cuco* (ASPESCU). However, with the extension of the Program it is hoped that more diaspora initiatives can be carried out during FY 2016.

In 2013 and 2014 the Program provided technical assistance to ASPESCU through the Suppliers Development Program of CCIES in topics such as improving food safety and quality, fish filleting techniques, business and marketing plans, and branding, tagging and packaging. This assistance, together with that provided by the USAID-funded MAREA Program and by FUPEC, was instrumental in preparing ASPESCU for achieving the standards required to become a supplier for Walmart.

The Program has now renewed its collaboration with FUPEC, with the aim of helping ASPESCU attain its objective of exporting dry fish to the United States. It has also initiated contacts with other Salvadoran diaspora organizations, such as the Salvadoran-American Chamber of Commerce and the Salvadoran Business Caucus, both in the Washington D.C. area, through which business initiatives are being explored.

### **3.6 INSTITUTIONAL STRENGTHENING**

With the Program extension we have initiated an effort to strengthen some of our key partners. The process began between July and September with the definition of selection criteria; a pre-selection by members of the Program's technical team; visits to each of the pre-selected institutions; letters of interest by the invited institutions; validation by USAID, and signing of MOUs with the selected partners: CCIES, FUSADES, Vital Voices El Salvador, Sabios y Expertos Program, and CDMYPE Association.

The strengthening process will consist of three stages to be executed during FY 2016: 1) initial self-evaluation and development of training and improvement plans to be carried out in October 2015; 2) implementation of training and improvement plans with support from the Program, from November 2015 to June 2016, and 3) second self-evaluation to measure improvements, and recommendation to USAID, in July 2016.

Before implementing this full-scale initiative, during FY 2015 the Program carried out some isolated institutional strengthening activities with its partners, for example related to the adoption of improved organizational practices and methodologies, to staff training, and to improving business services for SMEs. For example, the innovation methodology developed by CICR in Costa Rica was transferred to CCIES for the implementation of INNOVEXPORT, local consultants were trained in the new methodology, and participant and consultant manuals were developed in order to be able to replicate the experience. Another example is that the Program facilitated the training of five FUSADES-PROINNOVA staff so they could obtain an international certification in bakery, and helped ITCA-FEPADE staff obtain training in key areas of the metalwork industry, such as CNC and mechatronics. The Honey Chain and the Ministry of Agriculture were also strengthened with Program support for printing the new technical norms for the apiculture sector, which will be complemented with technical training for MAG staff and the communication of the new norms through workshops across the country.

### **3.7 VOLUNTEER PROGRAMS**

This year the Program collaborated with two initiatives – Sabios y Expertos, by pension fund AFP CONFIA and BPEACE, an American NGO – to provide technical assistance to 46 SMEs

through volunteer experts, who dedicated their time and knowledge to help make them more competitive.

*a) Sabios y Expertos*

This is a CSR initiative that AFP CONFIA implements in order to contribute to the economic development of El Salvador. The way it works is that a retired international expert from one of the participating European programs is brought to El Salvador and is teamed with a local retired expert to provide assistance to a selected SME.

From the establishment of this partnership in May 2013, the Program has assisted 27 SMEs together with Sabios y Expertos – of a total of 104 that the initiative has attended since its inception in 2012 – generating almost \$800,000 in sales and creating 133 new jobs. A total of 16 SMEs were supported this year, as described below:

<b>Company</b>	<b>Market</b>	<b>Dates</b>	<b>Support Provided by the Expert</b>
1. Centro de Control de Calidad Industrial	Laboratory services	September - October 2014	Consultancy on the use of machinery to perform analyses on vitamins and food products, equipment maintenance, improvement in occupational and industrial safety, as well as on how to make best use of the company's resources.
2. Central Hidráulica	Hydraulic and Metallurgic maintenance services, production of seals	October 2014	Assistance on trends and requirements of the technology and hydraulics world market; re-design of the production plant and workflow to optimize time and resources; analysis of required machinery to improve production and reduce costs; recommendations to improve sales, production, customer service, occupational safety and human resource motivation.
3. Hermel	Food products	November 2014	Consultancy for whipped cream production, one of the main products distributed by the company in the country.
4. Prepagó y Más	Cellphone services	November 2014	Developed a sales strategy and provided updates on market trends.
5. PINSAL	Paint production	February 2015	Evaluation of company products, assistance to improve working equipment, sales and company growth.
6. SUSSHI Corporación	Coal production	February-March 2015	Consultancy to increase sales, cleaner production and machinery production.
7. La Michoacana	Production of ice cream and popsicles	March 2015	Consultancy to become a more efficient company, improve production processes, reduce costs, and improve quality of their products.
8. ACOPANELA	Agribusiness	April 2015	Improve existing products, analysis of production processes and development of new products.

9. ACOPROLAC	Production of fluid milk	April 2015	Consultancy to reduce energy consumption and produce new forms of energy.
10. Bioproductores	Butterfly Farm	May 2015	Consultancy to improve butterfly production and their surroundings.
11. Producción y Desarrollo	Design, construction and operation of water treatment plants	April-May 2015	Develop organizational analysis focused on establishing a business strategy.
12. Sabesa	Beauty and personal care products	May 2015	Develop new products and improve existing products.
13. Chez André	Cakes and desserts	April 2015	Product diversification and improvement.
14. Grupo Darco	Design and construction	June 2015	Consultancy to improve the organizational structure, administrative and purchasing processes, as well as to establish quality control processes.
15. Klan Animations	Software animation, programming and development	June 2015	Consultancy on intellectual property and developing an e-commerce strategy.
16. Industrias Laford	Development of pest control products	September 2015	Consultancy to improve production, product and occupational security processes.

In order to support more companies throughout the national territory, Sabios y Expertos held a training session at a hotel in the capital city in March to recruit 100 new national retired experts willing to provide advice to Salvadoran SMEs. The Advisory Manual developed with the support of PUM (the organization of retired Dutch experts) was presented during this session. Between May and June, three workshops with representatives of companies from the pharmaceutical, metalworking, and food and beverage sectors were developed to identify key areas in which these companies could be supported with advice from experts from the Netherlands and France, in coordination with local experts, to overcome specific growth challenges. The workshops were led by the Program's Trade and Innovation Coordinator, with the logistical support of the Sabios y Expertos team. The workshops included 16 pharmaceutical SMEs, 13 from the metalwork sector and 12 from the food sector, making a total of 41 companies. To date, eight of the 41 participating SMEs have applied for assistance, of which one has already been supported, one is in the process of completing its documents, and six have already applied and been approved for expert technical assistance. Through these workshops, experts identified the areas where companies require individual technical assistance and group training.

<b>Results of the areas that require technical assistance and sector group trainings</b>		
<b>Sector</b>	<b>Individual Technical Assistance</b>	<b>Group Trainings</b>
Chemical-pharmaceutical	-Development of new products -Organizational structure -Process efficiency	-Developing an export marketing plan -Compliance with regulatory requirements

Moreover, in April it was confirmed that the new owner of AFP CONFIA is Banco Atlantida of

Metalwork	-Marketing -Production -Innovation	-Marketing -Management
Food	-Distribution channels -Exporting -Customer service	-Developing new products -Innovation -Production processes

Honduras, which has expressed its willingness to keep financing Sabios y Expertos and also to assist this CSR program in becoming an NGO, to leverage more cooperation funds and extend their services to Honduras. Consequently, Sabios y Expertos will initiate the establishment of an office in Honduras in November, supported by a Dutch expert. It should be noted that Sabios y Expertos is a key partner of the Program in the implementation of the ESCALA initiative, described in the gender initiatives section.

*b) BPeace*

BPeace is a US-based organization dedicated to supporting the growth of SMEs in areas of the world affected by violence, through technical assistance provided by volunteer experts with extensive business experience, most of them from the United States. The Program partnered with BPeace starting in April 2013, to support their mission of developing local SMEs. Since the partnership was established the Program has supported 19 initiatives, making more than \$ 3.5 million in sales and creating 160 new jobs.

A total of 13 companies were visited and supported by experts this year, 12 of these 13 companies were part of the BPeace Business Executive Exchange Program, funded by the State Department. The supported companies and assistance provided are described below, including a consultancy provided to BPeace:

Company	Line of Business	Date	Support Provided by Expert
Laboratorios Fuenteclara	Cleaning products	February 2015	Consultancy for best practices in inventory, better accounting processes and better production processes.
Muebles Nuvesa	Furniture	February 2015	Consultancy to improve furniture production processes and establishing work planning methods.
Grupo Joseph	Food	February 2015	Establishing best collections mechanisms and reorientation of its sales strategy.
La Cochinita	Food	February 2015	Consultancy on marketing and sales.
Sabor Amigo	Food	February 2015	Consultancy for a better brand positioning, improvements of marketing plan and product development
Pan San Antonio	Food	February 2015	Consultancy for a better brand positioning, increase production and sales.
Peludos	Veterinary products and services	March 2015	Develop a line of food products for dogs, consultancy to increase sales and to explore e-commerce with their products.
Pronavid	Vitamin supplements	April 2015	Consultancy to improve their brand positioning
American Doors	Industry	April 2015	Consultancy to improve their brand positioning
NR Consa	Agro-industry	April 2015	Consultancy to promote their fertilizer brand at a regional level

Company	Line of Business	Date	Support Provided by Expert
Krisppy's	Food	April 2015	Consultancy to homogenize the brand
Pronavid	Vitamin supplements	July 2015	Consultancy to improve customer service and reduce costs
Grupo Razel	Vitamin supplements	July 2015	Develop a growth strategy
Bpeace		July 2015	Consultancy to improve the organization's performance and improve employee skills or provide better services to SMBs

Additionally, in September the Program promoted an informational session between 21 BPeace companies and the Inter-American Investment Corporation (IIC), the IDB's financing arm. To date, it is known that three companies that attended this meeting are applying for these funds.

### 3.8 WOMEN'S ENTREPRENEURSHIP

From its inception, the Program has prioritized the support to companies headed by women. This emphasis became a general Program strategy in 2014, aspiring to cover all activities and to generate a similar interest for supporting women entrepreneurship in our principal partners. Among the main women entrepreneurship initiatives implemented this fourth year of operations are ESCALA, benefiting 27 entrepreneurs; specialized technical assistance given to 13 entrepreneurs through Vital Voices; helping LULA MENA consolidate her internationalization efforts, and the launching of the Estación Gourmet SIMAN brand, whose suppliers are SMEs led by women. Here are the details of these initiatives:

a) *ESCALA Women's Entrepreneurship Advisory Program*: At the request of the CCIES Committee of Women Entrepreneurs in mid-2014, the Program supported the design of this initiative to promote the growth of women-led companies.

Partnerships were established with the Corporate Social Responsibility program of AFP CONFIA, Sabios y Expertos, and the School of Economics and Business of the Dr. Jose Matias Delgado University (UJMD). This is how the ESCALA Program was born, as a mentoring program to support women entrepreneurs through the advice of a retired expert from the Sabios y Expertos data base that provided them with expert technical assistance on a weekly basis, and one or two students about to graduate from the UJMD, who supported implementation during a period of four months. The Program provided an expert consultant on women's entrepreneurship to serve as coordinator of the initiative and to develop the methodology. A first edition of the initiative benefited 10 SMEs led by women between February and May of 2015 and ended on June 17.



*Business persons benefited by the ESCALA Program shared their experiences during the closing ceremony. San Salvador, June 17, 2015.*

The company Delibanquetes obtained some of the most important results of ESCALA, such as reducing costs substantially and the expansion of the main banquet hall area, and also Comercializadora 503, a food and beverage company, which launched a new institutional line of business. In addition to their work through ESCALA, Comercializadora 503 and Chez André were also able to obtain technical assistance from Dutch experts through Sabios y Expertos. Other companies, like Gatti, reported that they decided to retain their staff and not close down their business thanks to this assistance. In September the company reported incremental sales of \$42,200 they attribute to their participation in the initiative.

Thanks to this successful experience, CCIES and partners Sabios y Expertos and UJMD confirmed their interest in continuing ESCALA. The second edition was promoted in May and 17 companies led by women were enrolled. These entrepreneurs began the mentoring process with their teams in September and will conclude it in December 2015.

In total, 27 companies were benefited through ESCALA during 2015 and another 20 are expected to be benefited in 2016.

<b>Companies Benefited by the ESCALA Program in 2015</b>		
<b>Company</b>	<b>Line of Business</b>	<b>Topic of Consultancy</b>
<b>1st Installment: February-May 2015</b>		
1. DELIBANQUETES	Catering and space for events	Consultancy to define growth path.
2. Clínica Moldea tu Figura	Aesthetic services	Staff management.
3. Gatti Design	Purse production and design	Review of cost structure to improve contract negotiation
4. Tecana Multiinversiones	Veterinary	Improve their collections process and financial performance.
5. CASAVELA	Candles and retail sales room	Organizational and inventory management.
6. Manolitas	Collectible dolls	Support in exports and logistics.
7. Industrial Corrugadora de Papel, S.A. de C.V.	Paper production	Costs, marketing and design of new products.
8. Tips Salon	Beauty salon and distributor	Improve administration and inventory organization.
9. Comercializadora 503	Production and distribution of ethnic food	Launch of new line of sales.
10. Cakes Chez André	Bakery	Business performance analysis and build a marketing and sales plan.
<b>2nd Installment: August-December 2015</b>		
11. Pinsal S.A de C.V II	Paint	Improve marketing and sales
12. Grupo GD S.A de C.V	Technology	Organize sales department
13. DIMSA	Consumer goods	Operational and logistics processes

<b>Companies Benefited by the ESCALA Program in 2015</b>		
<b>Company</b>	<b>Line of Business</b>	<b>Topic of Consultancy</b>
14. Sala de té y Recepciones Larrosa S.A de C.V	Events and receptions	Expert administrator and products
15. Chela`s Gourmet	Catering delivery	Control of processes and costs.
16. Tecnimpresos	Print Shop	Marketing and sales
17. Naturaland sv	Food and beverage	Costs and finance, financial management of the business
18. Alpha Doors	Doors and windows	Costs and business administration
19. Siempre Limpio El Salvador	Cleaning products	Strategy to increase sales in the business sector.
20. FRAGOLA	Organization of events	Growth strategy
21. The Party Dot	Furniture rental for events	Commercial strategy
22. TITI BOO	Costumes	Commercial strategy
23. El Alfarero y Mas S.A de C.V	Flowers and events	Sales increase and brand positioning
24. Lula Mena	Accessories	Establish administrative processes
25. RGH DE EL SALVADOR S.A. DE C.V.	Reagents	Commercial strategy
26. Hacienda Los Nacimientos	Agro-industry	Develop a financial control plan
27. Pop&Co	Food and beverage	Administration and sales

b) *Activities in Partnership with Vital Voices.* The Program has worked with Vital Voices El Salvador since its onset. Vital Voices is an organization founded in 2008 to support the economic empowerment of women. This year the Program subcontracted Vital Voices to provide specialized technical assistance to 13 companies led by women with high growth potential.

The participating women entrepreneurs worked between February and May with experts in specific areas such as digital marketing, product design, market segmentation and costing system, in order to boost sales and strengthen their businesses. As a result of the support, this group of women entrepreneurs experienced significant qualitative improvements in their products and business management, made new investments for \$24.180 and reported a growth in sales for a total of \$181.700 in the period from June to August. Below is a summary of the main qualitative results of the technical assistance that ended in May:

<b>Benefited Companies</b>	<b>Technical Assistance Provided</b>	<b>Accomplishments</b>
1. Tax Legal	Sales strategy to generate corporate clients	-Hiring an assistant to support the implementation of the sales strategy created. -Creating an Org Chart and restructure the company based on the analysis performed during the event. -Creating a complete database of loyal, potential and corporate clients and establish a visit agenda.

2.Converplast	Analysis of financial reasons to improve the company's financial management.	-Relocating to new and bigger facilities. -Starting new machinery purchased after the previous assistance from the Program. -Investing \$27,500 for an electric substation that will save an average of \$2,000 per month. -Company planning for the production and human resources departments.
3. Panadería La Fuente	Create a sales strategy to launch delivery service	-Hiring a new position –Floor Supervisor- focused on the company's day to day operations. -Entrepreneur has managed to focus on strategic and long term tasks, delegating operational tasks to supervisor. -Completing plan for delivery services. Implementation is ongoing.
4.Mayan Gifts	Design of graphic line to export artisan products to Europe	-Designing six prototypes of leather products, initial samples, to enable developing collections that will generate at least 40 new products. -Training to artisans on new production techniques and sewing for prototypes and products. -Relocating a production plant. -Investing in a plan to purchase leather production machinery.
5.ARTISA	Market segmentation strategy for sustainable sales growth.	- Sales for the period between January and May 2015 already exceeded the total annual sales accomplished in 2014. -Participated in more than 40 bids while the technical assistance was being provided due to this initiative. -Training of sales and customer service staff.
6.Gatti Design	Coaching to develop sales techniques and cost system.	-Entrepreneur initiates retail sales actions. This allows her to reduce inventories and broadens distribution channels by combining retail with distributor sales. -Digital marketing tools to be implemented
7.Marujatz	Digital marketing plan and social network training	-Brand exposure over the internet was increased through the assistance provided, thus tripling monthly sales from \$2,500 in February to \$7,500.00 in May 2015.
8.Grupo DV	Sales strategy and identification of potential clients.	-Annual contracts with three companies that will receive monthly monitoring services. -Registration of the company with legal capacity in the Ministry of Finance and participation in two public biddings. -Creating a portfolio of services.
9.Vitrales El Salvador	Cost system	-Implementation of techniques and tools to assign costs to products: develop a cost sheet per product. -Reduction of product prices to more competitive levels by using recycled glass. -Creation of inventory per area. -Hiring of a person in charge of marketing and sales.
10.Qumbo/Lula Mena	Marketing and brand positioning strategy in the national and international markets	- Creation of the "Brand-Message-Book": a complete graphic identity manual with models of communication material most commonly used aimed at national and international markets.

11. Línea Rosa (Servicios Integrales de Centroamérica)	Sales strategy and identification of potential clients	-Creation of sales and marketing manual. -Determining marketing tools: promotional campaigns, establishment of alliances, use of electronic means to position and promote the service.
12. Servicios Múltiples y Productos, S.A. de C.V.	Marketing plan and brand development	-Creation of a sales manual which has allowed setting up alliances with hotels, transportation services, restaurants, tourist sites, museums, among others. -Implementation of a digital tool to evaluate company performance.
13. Veterinaria Peludos	Cost system for services and financial structure review	-Determining profitability, evaluating the company's percentage of profits or losses. -Creation of financial indicators chart to improve the company's financial controls.

c) *Collaboration with FUSADES in a qualitative study on women's participation in the labor market.* FUSADES, through the "Improving women's participation in the labor market and the economic empowerment of women through better policies in Latin America" project, is conducting a qualitative study together with the International Agency for Research Development of Canada. The Program is supporting FUSADES since June to deepen its research in the area of women's entrepreneurship, with emphasis on new knowledge for the country in terms of effective policies to encourage women entrepreneurs both by opportunity and by necessity.

In support of this study, the Program organized three focus groups from July 27 to 29 with 12 women entrepreneurs of different ages characterized by the fact they all lead dynamic businesses with high growth potential. In September the Program linked FUSADES with specialized service providers for women, such as Vital Voices, so they could learn about some of the challenges faced by organizations that promote women entrepreneurship. The Program also linked FUSADES researchers with entrepreneurs that employ women in their production plants.

To follow up this effort, a discussion group will be organized in December to present the early results of the study among entrepreneurs and workshops will be organized to more widely disseminate the full results in January and February 2016.

d) *Promotion of funding options for women-led companies.* The Program promoted financing options for companies, especially those headed by women, during the last quarter of the fiscal year. This promotion was done mainly in partnership with the Inter-American Investment Corporation (IIC), the financial arm of the IDB, which opened a new line of credit in the region that allows them to directly serve companies with sales between \$500,000 and \$6 million. Promotion activities carried out with the IIC are the following: a) In August the local official of the IIC was introduced to BPeace and Sabios y Expertos, two partners of the Program with an SME portfolio with the features sought by IIC; b) In September with PROESA, a presentation of IIC financial products was introduced in a congress for food companies in partnership with ECLAC; c) in September a meeting in partnership with BPeace was organized to present IIC products to 21 companies from its portfolio, d) between August and September IIC official helped contact two companies headed by women and benefited by the Program that are likely to be granted financing, one to launch a new product to the market.

In August, the Program also approached women-led enterprises to Pomona Impact, an organization that seeks to fund social projects in Central America. The Program organized meetings between a representative of this company and high social-impact SMEs such as Art Comasagua, LULA MENA, Linea Rosa, and to partners such as Proinnova, in order to promote their services with them. The financial services of this firm are better suited for small businesses working in conflict areas, with women or in rural areas, with sales below \$ 1,000,000, since the loans are between \$50,000 and \$150,000.

e) *Launching of the Gourmet Station SIMAN brand among gourmet food producers of the Association of Business Women Entrepreneurs of El Salvador (AMEES). On April 16, the private label SIMAN Gourmet Station was launched, comprising packaged, imported and local products, among which are jellies, cookies, chocolates, cheeses, pates and other delicacies. Local products were produced by a group of five companies led by Salvadoran women who were introduced to SIMAN by the Program.*



*Manager of the USAID/El Salvador Bilateral Economic Growth Program during the launching of the Estación Gourmet SIMAN. San Salvador, June 17, 2015.*

The Program supported this initiative since its design in 2013, partnering with AMEES to organize three tasting sessions between November and February, and helped the companies obtain purchase orders. Currently the products with the highest sales are the Delimaya dehydrated tomatoes, the Jeques antipasti, and the Cultivare organic teas. The Program plans to continue supporting the five women entrepreneurs and others that SIMAN might incorporate as suppliers under their private label. Support will be based on introduction of new products.

<b>Supplier Companies for the SIMAN Gourmet Brand</b>		
<b>Company</b>	<b>Line of Business</b>	<b>Product</b>
1. Agroindustria Cultivar	Cultivation, processing and marketing of healthy products manufactured with certified organic raw materials.	Tea made from tropical fruits and plants.
2. HealthCo Products	Manufacture and marketing of natural products derived from bee honey.	Creamed honey in several flavors.
3. Jeques Gourmet	Development and production of Gourmet products	Antipastos and several preparations.
4. Delimaya	Development and production of Gourmet products manufactured with artisan methods	Dehydrated fruits, marmalades, gourmet wine salt and dehydrated tomatoes.
5. Chef's home	Home for child and adult chefs.	Pineapple chutney with cilantro and peppers, green apple chutney.

f) *Tejiendo Esperanzas*: An initiative to prevent violence and promote the inclusion of women. The Program joined the partnership between DELSUR and Lula Mena to integrate artisans from areas with high rates of violence into the supply chain of this company. The recognition that Lula Mena has achieved with support from the Program, especially for her environmentally-friendly craft production model which favors rural women, helped her establish an agreement with DELSUR in 2013 – an energy distributor with ample coverage in the country - to develop an initiative that involves using scrap material discarded by the company to produce decorative art products. In 2015 they consolidated a broader partnership called *Tejiendo Esperanzas* (Weaving Hope), whose aim is to train 10 mothers from Santiago Texacuangos, a municipality with high levels of violence, to use traditional textile looms. DELSUR hired Lula Mena to train these women and financed the production of portable looms for the women so they could start their own loom at home, and also donated the material for the manufacture of products, while the Program furnished the training materials and financed the participation of Lula Mena in the Artisan Resource trade fair, where she obtained the first purchase orders for products that will be developed by the new entrepreneurs.



*Beneficiary of Tejiendo Esperanzas, learning to use the loom.*

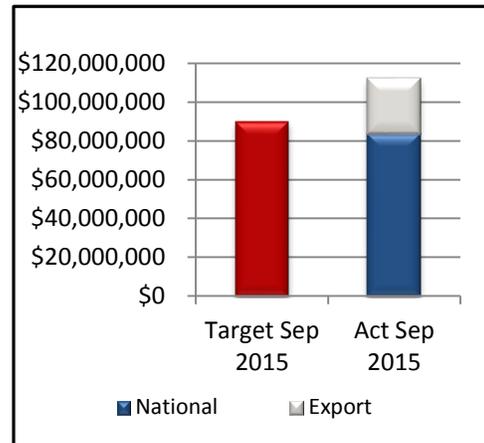
# ANNEX A: ADVANCES IN KEY INDICATORS AS OF SEPTEMBER 30, 2015

## I. Cumulative increased sales (export and domestic) of small and medium enterprises (SMEs) assisted under USAID programs.

**Definition:** Additional sales (domestic and export) generated by companies assisted by CDMYPEs, agencies of the Government of El Salvador, private sector organizations (PSOs) and groups of companies receiving direct assistance, as a result of the intervention.

**Unit:** USD

**Source:** Counterparts from the Government of El Salvador, PSOs, lead firms and groups of companies that received direct assistance.



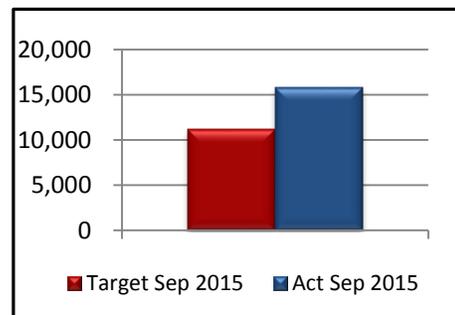
Target for Sep 2015: \$90,001,563  
Actual cumulative as of Sep 2015: \$112,384,879

37% of sales impact is generated by companies assisted by CDMYPEs, 30% from SMEs assisted by FONDEPRO, 6% from initiatives developed with PROESA, and 27% from initiatives driven by private counterparts. 28% of sales are generated by women-led SMEs. Exports amounted to \$28,566,198 and were generated by 296 SMEs. The sales result had an important and unexpected increase the second semester of the fiscal year due to the results of an impact measurement carried out by FONDEPRO with Program support.

## 2. New jobs created by small and medium enterprises assisted under USAID programs

**Definition:** Number of jobs generated by SMEs that received assistance from CDMYPEs, agencies of the Government of El Salvador, PSOs and groups of companies receiving direct assistance, as a result of the intervention.

**Unit:** Number of new jobs



Target for Sep 2015: 11,222  
Actual cumulative as of Sep 2015: 15,864

**Source:** Counterparts from the Government of El Salvador, PSOs, lead firms and groups of companies that received direct assistance.

72% of the job results come from companies assisted by CDMYPEs; FONDEPRO and initiatives with PROESA contribute with 15%; private sector initiatives contribute with 13%. Jobs are distributed by gender as follows:

Gender	Number of jobs	Percentage
<b>Male</b>	8,156	51%
<b>Female</b>	7,707	49%

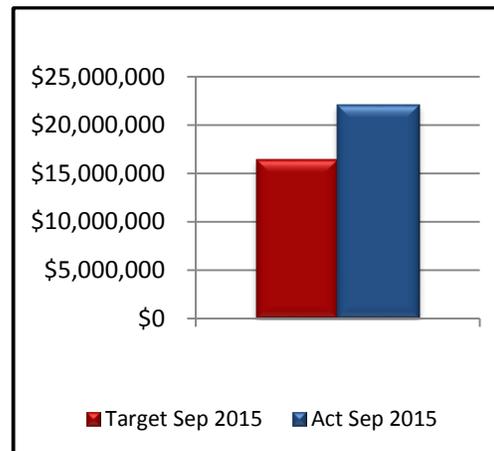
Target for fiscal year has been exceeded due to the significant employment generation reported by CDMYPE beneficiaries, as well as the numbers generated by Fondeprou in the new monitoring and evaluation measurement.

### 3. Amount leveraged to support SMEs, SME groups and networks

**Definition:** Dollar amount (cash or in kind) leveraged from participants in the Program’s initiatives and interested parties (PSOs, leading firms, NGOs, other donors, SMEs themselves, etc.) to support SME groups and networks to increase their sales. This corresponds to investments and amounts committed through MOUs that may still be in the process of implementation.

**Unit:** USD

**Source:** Program, partners and counterparts that sign and/or participate in Memoranda of understanding or agreements with leverage estimation. Fondeprou and Conamype through reports of leverage raised from SMEs and from partners that run CDMYPEs, respectively.



Target for Sep 2015: \$16,488,148  
Actual cumulative as of Sep 2015: \$22,151,244

71% of the total amount leveraged comes from SMEs involved in Program’s initiatives and 29% from non-government institutions that support SME development. Leverage raised from SMEs assisted by Fondeprou was determinant to largely exceed the target for the fiscal year.

The detail of leverage by counterpart is as follows:

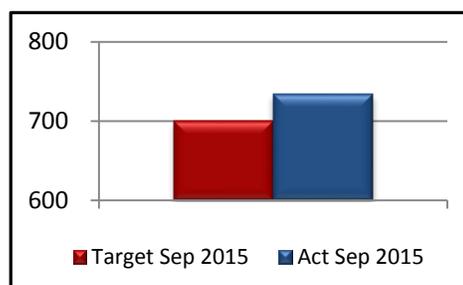
Counterpart	Leverage
Private	\$15,819,372.01
NGOs	\$6,331,872.22
<b>Total</b>	<b>\$22,151,244.23</b>

#### 4. Number of firms receiving USG capacity building assistance to export

**Definition:** Number of businesses that have received assistance or training in exporting. This indicator cuts across all components

**Unit:** Number of businesses

**Source:** Counterparts from the Government of El Salvador, PSOs and groups of companies that received direct assistance



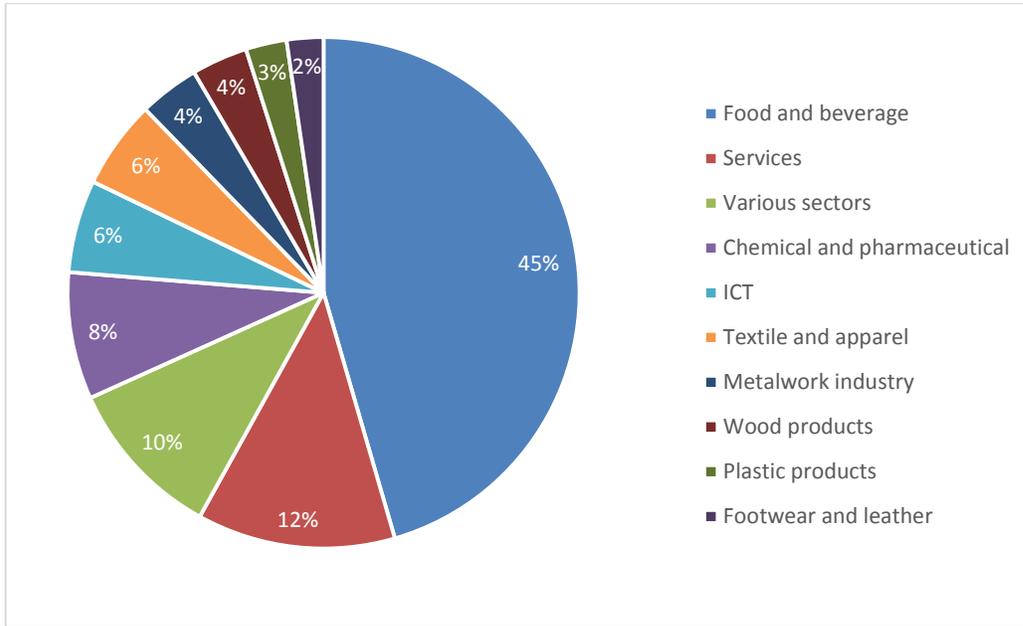
Target for Sep 2015: 700  
Actual cumulative as of Sep 2015: 734

In the last quarter, initiatives such as PROESA's Exportar Mas, Expocalzado fair and New World Craft fair were supported. The number of SMEs that have participated in export initiatives supported by the Program is 734<sup>1</sup>. They present the following distribution by gender of their leader:

Gender	Number of SMEs	%	% target
<b>Female</b>	222	30%	At least 20%
<b>Male</b>	492	67%	-
<b>No data available</b>	20	3%	-

45% of these SMEs come from Food and beverage sector. In general, companies were distributed by sector as follows:

<sup>1</sup> Of 734 SMEs, 131 were assisted by Fondeprou. Since Ministry of Economy's privacy policy prevents Fondeprou from sharing specific information on SMEs, these have been identified only by a number code on the report received by the Program. For this reason there is a risk of double counting.



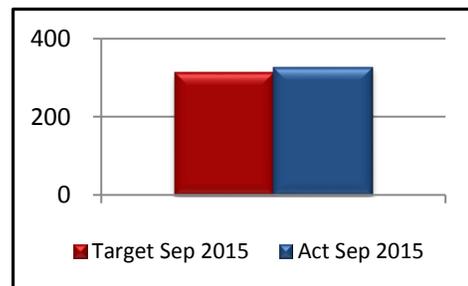
Of SMEs participating in export initiatives, 203, i.e. 28%<sup>2</sup>, have implemented innovations with the support of the Program. Additionally, another 618 companies have participated in trainings related to export.

## 5. Number of USG-supported trade and investment capacity building training events

**Definition:** Number of training events that occurred with Program support related to themes of trade capacity building.

**Unit:** Number of events

**Source:** Program, partners and counterparts that organize the events



Target for Sep 2015: 313  
Actual cumulative as of Sep 2015: 327

Of the 327 events carried out, 278 were directly targeted to SMEs and 49 were intended to strengthen small business development institutions like CONAMYPE, FONDEPRO and PROESA. 61% of the topics of these events had to do with process improvement and 13% with export.

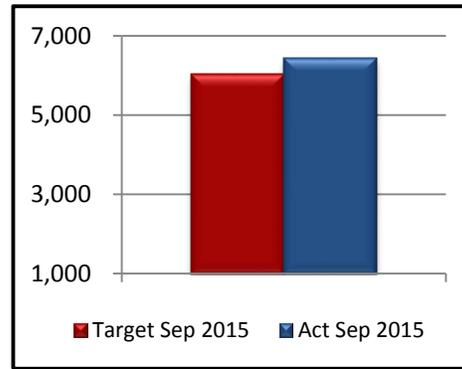
## 6. Number of participants in USG supported trade and investment capacity building trainings

<sup>2</sup> Target: at least 10%

**Definition:** Number of people who participated in trainings for building trade capacity sponsored by the Program, including representatives of the PSOs and government officials that completed training in topics related to business administration and exports. This indicator cuts across all components of the project.

**Unit:** Number of participants

**Source:** Participants that attended the event and signed the attendance list



Target for Sep 2015: 6,040  
Actual cumulative as of Sep 2015: 6,440

Participants present the following distribution by gender:

Gender	Number	%	% target
Female	3,385	53%	At least 48%
Male	3,055	47%	-

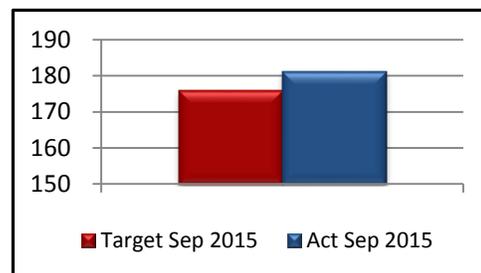
70% of participants came from the private sector, 20% were from NGOs and small business development institutions, and 10% were from the public sector.

## 7. Number of capacity-building service providers receiving USG assistance

**Definition:** Number of advisors, consultants and other providers of business capacity development services that have completed training events

**Unit:** Number of consultants

**Source:** Participants that attended the event and signed the attendance list

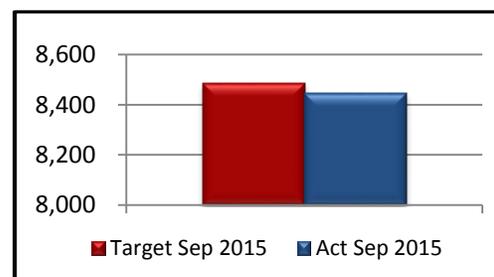


Target for Sep 2015: 176  
Actual cumulative as of Sep 2015: 181

181 capacity-building service providers have been trained through counterparts that provide development services, such as CDMYPE, PROESA, Fondeprou and Proinnova. 70% of these 181 consultants work for CDMYPEs. 56% were women and 44% men.

## 8. Number of firms receiving technical assistance and training from CDMYPEs

**Definition:** Number of firms and entrepreneurs that access services provided by CDMYPEs



**Unit:** Number of firms

**Source:** CONAMYPE; CDMYPEs

Target for Sep 2015: 8,486  
Actual cumulative as of Sep 2015: 8,446

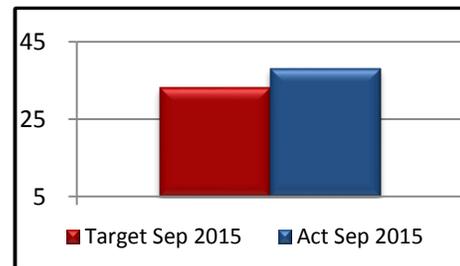
The strengthening of the CDMYPE network has helped make it more efficient and streamlined, which has enabled the coverage of the model to expand.

## 9. Number of PSOs working with the Program to support SME groups

**Definition:** Number of PSOs (Private Sector Organizations) working with SMEs in networks (e.g. forming clusters, commercial companies, or value chains) taking advantage of commercial opportunities. Includes lead firms.

**Unit:** Number of PSOs

**Source:** Program, partners and counterparts that sign memoranda of understanding and agreements



Target for Sep 2015: 33  
Actual cumulative as of Sep 2015: 38

From its beginning to date, The Program has established agreements with 38 companies and organizations: Coexport, Agrosania, Tropix, Cámara de Comercio e Industria, FUNDEMAS, FUNDES, Proinnova/Fusades, Voces Vitales, Walmart, Los Quesos de Oriente, Asociación Moje, Acoproarte El Renacer, Qumbo, Callejas, El Salvador Produce, Cadena de la Miel de El Salvador, CROMA, Tropical View, Marka Moderna, APANC, Universidad Jose Matías Delgado, Bpeace, Exporsal, TUDO, Siman, AmCham, AFP Confía, RAVEZ, Aspescu, FUPEC, AMEES, Geolac, ITCA, 3Puntos, Pollo Campestre, Fiagro, Del Sur, ACDMYPE.

### Other results: Number of certified companies.

Currently, seven SMEs have been certified: El Salvador Produce's employees have been certified in HACCP; one baking company has certified personnel with AIB International in technology applied to bakery; four companies certified in the Program for Organic Certification run by the US Department of Agriculture (Biolatina) and one in OKO-BC Garantie certification for environmental production.

## ANNEX B: TRAINING EVENTS

Event	Date	Gender		Total Participants
		Male	Female	
Incorporating Clients to the Global SBDC	November 4, 2014	9	4	13
Customs paperwork for the Metalwork Sector	November 6, 2014	7	6	13
International Bakery Certification AIB	December 2 to 4, 2014	12	11	23
Workshop to Develop Entrepreneur Capacities - EMPRETEC	February 3 to 10, 2015	22	8	30
Training ExpoAntad 2015 Fair	February 20, 2015	3	2	5
Training ExpoAntad 2015 Fair	February 23, 2015	4	1	5
Gender mainstreaming in CDMYPE	March 6, 2015	33	58	91
Trading techniques for Pharmaceuticals Dominican Republic Mission	March 9 and 10, 2015	3	2	5
European Market Trends and Purchasing Criteria	March 10, 2015	10	15	25
Artisan Design Trends to develop new products	March 11 and 12, 2015	3	15	18
CDMYPE Association Conference	March 18 to 20, 2015	59	84	143
Crece Mujer	May 13, 2015	0	8	8
Artisan Design Workshop ADEL Morazán	July 29 and 30, 2015	10	9	19
New World Craft 2015 Fair Training	August 17 and 18, 2015	2	9	11
Sales Negotiation Training Exportar Más 2015	August 18, 2015	11	13	24
Writing and Drafting Terms of Reference	August 25, 2015	17	20	37
Writing and Drafting Terms of Reference	August 26, 2015	12	23	35
Writing and Drafting Terms of Reference	August 28, 2015	12	18	30

Event	Date	Gender		Total Participants
		Male	Female	
Training New World Craft 2015 Fair	September 3 and 4, 2015	2	8	10
Study Tour Annual ASBDC Conference	September 9 to 11, 2015	4	5	9
Training on ASP.Net	September 18 to November 26, 2015	3	0	3
Violence Prevention in Latin America	September 30, 2015	16	12	28
<b>Total participants</b>				<b>585</b>

## ANNEX C: DELIVERABLES BY SUB-TASK ORDER AND CONSULTANCY

Quarter	Task Order	No. Deliverable	Name of Deliverable	Status
IV (2014)	VV-001-13	12	Business coaching final report - Voces Vitales	Approved
	CCIES-01-2014	7	Third workshop for companies and consultants regarding Innovation and Innovation design planning and third report regarding advances in technical assistance - Innovexport Chemical Pharmaceutical sector	Approved
	TO12 COEXPORT	3	Final Reports – Technical assistance TO12 COEXPORT	Approved
	Consultancy	4	Final Report – Advanced Apiculture Krisya Avalos	Approved
	TO14 COEXPORT	5	Promotional material and business agendas for each participant - New World Craft 2014 Fair	Approved
	TO14 COEXPORT	6	Report on the final meeting for coordination - New World Craft 2014 Fair	Approved
	TO7 CCIES	1	Development of the value chain proposal - Pollo Campestre	Approved
	TO7 CCIES	2	Agreements with suppliers and tractor Company - Pollo Campestre	Approved
	TO7 CCIES	3	Eight documents regarding management diagnostics - Pollo Campestre	Approved
	TO15 COEXPORT	1	Documentation of an informative meeting - Manufexport 2014 Fair	Approved
	TO15 COEXPORT	2	Commitment Letters- Manufexport 2014 Fair	Approved
	TO15 COEXPORT	3	Floor contract and proposal from the decorations supplier - Manufexport 2014 Fair	Approved
	TO15 COEXPORT	4	Participation in training and documentation of consultation on negotiation processes and shipment of samples - Manufexport 2014 Fair	Approved
	TO15 COEXPORT	5	Promotional material and business agendas for each participant - Manufexport 2014 Fair	Approved
TO15 COEXPORT	6	Reports on the final coordination meeting - Manufexport 2014 Fair	Approved	
I (2015)	VV-001-13	14	Business Networking event with business coaching participants - Voces Vitales	Approved
	VV-001-13	15	Business coaching Impact Report - Voces Vitales	Approved
	TO 7 COEXPORT	4	Monitoring and Impact report – Technical Assistance COEXPORT	Approved
	TO 8 COEXPORT	4	Monitoring and Impact report – Technical Assistance COEXPORT	Approved
	Consultancy	3	Final report with sales results and links with Siman and Exporsal for the Artisans - Milagro Menjivar	Approved
	TO 6 CCIES	4	Eight business plans and technical improvements - Los Quesos de Oriente II	Approved

	TO6 CCIES	5	Intermediate report for each participating SMB - Los Quesos de Oriente II	Approved
	NPD-01-2014	7	Report on visits to international buyers in United States, Europe and Asia and Fair organization in Taiwan for Specialty Coffee 2014 initiative	Approved
	TO12 COEXPORT	4	Monitoring and Impact report- Technical Assistance COEXPORT	Approved
	Consultancy	1	Monthly reports showcasing consultation advances - Fortalecimiento Voces Vitales- Juan Pablo Fontán	Approved
	Consultancy	2	PowerPoint presentation that summarizes the change proposals in structure, internal processes, and service improvements for Voces Vitales- Fortalecimiento Voces Vitales- Juan Pablo Fontán	Approved
	Consultancy	3	Final report showcasing advances- Fortalecimiento Voces Vitales- Juan Pablo Fontán	Approved
	TO14 COEXPORT	7	Final report on the Fair- New World Craft Fair 2014	Approved
	TO7 CCIES	4	Eight business plans and Improvement plans - Pollo Campestre	Approved
	TO15 COEXPORT	7	Final report on the Fair- Manufexport Fair 2014	Approved
	TO1 FUSADES	1	Commitment letters and base line forms - TO1 Proinnova Food Technical Assistance	Approved
	TO1 FUSADES	2	Work plans for technical assistance - TO1 A Proinnova Food Technical Assistance	Approved
	TO1 FUSADES	3	Final Reports- TO1 Proinnova Food Technical Assistance	Approved
	Consultancy	1	Work plan with CCIES- Gender Consultation- Florence De Sola	Approved
	TO16 COEXPORT	1	Work plans for technical assistance in companies- TO16 COEXPORT	Approved
	TO16 COEXPORT	2	Commitment Letters- TO16 COEXPORT Technical Assistance	Approved
II (2015)	CCIES-01-2014	8	Final report on training process for companies and consultants - Innovexport Chemical Pharmaceutical sector	Approved
	TO1 FUSADES	4*	Monitoring and Impact report -TO1 Proinnova Food Technical Assistance	Approved
	TO2 FUSADES	1	Commitment letters and base line forms- TO2 Proinnova Food processes Innovation	Approved
	TO2 FUSADES	2	Technical Assistance work plans - TO2 Proinnova Food processes Innovation	Approved
	TO2 FUSADES	3	Final Reports- TO2 Proinnova Food processes Innovation	Approved
	Consultancy	1	Development of Forms workshop proposal CDMYPE- Gustavo Pineda	Approved
	Consultancy	2	Forms analysis work shop CDMYPE- Gustavo Pineda	Approved
	Consultancy	3	Facilitation of the workshop on process manual elaboration for the phases of creation and start-up of the company CDMYPE- Gustavo Pineda	Approved

Consultancy	4	Report on results of the Manuals Analysis Workshop CDMYPE- Gustavo Pineda	Approved
Consultancy	5	Flow of key processes validated by CONAMYPE- Gustavo Pineda	Approved
Consultancy	6	Operational and financial manuals to create and start-up of companies, from the regional offices of CONAMYPE- Gustavo Pineda	Approved
Consultancy	7	Technical operational manual of the CDMYPE modified- Gustavo Pineda	Approved
TO16 COEXPORT	3	Final reports- Technical assistance TO16 COEXPORT	Approved
Consultancy	1	Work plan- CDMYPES 2015 Conference - Rosa Maria del Cid	Approved
Consultancy	1	Work plan- Strategic Operational Plan CDMYPE Association- Rafael Góchez	Approved
Consultancy	2	Delivery of workshop- Strategic Operational Plan CDMYPE Association- Rafael Góchez	Approved
Consultancy	3	Strategic and operational plan CDMYPE Association - Rafael Góchez	Approved
Consultancy	4	Project profiles- Strategic Operational Plan CDMYPE Association - Rafael Góchez	Approved
Consultancy	1	Work plan- Metalworks Business roundtable 2015- Jasmin Coreas	Approved
FUNDEMAS- 01-2015	1	Work plan and report on interviews - Empretec 2015- FUNDEMAS Subcontract	Approved
FUNDEMAS- 01-2015	2	Workshop report and list of attendance - Empretec 2015- FUNDEMAS Subcontract	Approved
FUNDEMAS- 01-2015	3	Final report - Empretec 2015- FUNDEMAS Subcontract	Approved
TO17 COEXPORT	1	Documentation of an informative meeting - ExpoAntad 2015 Fair- COEXPORT	Approved
TO17 COEXPORT	2	Commitment letters- ExpoAntad Fair 2015- COEXPORT	Approved
TO17 COEXPORT	3	Floor contract and proposal from the decorations provider - ExpoAntad Fair 2015- COEXPORT	Approved
TO17 COEXPORT	4	Participation and documentation, consultancy in negotiation processes and simple submission - ExpoAntad 2015 Fair- COEXPORT	Approved
TO17 COEXPORT	5	Promotional materials and business agendas per participant - ExpoAntad 2015 Fair- COEXPORT	Approved
TO17 COEXPORT	6	Report on the final coordination meeting - ExpoAntad 2015 Fair- COEXPORT	Approved
Consultancy	1	Work plan- Atonal Wine Marketing Plan - Carlos Cruz	Approved
Consultancy	2	Final report- Atonal Wine Marketing Plan - Carlos Cruz	Approved
TO3 FUSADES	1	Commitment letters and baseline forms- TO3 Food processes innovation Proinnova	Approved
TO3 FUSADES	2	Technical assistance work plans- TO3 Food processing Innovation Proinnova	Approved
Consultancy	1*	Consultancy work plan, manuals for positions, roles and processes FONDEPRO- Gloria Garzona	Approved

III (2015)	CCIES-01-2014	9	Impact Report- Innovexport Chemical Pharmaceutical Sector	Approved
	TO2 FUSADES	4*	Monitoring and Impact report- TO2 Food processing Innovation Proinnova	Approved
	Consultancy	2*	Monthly progress report with CCIES- Gender consultancy- Florence De Sola	Approved
	Consultancy	3*	Business mentoring manual for CCIES- Gender consultancy- Florence De Sola	Approved
	Consultancy	4*	Final assistance report for CCIES- Gender consultancy- Florence De Sola	Approved
	TO16 COEXPORT	4*	Monitoring and impact report- Technical assistance TO16 COEXPORT	Approved
	Consultancy	2	Approved marketing strategy- CDMYPES 2015 Conference- Rosa María del Cid	Approved
	Consultancy	3	Management and report of signed sponsors and presenters - CDMYPES 2015 Conference- Rosa María del Cid	Approved
	Consultancy	4	Organization and logistics- CDMYPES Conference 2015- Rosa María del Cid	Approved
	Consultancy	5	Report on systematization of the event's results- CDMYPES 2015 Conference- Rosa María del Cid	Approved
	Consultancy	1	Work plan- Mission for chemical pharmaceutical companies to Dominican Republic 2015- Norma de Suárez	Approved
	Consultancy	2	Intermediate report- Mission for chemical pharmaceutical companies to Dominican Republic 2015- Norma de Suárez	Approved
	Consultancy	3	Final report- Mission for chemical pharmaceutical companies to Dominican Republic 2015- Norma de Suárez	Approved
	Consultancy	2	Information catalog for participants in the Metalworks business roundtables Metalworks 2015- Jasmin Coreas	Approved
	Consultancy	3	Business meeting agendas- Metalworks business roundtables 2015- Jasmin Coreas	Approved
	Consultancy	4	Report on progress of business meetings- Metalworks business roundtables 2015- Jasmin Coreas	Approved
	Consultancy	1*	Final impact report- follow-up to Metalworks roundtables 2015	Approved
	TO17 COEXPORT	7	Final report on ExpoAntad Fair 2015- COEXPORT	Approved
	TO3 FUSADES	3*	Final reports- TO3 Food processes innovation Proinnova	Approved
	TO18 COEXPORT	1	Commitment letters- Sial Fair 2015- COEXPORT	Approved
TO18 COEXPORT	2	Floor contract and decoration provider proposal - Sial Fair 2015- COEXPORT	Approved	
TO18 COEXPORT	3	Promotional materials and business agendas for each participant- Sial Fair 2015- COEXPORT	Approved	
TO18 COEXPORT	4*	International travel- Sial Fair 2015- COEXPORT	Approved	

	TO18 COEXPORT	5*	Final report on the fair- Sial 2015 Fair - COEXPORT	Approved
	VV-002-15	1	Commitment letters and baselines of participating SMBs – Extended business coaching- Subcontracted Voces Vitales	Approved
	VV-002-15	2	Technical assistance work plans for each SMB – Extended business coaching- Subcontracted Voces Vitales	Approved
	Consultancy	1	Final impact report- Metalworks business roundtables 2015- Jazmín Coreas	Approved
IV (2015)	Consultancy	1*	Final consultancy report on follow-up to Siman and 3 Puntos artisans- Milagro Menjivar	Approved
	Consultancy	2*	Course materials for artisans with potential to export – Consultancy on follow-up to SIMAN and 3 Puntos artisans- Milagro Menjivar	Approved
	Consultancy	3*	Final report summarizing the process and results – Consultancy linking SIMAN and 3 Puntos- Dixy Valdez	Approved
	VV-002-15	3*	Progress report- Extended business coaching - Subcontracted Voces Vitales	Approved
	VV-002-15	4*	Final report- Extended business coaching - Subcontracted Voces Vitales	Approved
	VV-002-15	5*	Monitoring and follow-up report - Extended business coaching - Subcontracted Voces Vitales	Approved
	Consultancy	1*	Work Plan for the Exportar Más training 2015- Carlos Díaz del Pinal	Approved
	Consultancy	2*	Training on negotiation techniques Exportar Más 2015- Carlos Díaz del Pinal	Approved
	TO19 COEXPORT	1*	Commitment letters- Expocalzado Fair 2015- COEXPORT	Approved
	TO19 COEXPORT	2*	Floor contract for decoration of stands Expocalzado Fair 2015	Approved
	TO19 COEXPORT	3*	Promotional material and business agenda for each participant - Expocalzado Fair 2015- COEXPORT	Approved
	Consultancy	1*	Work plan- Follow-up to Guatemala, Honduras and Nicaragua mission for chemical pharmaceutical companies - Norma de Suárez	Approved
	TO20 COEXPORT	1*	Commitment letters- New World Craft 2015 Fair- COEXPORT	Approved
	TO20 COEXPORT	2*	Contract for decoration of stands - New World Craft 2015 Fair- COEXPORT	Approved
	TO20 COEXPORT	3*	Promotional material, course material for trainings and attendance lists- New World Craft 2015 Fair	Approved
	TO4 FUSADES	1*	Commitment letters and baseline forms - TO4 Food processes innovation Proinnova	Approved
	TO4 FUSADES	2*	Technical assistance work plans and schedules- TO4 Food processes innovation Proinnova	Approved

**Note:** The deliverables marked with an asterisk (\*) were included in the CD enclosed with the Spanish physical report.

## ANNEX D. SUCCESS STORIES



**USAID** |  
FROM THE AMERICAN PEOPLE

**EL SALVADOR**

## SUCCESS STORY

### Betting on women entrepreneurs

**María Eugenia Flores is one of the entrepreneurs who benefited from the support provided by USAID to businesses led by women**



Photo: MARUJATZ

***“My technical assistance has been a success, I have seen and felt how sales have increased and how my Brand is reaching new markets.”***

**–María Eugenia Flores, Owner of Marujatz.**

María Eugenia Flores became an entrepreneur at the age of 33. She established her company Marujatz, dedicated to manufacturing festive decorative products.

Venturing into the business world hasn't been easy for Maru, as she is affectionately known. Despite being able to export party hats and accessories to Central America, Mexico, Colombia, the United States, Spain, France and Israel, she knew she had to be up to speed and continue growing, especially because of the changing world we live in, in which having the leading edge of technology is a key factor to reach new markets and maintain the current ones.

In her search for growth and innovation, Maru decided to apply to *Asesorías empresariales para empresas lideradas por mujeres*, a business consultancy initiative executed by Voces Vitales with USAID support. This consultancy lasted two months and Maru was assigned a consultant with whom she developed a digital marketing plan that allowed her to increase her brand's awareness over the Internet, consolidate the local market and position her company abroad.

The results speak for themselves. Marujatz brand's value increased over the Internet, thanks to the consultancy and strategy that was launched to showcase her products abroad. Nowover 200 people are talking about Marujatz products over the Internet, U.S website visitors have increased by 500%, and Marujatz has tripled its monthly sales in only three months, from \$2,500 at the beginning of the consultancy in February 2015, to \$7,500 in May of that same year. Maru's great enthusiasm is helping her position her brand in foreign markets, which will have a very positive impact in her personal and business growth.

Maru's hat wasn't too big for her; nowadays she is an exemplary Salvadoran female entrepreneur who desires to succeed, and has moved from receiving the consultancy to becoming a mentor in order to use her experience to assist other women who want to grow their companies.

USAID's SME Development Program (Programa de USAID para el Desarrollo de las PYME) incorporated gender-sensitive activities since its onset, aimed at strengthening SMEs led by women through greater access to quality business development programs. This is a key activity to promote economic growth in El Salvador. The Voces Vitales technical assistance program in which Maru participated benefited a total of 13 companies led by women, and has generated an additional \$180,000 in sales to date.



**USAID**  
FROM THE AMERICAN PEOPLE

**EL SALVADOR**

## SUCCESS STORY

### Helping SMEs grow through the CDMYPEs

**SEMPROFES is the result of support provided by USAID so that CDMYPEs can consolidate and expand their services to SMEs across El Salvador.**



Photo: SEMPROFES

*A good business consultancy allows CDMYPE users to receive technical assistance for their specific needs and in this way, improve their performance and increase their competitiveness in the ever changing demanding markets.*

*“The CDMYPE supported us with our project ...we had no idea of what it took to build a company and they provided us with the support and consultancy we needed”.*

– Luis Alberto Zelaya, Founding Partner SEMPROFES.

Servicios Múltiples Profesionales Salvadoreños (SEMPROFES) was founded in the year 2012 by a group of visionary youngsters who had experience in providing maintenance to industrial machinery and decided to set up their own business to become providers of direct services for the Comisión Ejecutiva Portuaria Autónoma (CEPA), the Port Authority located in Acajutla Port, Department of Sonsonate.

Reaching this goal was not an easy task, as Luis Alberto Zelaya, a mechanic by profession, and Noé Nolasco, electrician, both founding members of the company, found out. The first obstacle they encountered did not know how to create or manage a company. They knew they had the technical skills and experience necessary, but didn't know how to design a business plan. This is when they decided to look for a consultancy, and through a friend's recommendation, they came to the Business Development Center for Micro and Small Enterprises (CDMYPE) operated by the University of Sonsonate. An advisor then helped them not only to create their business plan, but also to review the bidding bases issued by CEPA for maintenance service providers. They also received consultancy on creating the technical-economic proposal that was presented to CEPA. Additionally, they implemented a training plan for their staff that included topics such as energy efficiency, marketing, quality control and customer service.

SEMPROFES won its first bid with CEPA in April 2013 and signed their first contract for a period of nine months, which was extended for an additional nine months due to the company's good performance. They won their second contract in 2014, which allowed them to work with CEPA in the Port of Acajutla. To this date SEMPROFES has closed contracts for an amount of \$ 1.5 million. Luis said: "this was a real blessing", when talking about the assistance he received from CDMYPE. The company currently has around 200 employees in its payroll and is working to identify new clients to offer their services.

SEMPROFES is one of the more than 8,000 companies that benefited from the services provided by CDMYPEs between 2012 and 2014, which are the result of a public-private-academy alliance promoted by the National Commission for Micro and Small Businesses (CONAMYPE) with universities, local government associations and non-governmental organizations. There are currently 14 SME Development Centers in all of El Salvador that have contributed to generate more than \$40 million in sales and to generate 11,400 jobs. This model, adapted from the U.S. methodology used by the Small Business Development Centers (SBDC), is supported by USAID and is part of the goals of the Partnership for Growth signed between the governments of El Salvador and the United States in 2011 to help El Salvador overcome its growth restrictions.



## SUCCESS STORY

### Creating sustainability through crafts

**The ARTEC.A. festival fostered by USAID, in partnership with Almacenes SIMAN, has helped to promote the productivity and creativity of artisans, promoting healthy competition and bringing many of them out of anonymity.**



Photo: Sandra de Callotl

*Process to extract the prime material of the coconut and sample of the end products put up for sale in Almacenes Siman, during the third ARTEC.A. festival*

*“One of our dreams is coming true today, Almacenes SIMAN El Salvador is selling our Callotl artisan products, handcrafted by Salvadorans using environmentally friendly processes”*

—Fernando Medina, Fundación Domenech.

In El Salvador, Costa del Sol is one of the most visited beaches. In 2014 the Domenech Foundation, through its Callotl program detected a lack of artisan products native to the area, which could have sales potential due to tourism.

In 2014 a study was conducted to detect sustainable raw materials from the area and people were sought who had a creative potential for handmade crafts or could improve their current abilities. The project was tailor-made for the participants, including educational material, tool selection, materials and availability of seed money to elaborate the products. A total of 20 people were trained on sustainability, team work, design, creativity and artisan techniques by a designer that assisted in exploring their creativity so they could create their own products. In an area where coconuts and morro fruit were seen as objects of little commercial value, and in many cases were burnt, today they are being used as a means to improve their livelihoods. They're using what nature provides in the area and their original and functional work delivers top quality products with an eco-friendly approach.

After six months of training the 10 remaining artisans had produced 80 different products, from jewelry to home decorations. Nowadays these artisans participate as providers for ARTEC.A., an Almacenes Simán initiative that the USAID SME Development Program supports since 2013. This initiative seeks to train local suppliers for SIMAN to strengthen employment and improve the quality of life of artisans. ARTEC.A. artisans are supported by USAID through a consultant who is in charge of preparing them for the quality requirements that SIMAN expects. In 2015, 21 artisans have become part of the third edition of ARTEC.A. with a collection of products that range from home decorations to jewelry and clothes inspired by the latest fashion trends.

The Callotl group of artisans is an example of what can be accomplished in the country by supporting and empowering communities. Thanks to their participation and the quality of their products they were also selected to be part of the delegation of 10 artisan companies that participated in this annual New World Crafts fair supported by USAID in Antigua Guatemala. This was the first time they participated in an international fair and they successfully established contact with international buyers with whom they hope to close business in the near future to make their first export.



## SUCCESS STORY

### Salvadoran shoes are placed in regional markets

**SMEs have been able to improve the quality of their products and learn about the demands in export markets thanks to the support provided by USAID to companies so they can participate in fairs and trade missions.**



Photo: JAMCALZA

The growth reached by the Salvadoran company called JAMCALZA in recent years can be explained in one word: “*determination*”. Twenty-eight year old Fredy Monterrosa is one of José Ángel Monterrosa’s four sons and they are all dedicated to the family company that José Ángel started in 1983, manufacturing sandals and women’s footwear. Currently JAMCALZA has two stores at a national level, but it wasn’t until 2014 that its growth spurted thanks to its participation in the ExpoCalzado fair, which takes place annually in Guatemala City and in other initiatives that have been supported by the USAID SME Development Program.

Fredy Monterrosa, who is currently the Sales Manager, stated the following: “*Our idea was to see how we evolved. We would stay up late with my brothers thinking about how we could increase sales; at that time we were invited to participate in the 2013 ExpoCalzado and that opened our eyes. It was our first time participating and we had no idea about how the market was structured, we didn’t have results in sales, but we acquired the experience of participating in a fair, getting to know the type of clients that visit and gauging the acceptance of our products with Central American buyers. This motivated us to continue participating.*”

Before the ExpoCalzado fair in 2014, Fredy decided to participate in the “Exporting Step by Step” program, executed by the Export and Investment Promotion Agency PROESA, with support from USAID. This program helped them get a clearer vision of the market niches they could target, and the program conveniently concluded one month prior to their second time participating in ExpoCalzado, which allowed them to seal their first export deal with a distributor in Guatemala and a store chain in Costa Rica. Their goal for 2015 was to find a distributor in Guatemala, and after six business appointments they are finally in negotiations with Guatecalzado, a Guatemalan company that has shown interest in their products and who has visited them in El Salvador to inspect their production plant.

In four years, JAMCALZA has gone from manufacturing 13,000 pairs of shoes and employing four persons, to producing 30,000 pairs of shoes and employing 30 full time employees and another 30 part time employees. CDMYPE-PROCOMES has also assisted them on a range of topics, including sales strategy and image, as well as advisory on their web page and designing their promotional material.

*“If it wasn’t for the support that USAID has provided to institutions such as COEXPORT, PROESA and CONAMYPE we would have never grown as we have in so little time”*

– Fredy Monterrosa, Sales Manager  
JAMCALZA

