



USAID
FROM THE AMERICAN PEOPLE

THIRD ANNUAL REPORT: OCTOBER 2013 – SEPTEMBER 2014

USAID SME DEVELOPMENT PROGRAM

February 2015

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States government.

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USAID SME DEVELOPMENT PROGRAM

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ACRONYMS

AMEES	El Salvador Alliance of Businesswomen and Female Entrepreneurs
APANC	Association of Agricultural Producers of Nueva Concepción
ASBDC	Association of Small Business Development Centers
ASPESCU	Association of Artisanal Fishermen of El Cuco Beach
BANDESAL	Development Bank of El Salvador
BCIE	Central American Bank of Economic Integration
CCIES	El Salvador Chamber of Commerce and Industry
CENPROMYPE	Center for the Promotion of the Micro and Small Enterprise
CDMYPE	Micro and Small Enterprise Development Center
COEXPORT	Exporters Corporation of El Salvador
CONAMYPE	National Commission for Micro and Small Enterprise
CROMA	Salvadoran Association of Designers
DFP	Office of Productive Development
EEUU	Estados Unidos
FDA	Food and Drug Administration
FECAMCO	Federation of Chambers of Commerce of Central America
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
GOES	Government of El Salvador
HACCP	Hazard Analysis and Critical Control Point
IDB	Inter-American Development Bank
ITCA	Central American Institute of Technology
MINEC	Ministry of the Economy
MSE	Micro and Small Enterprise
MOU	Memorandum of Understanding
MSE	Micro and Small Enterprise
NGO	Nongovernmental Organization
PSO	Private Sector Organization
PDP	Program for Supplier Development
PMP	Performance Monitoring Plan
PNC	National Civil Police
UNDP	United Nations Development Program
PROESA	Export and Investment Promotion Agency of El Salvador
SME	Small and Medium Enterprise
SBDC	Small Business Development Centers
SEO	Search Engine Optimization
SEM	Search Engine Marketing
USAID	United States Agency for International Development
USG	United States Government

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EXECUTIVE SUMMARY

The USAID SME Development Program (referred to in this document as “the Program”) is a \$9.6 million initiative being implemented over four years with the goal of helping micro, small, and medium enterprises (MSME) in El Salvador gain better access to business development services, increase their competitiveness, and expand their operations in local and export markets. The Program began work on October 3, 2011 and will conclude its activities on October 2, 2015.

To achieve its commitments, the Program has two main areas of intervention: the first supports the Government of El Salvador (GOES) in improving the assistance it provides for SME development and the second seeks to strengthen the capacity of private sector organizations to support SME growth and development. Through these interventions, the Program also contributes to some of the goals established in the Partnership for Growth signed between the governments of El Salvador and the United States, particularly those related to increasing productivity of the tradable goods and services sector.

The Program has three components. The first is dedicated to supporting the National Commission for the Micro and Small Business (CONAMYPE) in its efforts to create a network of Small and Micro Business Development Centers (CDMYPE) throughout the country. The second aims to strengthen other government institutions that promote SME development, especially the Ministry of the Economy’s Productive Development Fund (FONDEPRO) and the Office of Exports at the Agency for the Promotion of Exports and Investments in El Salvador (PROESA). The third seeks to assist private organizations that undertake initiatives to promote SME development.

Despite the slow economic growth and the electoral turbulence, in its third year the Program was able to help generate more than \$32.6 million in new sales and nearly 5,200 new jobs. Including these figures, since beginning operations the Program has achieved a total of \$57 million in sales and spurred the creation of 8,222 jobs, of which 4,018 (48.9%) have been for women. This impact is the product of technical assistance, training, and bringing together more than 33 public and private sector partners to benefit almost 8,000 entrepreneurs and MSMEs. During this fiscal year alone, 2,793 entrepreneurs received training in building sales capacity, bringing the total number of people trained since the Program began operations to 5,840, of which 52% are women. These activities have helped leverage \$8.4 million in private sector resources this year, bringing the total since the beginning of the Program to almost \$13.5 million.

ACCUMULATED IMPACT SINCE PROGRAM INCEPTION

Indicator	To Sept. 2014
1. Additional Sales (export and domestic) of the SMEs assisted	\$57,001,563
Domestic	\$ 41,708,769
Export	\$ 15,292,794
2. New jobs created by SMEs assisted by USAID programs	8,222
Male	4,204
Female	4,018

3. Amounts leveraged to support SMEs and SME groups and networks	\$13,488,148
4. Number of businesses receiving assistance in building export capacity	1,257
5. Number of training events supported by the USG in areas related to building commercial capacity	304
6. Number of participants in trainings to build commercial capacity supported by the USG	5,840
Male	2,791
Female	3,049
7. Number of consultants trained in the development of business capacities	171
8. Number of firms receiving technical assistance and training from CDMYPEs	6,686
9. Number of PSOs working with the Program to support SME groups	33

This report summarizes key advances made during FY2014 in each of the three project components. The activities and achievements are discussed in greater detail in the body of the document and the appendices show the evolution of the key indicators as well as success stories and the list of training events and deliverables submitted during the year.

Assistance to the Micro and Small Business Development Centers (CDMYPEs)

The Law for the Promotion, Protection, and Development of Micro and Small Enterprises (MSE Law), passed in April 2014, institutionalized the CDMYPE model as a tool of public policy to promote the development of MSEs in El Salvador and made CONAMYPE the executor of this policy. The new legislation improves the environment in which the CDMYPEs operate and ensures that they will continue to receive government support, providing space for the network to continue growing throughout the country. A twelfth CDMYPE, this one operated by the University of the East (UNIVO), opened in 2014 to serve business owners and entrepreneurs in the state of San Miguel.

The Program has continued helping CONAMYPE to consolidate the CDMYPE model, providing it with technical assistance and training with the support of experts from the Association of Small Business Development Centers (SBDC) in the United States, as well as through local experts in priority areas identified jointly with CONAMYPE. The design of the continuous improvement program and the process for CDMYPE accreditation were finalized in 2014. The latter is based on the ASBDC model of accreditation, which itself comes from the Malcolm Baldrige Model of Excellence. In addition, the transfer of best practices from the SBTDC network in Puerto Rico took place in areas including leadership, strategic planning, and training advisors through a study trip to Puerto Rico and two visits to El Salvador by experts from the Puerto Rican SBTDC network. Two experts from the Maryland SBTDC network also visited El Salvador to transfer best practices in corporate customer service and to analyze possible partnerships with CDMYPEs within the framework of President Obama's Small Business Network of the Americas (SBNA) initiative.

The proposal for the CDMYPE Association's design, statutes, internal regulations, and organizational manual was also finalized in FY2014. The Association, which is in the process of being created, seeks to give continuity and sustainability to the model by gaining the commitment of the operating institutions. New modules were developed for CONAMYPE and the CDMYPES' Information Management System that facilitates controlling the budget and the goals established in the agreements between CONAMYPE and the operating institutions. The Program helped arrange a series of presentations on preventing extortion at the CDMYPES, which benefited approximately 185 companies.

Assistance to FONDEPRO

FONDEPRO supports micro, small and medium companies with non-reimbursable co-financing to increase their competitiveness and generate economic impact. During the Program's third year of operations it continued strengthening FONDEPRO's institutional capacity, concentrating its efforts on the following areas: a) development and implementation of a computer system that automates the internal processes to award funding, from the promotion phase through the measurement of economic impact, which has reduced customer response time and increased efficiency in co-financing management; b) implementation of the two co-financing schemes designed in 2013, which are awarded through competitive processes and are intended to promote regional development and stronger supply chains, and c) implementation of FONDEPRO's promotion strategy with the private sector, providing information on how to access the Fund's resources to more than 100 companies.

Assistance to PROESA's Office of Exports

During FY2014 the Program assisted PROESA primarily in four areas: a) implementation of the first version of the *Exportar en Línea* program; b) participation of Salvadoran companies in three international fairs; c) organization of a trade mission to Puerto Rico, and d) finalization of the *Exportar Paso a Paso 2013* program. In the first area, the Program helped 45 businesses participate in the coaching process as part of the *Exportar en Línea* initiative, intended to build capacity in digital marketing among Salvadoran companies in order to increase their export potential. The Program supported the participation of 26 companies in three international fairs: Expocomer in Panama, ExpoComida Latina in the United States, and the Global Congress of Information and Communication Technologies in Mexico. The Program also worked with PROESA to organize a trade mission to Puerto Rico for nine companies.

The *Exportar Paso a Paso 2013* program ended with a trade mission to Guatemala in October. The Program helped 26 business leaders prepare export plans, a requirement for participation in the mission. Eighty-four SMEs took part in this initiative, of which more than half had no previous experience exporting and the remainder had very little. Of the 84 SMEs, 62 attended trade missions in Guatemala, Honduras, and Nicaragua.

Collaboration with Businesses and Private Sector Organizations

This year the Program added six new private sector partners, bringing the total to 33 since the Program's inception. Among these partners are business organizations with long histories in the country, like the Chamber of Commerce and Industry and the Exporters Corporation, as well as large lead firms like SIMAN and Walmart, and smaller ones that have also worked with the Program to promote the development of their suppliers. The partners also include NGOs like Bpeace and *Sabios y Expertos*, which provide international volunteer consultants to assist Salvadoran MSMEs, and *Voces Vitales*, an organization that supports gender equality and female

entrepreneurship. The Program also added the Central American Technological Institute (ITCA) as an ally in order to jointly contribute to the development of the metalworking sector.

The Program worked with COEXPORT to prepare and send 48 companies to six international fairs, including ones for footwear, coffee and crafts. Technical assistance was also provided to 22 SMEs, mainly in the area of food and beverages, on topics like traceability, HACCP, Best Manufacturing Practices (BMP), labeling, and process standardization. In addition, 25 SMEs were invited to participate in a workshop-seminar on compliance with the FDA Food Safety Modernization Act (FSMA).

As part of the Exporters Day celebration, the Program provided support for the seminar “Business Strategies for the Female Exporter” as well as for the awards ceremony for the exporters of the year. Specifically, the Program sponsored the prize for the best female exporter. The Program also provided assistance to print the “Catalog and Directory for Export Products and Services,” the key document for export promotion in El Salvador.

The CCIES has been one of the Program’s main strategic partners since 2012, collaborating with the Program on the Supplier Development Program (PDP). This year saw the conclusion of technical assistance to 12 suppliers of fluid milk for the dairy product processing company, GEOLAC, which increased its sales by more than \$500,000. Other PDP beneficiaries were the Fishers Association of El Cuco Beach (ASPESCU), which received assistance in improving the quality and safety of their products, as well as 11 suppliers to a second lead firm, Los Quesos de Oriente. Assistance also began for Grupo Campestre’s eight suppliers and its chain of Pollo Campero restaurants, a franchise that began in San Miguel in eastern El Salvador. At the end of 2013, the Program joined another CCIES initiative providing support to 30 SMEs to enable their participation in trade missions to Guatemala, Honduras, and Nicaragua. The companies made important professional contacts, which they are currently receiving assistance solidifying. In May, the Program and CCIES launched the *Programa de Innovación para la Exportación* (Innovexport), based on the successful methodology from the Costa Rica Chamber of Industry (CICR) that seeks to improve the competitive capacity of SMEs through preparing them to innovate and develop novel products with export potential. The program lasts 10 months and is being implemented with 12 companies from the chemical/pharmaceutical sector that had to meet strict requirements and make significant contributions in money and time to be admitted. The Program is also working with CCIES on an innovative program for business mentoring for women that will begin in 2015.

El Salvador has significant potential for growth and export in its craft and design sectors, which the Program has worked to develop through various initiatives. This year the Program linked 33 artisan workshops with SIMAN for the second version of the department store’s high-quality craft collection, ArteCA, which was launched on August 12 and has resulted in more than \$800,000 in sales. The craft marketing company Exporsal attended the Ambiente fair in Germany with Program support, and the handicrafts firm QUMBO received assistance to develop its suppliers and international advertising. The Program facilitated the participation of 14 companies in the New World Crafts Fair in Antigua, Guatemala, the most important event in the craft sector in Central America.

In the area of design, The Carrot Concept received support to participate in the Wanted Design fair in New York. In addition, four winners of the biennial design competition CONTEMPO 2013 made guided visits to the fairs Surtex 2014 and Wanted Design 2014. The furniture exporting company Marka Moderna received assistance to attend the International Contemporary Furniture Fair (ICFF).

In FY2014 the Program broadened its initiatives in two agricultural sectors with significant potential to penetrate niche export markets: specialty coffee and honey. The Program renewed its alliance with a company that directly links specialty coffee producers with buyers of micro-batch coffee in European, Asian, and American markets, creating buyer loyalty to the plantations where the coffee is grown. Through this alliance, 52 producers of specialty coffee received training, tastings were held to determine quality, labels and marketing posters were designed, and two American buyers made site visits. With respect to the honey sector, the Program and Cadena de la Miel, OIRSA, and the Ministry of Agriculture and Livestock (MAG) held the First Advanced Beekeeping Program, given by international specialists to 200 honey producers from throughout the country. Twenty-four producers of this group were then selected to receive individual technical assistance to develop improvement plans.

In May, the Program and ITCA-FEPADE organized a series of workshops for metallurgical firms called “Making El Salvador’s Metallurgical Sector More Dynamic,” which were designed to bring the participating companies up to date on international developments in Computerized Numerical Control (CNC) technology and mechatronics, and to explore current sales trends in the industry. The international expert who conducted the workshop also assessed six companies in the sector and made recommendations to improve their operations. These activities laid the foundation for organizing a business encounter for the sector, which is scheduled for March 2015.

In collaboration with FUSADES and its PROInnova program, there was progress in three initiatives in technology and innovation: a) specialized technical assistance for 14 SMEs in the food and beverage sector focusing on new product development, process innovation, and the mechanization and automation of production lines; b) a four-module workshop to improve quality and international competitiveness for 18 businesses in the banking sector; and c) support for competitions and initiatives to encourage innovative undertakings, including the First Tuesday platform and StartUp Weekend.

Another area of significant activity for the Program this year was its work with international volunteers who provide technical assistance to Salvadoran companies. The *Sabios y Expertos* program sponsored visits by European experts to provide assistance to 11 companies in areas ranging from chemical products to dairy products and logistics, while Bpeace facilitated support to an additional seven companies through bringing mostly American experts with varying specialties—including plastics and pharmaceuticals—to El Salvador.

The Program supported the development of RAVEZ’s footwear supply chain, composed of a retail company and eight of its footwear suppliers. The driver firm received assistance in improving its purchasing, supplier management, and the design of an expansion plan, while the Program helped the suppliers by financing business management and technical training, the latter of which was supplied by the Technological Innovation Center, CIATEC, of Mexico.

Gender Equity and Female Entrepreneurship

In FY2014 the Program strengthened its alliance with the women’s organization *Voces Vitales*, through which it is developing a business administration training program for 370 women throughout the country. Forty of these women - whose companies were identified as having high growth potential - were selected to receive technical assistance in creating strategic growth plans. In addition, the Program is providing direct assistance to *Voces Vitales* with a consultancy to strengthen its internal administration and sustainability.

Other Program activities related to gender during the year included technical assistance to an association of female business owners in the food sector who were connected with SIMAN to become suppliers for SIMAN's new gourmet department; support for workshops and networking events for female business leaders; assistance to groups of female artisans who are suppliers to companies allied with the Program; the sponsorship of the award for the female exporter of the year, and training CDMYPE advisors in female entrepreneurship.

As of September 2014, the Program has trained 5,840 people in developing sales capacity, of whom 3,050 (52%) are women. Of the 8,222 new jobs created in the same period, 4,018 (49%) were for women. Of the 648 companies that received technical assistance in exporting, 211 (33%) are owned by women.

TECHNICAL ACTIVITIES BY COMPONENT

1. SUPPORTING THE GOVERNMENT OF EL SALVADOR (GOES) IN CONSOLIDATING THE SYSTEM OF MICRO AND SMALL BUSINESS DEVELOPMENT CENTERS (CDMYPE)

The National Commission for Micro and Small Enterprise (CONAMYPE) is the department of the Ministry of the Economy (MINEC) responsible for driving and coordinating the implementation of public policies to promote micro and small businesses. The Law for Promotion, Protection, and Development of the Micro and Small Enterprise (MSE Law), approved in April 2014, conferred upon the institution the role of executive body for this law and institutionalized the CDMYPE model.

In addition to the approval of the MSE Law, other important events impacted CONAMYPE during FY2014:

- As of January, the CrecES MIPYME program became part of the CDMYPE model, providing the centers with two additional business advisors: one specializing in finance and the other in female entrepreneurship.
- The twelfth CDMYPE, operated by the University of the East, opened its doors in March in San Miguel.
- In June, Ileana Rogel—the driver of the CDMYPE model in the country—was named CONAMYPE's Executive Director.
- In July, the director of CONAMYPE and the directors of SME development agencies in Central and South America went on tour in the United States, sponsored by the Department of State, USAID Washington, Higher Education for Development, CENPROMYPE, and the University of Texas in San Antonio, to explore possible collaboration between different entities to expand the SBDC model in Latin America. During the tour, the delegation met with Members of Congress, the director of the Small Business Administration, the Department of State, the Inter-American Development Bank, and the Organization of American States.
- In August, CONAMYPE launched the National Policy for Entrepreneurship and swore in the Entrepreneurship Advisory Council, composed of more than 20 public and private institutions that promote this area in El Salvador.

For the last three years, the Program has assisted CONAMYPE in consolidating the CDMYPE model, which was implemented in El Salvador based on the experience and methodology of the Small Business Development Centers (SBDC) in the United States. The cornerstone of the model in El Salvador is the public-private-academic alliance established by CONAMYPE with the 11 institutions that operate the 12 CDMYPEs in the country: six universities, four NGOs, and a municipality association.

During FY2014, the Program worked with the SBDC Association to transfer best practices from the United States to El Salvador to strengthen and improve service delivery; improve the structure of the Information Management System (SGI) that facilitates capturing the centers' impact; and support mechanisms that promote the model's sustainability in El Salvador.

The key activities undertaken in FY2014 are described below, divided by area of intervention.

1.1 Transfer of best practices and training in human resources

From October 9-11, the Program provided assistance for a CONAMYPE certification to create a new generation of human resources talent who could join the CDMYPEs. Sixty-six people attended, including independent consultants and technicians from universities and institutions, and received training from PDPYME in the methodology and processes of providing services to small business owners. In addition to local instructors, project consultant Marisela Villamil from the SBDC at the University of Maryland participated online and shared best practices in conducting business assessments.

Another educational activity that the Program supported was the acquisition of knowledge through internships or study trips. A CONAMYPE delegation, headed by Executive Assistant Director Gladys Melara, visited the SBTDC Network in Puerto Rico from November 11-15 to learn about best practices in coordination and strategic planning for a network of business service centers, training and certifying advisors, advising on credit applications, preparing SMEs to become government suppliers, a business leader service program, and helping companies to prepare in the event of a natural disaster.



Participants from the Human Resource Training Program for the CDMYPE

In March, the Salvadoran delegation to Puerto Rico held a workshop to share the knowledge that they gained on the trip with other CONAMYPE technical personnel, in particular the experience of the SBTDC Network in Puerto Rico in training and certifying advisors and the practice of peer review to revise the credit applications that the companies receiving assistance present to banks.



Delegation from El Salvador with the Executive Director and technical staff of the main SBTDC Network office from Puerto Rico.

The Program also facilitated a visit to El Salvador by representatives of the SBTDC in Puerto Rico and Maryland to train CDMYPE personnel in key areas in order to improve their capacity to provide business advisory services. The first visit took place from July 21-24 under the direction of Marisela Villamil and Anna Anderson, experts from the SBTDC in Maryland. CONAMYPE established a cooperative relationship with the SBTDC in Maryland during the Department of State's First Meeting of Sister Centers in September 2013 as part of the 33rd Annual ASBDC Conference.

CONAMYPE selected the centers operated by the Ilobasco campus of the Catholic University of El Salvador and ADEL Morazán to be evaluated by experts on their ability to provide advisory services to clients. During the visits, personnel from both centers met with clients, observed the advisory process, and received user feedback on the services they were given. As a result of this

process, the experts identified areas of general improvement in the functioning of the model and made recommendations, which are currently being evaluated by CONAMYPE.

From July 28-31 program consultants María Lecompte and Ivonne Negrón from the Puerto Rico SBTDC imparted three workshops for CONAMYPE representatives and CDMYPE Network directors and advisors: 1) *Training on the Malcolm Baldrige Model* (July 28), in which CONAMYPE personnel and 115 representatives from the CDMYPE Network participated, including CONAMYPE's Executive Director; Lecompte and Negrón discussed the model's criteria and sub-criteria for achieving performance excellence, illustrating them with examples from the SBTDC Puerto Rico Network's experience; 2) *Leadership Training* (July 29) to develop leadership skills among 20 CDMYPE directors and CONAMYPE technical personnel, so that they model the organization's mission in their day-to-day work and lead their teams in the pursuit of excellence and continuous improvement, applying the Baldrige model criteria; 3) *Training in Strategic Planning* (July 30-31), in which Lecompte and Negrón shared the methodology and tools that the SBTDC Network in Puerto Rico uses to create a plan and deploy and implement it throughout the network. Thirty-one representatives of CONAMYPE and CDMYPE directors and advisors attended, participating in working groups and brainstorming to create a strategic plan for the CDMYPE Network. The Program will approve this plan and work will begin during the first quarter of FY2015.



*Marisela Villamil, from the SBTDC in Maryland, revising client files from CDMYPE ADEL Morazán.
Date: July 22nd, 2014.*

Finally, for the third consecutive year, the Program sponsored the participation of a delegation of two CONAMYPE representatives and four from the CDMYPE Network in the 34th Annual America's SBDC Conference, which took place in Grapevine, Texas, from September 9-12. These representatives had the opportunity to participate in a wide range of workshops on market trends, SBDC best practices, presentations on useful tools and applications to improve SME performance, and others topics. The event brought together more than 1,500 representatives from SBDCs in the United States, Mexico, Canada, and other countries in the Americas where the SME service model has been implemented. Maria Contreras Sweet, Director of the SBA, attended.



Salvadoran delegation with María Contreras Sweet, SBA Director (in green).

As part of the conference, the Department of State held the 2nd Annual International Sister Center Workshop in which CONAMYPE's Executive Director presented on the implementation and evolution of the SBDC model in El Salvador. She also showed a video that was filmed with Program assistance that summarizes the work being done to implement the model, highlighting the achievements to date and the support that USAID has provided in the process (see <http://goo.gl/BSeLiG>). The Salvadoran delegation participated in 22 meetings with representatives of SBDCs from the United States, Canada, Mexico, Guatemala, and Honduras to explore the possibility of establishing sister centers to exchange best practices.

El Salvador was one of the countries benefited by the 2014 SBNA Fellow Program, which resulted in the Gerardo Barrios University CDMYPE and the Maryland SBDC being selected as

sister centers. Both centers participated in the first Sister Centers meeting, which was held during the Annual SBDC Conference.

1.2 Institutional strengthening of the CDMYPE model

The Program has supported the CDMYPEs since the middle of 2013 in their efforts at continuous improvement, helping them to elevate and standardize the quality of the business services they provide with the vision of ultimately certifying and accrediting these services.

To support this continuous improvement process, the Program used the ASBDC accreditation program as its base, which itself is based on the Malcolm Baldrige criteria for performance excellence.¹ This effort has benefited from contributions from a consultative committee composed of seven CDMYPE directors, two CONAMYPE employees, and one Program representative. The committee was responsible for revising and approving the documents and norms to implement the process.

One of the first results of this process was the approval of the CDMYPE Standards and Criteria of Evaluation and the Guide for Self-Evaluation, which functioned as the basis for a self-evaluation exercise that each CDMYPE completed in September 2013. Carmen Martí, Executive Director, and María Lecompte, Director of Strategic Planning, both from the Puerto Rico SBTDC Network, helped review the evaluations. From November 18-22, they held meetings with each CDMYPE and offered them recommendations to improve key processes in the services they provide. Each CDMYPE made an improvement plan and is currently implementing it. To standardize this experience and evaluate the exercise, on December 5, the Program held a workshop for all of the directors and advisors in the network who identified improvements that they then incorporated into the tools and processes of the proposed program.



Puerto Rican experts, Carmen Martí and María Lecompte, in evaluation sessions with CDMYPE personnel.

The consulting firm that was hired to support the process presented a progress report of the proposed norm to regulate the accreditation system. This report discussed the conditions and requirements to obtain, renew, and suspend accreditation; the benefits of becoming accredited; penalties for noncompliance; the entities responsible for accrediting the centers; and other topics. Likewise, the process to grant and retract accreditation was also defined.

To ensure that everyone involved in the process is knowledgeable about the criteria that will be used to evaluate them, the Program held a training session for 35 CDMYPE directors and how the program's criteria will be applied. The training also discussed as the use of tools and the processes that are part of the program.

Finally, the proposal for the Improvement Program and Accreditation System was presented on April 28 to CONAMYPE's Director and Assistant Director. The proposal established that the process for the centers to obtain accreditation would begin with a self-evaluation, which would be the basis for the improvement plan. Both products (the self-evaluation and the improvement

¹ The Malcolm Baldrige Performance Excellence Program is a tool for evaluation, improvement, and organizational planning to achieve performance excellence. Since 1987, the U.S. Congress has given the Malcolm Baldrige National Quality Award to American companies that successfully implement performance excellence systems.

plan) would be submitted to the executive body of the accreditation program, proposed to be the CDMYPE Association, which would review the self-evaluation. Also suggested was the creation of an Evaluation Committee, which would recommend accrediting or not accrediting each CDMYPE applicant. The proposal further advised that the accreditation last for three years, to ensure that the CDMYPEs seek continuous improvement.

Following the SBDC model, the Program supported the creation of an entity that represents the CDMYPE Network and contributes to the model's sustainability in El Salvador. To do this, the Program hired a consultant to facilitate and accompany the process. The CDMYPE operating institutions share this vision and have pushed for the creation of an association over the course of the year. An Executive Committee made up of representatives of four operating institutions supported by one representative of CONAMYPE and one from the Program is leading the initiative.

On December 17 the Program facilitated a workshop in which nine CDMYPE-operating institutions² analyzed the benefits and opportunities of forming an association and decided on a work plan to push the process forward. A Managing Committee was formed, composed of a representative from each of the CDMYPE-operating institutions, and also an Executive Committee, to which were elected Luis Martínez, director of the Francisco Gavidia University CDMYPE; Miguel López, General Manager of FADEMYPE; Roberto López, Academic Vice Dean of the Catholic University of El Salvador, and Alejandro Benitez, General Manager of ADEL Morazán.



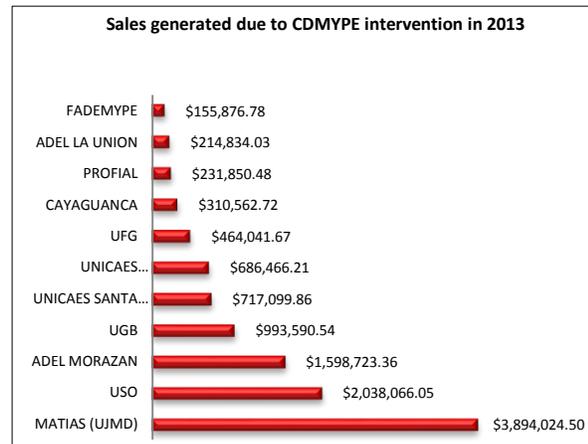
Representatives from CDMYPE's operating institutions during the planning workshop for the creation of the association.

On March 12 another workshop was held to analyze the legal frameworks that could be used for the Association. Roberto López, a lawyer and member of the Executive Committee, directed the event. Following the workshop, the participants concluded that the most appropriate legal constructions for the association were either a Public-Private Partnership, in which CONAMYPE would be a member, or an Association, if CONAMYPE chose not to join. These options were shared with CONAMYPE, which opted for the latter. The consultant hired to assist in this process is consequently working with the Executive and Management Committees to create the Association's Profile, Statutes, Internal Regulations and Organizational Manual. The committees have discussed and analyzed these documents extensively. Work will continue in FY2015 to formally create the Association and to develop its strategic and operational plans.

1.3 Supporting the measurement and publication of impact

² At the time of the workshop there were 10 operating institutions; the only institution not present was ADEL La Unión.

Another activity that the Program has supported since 2013 is improving the Information Management System (SGI), the software that CONAMYPE and the CDMYPE Network use. In 2013 the Program hired a consulting firm to create a new module that would record and measure the economic impact generated by the services that the centers provide. There were also improvements made to the module that makes reports, and a mechanism was created to connect CONAMYPE and PROESA's computer systems, enabling both organizations to exchange information on potential clients that may require the services that each organization provides.



In January of this year, the consultancy ended with the creation of two new modules: one to monitor compliance with the goals established in the agreements that CONAMYPE signs annually with the operating institutions, and the other to manage and control the budget assigned to each CDMYPE. The users and administrators were trained on proper use and implementation. These actions enable the efficient generation of financial reports and effective monitoring of the progress made in achieving goals.

Improvements in the SGI allowed CONAMYPE to capture the impact produced by the CDMYPE Network in 2013, which included the generation of \$11.3 million in sales and the creation of 3,429 new jobs by the assisted SMEs. The Matías Delgado University CDMYPE made the largest contribution to total sales (34%), while ADEL Morazán created the most new jobs (21% of the total). In addition, the CrecES MIPYME program secured \$4.7 million in credit for MSEs, of which the Cayaguanca CDMYPE was responsible for 30% of the total. The Program financed the workshop in February where these results were discussed with 117 CONAMYPE and CDMYPE participants.

The Program also helped CONAMYPE and the CDMYPE Network measure the impact of their work in previous years, particularly in 2011 and 2012. This information did not exist, since the CDMYPES only compile economic impact data generated during the current year. Therefore, the Program financed a consultancy to measure impact generated during the last three years, as well as to evaluate CDMYPE clients' perception of the services they received.

The most important findings came from a sample of 1093 CDMYPE clients investigated during the fourth quarter of FY2014. The survey showed the following:

- The total number of jobs created by clients that received assistance in 2011 and 2012 was 1,305, of which 482 were in 2012 and 823 were in 2013.
- The total sales generated in 2012 and 2013 were \$8,118,018, of which 96.8% (\$7,857,174) were in the national market and 3.2% (\$260,844) were exports.
- 289 companies (26% of the total sample) indicated that they had reduced their costs. 280 said they had created new product lines.
- With respect to the evaluation of the system to measure impact, the consulting firm acknowledged that despite its robustness, there were still improvements to be made to some computer processes. It also recognized the need to constantly train the people in charge of measuring impact.

- In terms of perceptions of quality, 60% rated the services they had received as “excellent” or “very good.”

Finally, for the second consecutive year, the Program supported the public event “Impact of the CDMYPE Model in El Salvador”, which was held on May 21st. Participants included Armando Flores, Minister of the Economy; Larry Sacks, USAID/El Salvador Assistant Director, and Roxana Abrego, CONAMYPE Director. The event brought together more than 200 representatives of government institutions, municipalities, development agencies, CDMYPE beneficiaries, and private sector organizations that work to support MSE development. The event included the presentation of the economic impact that the CDMYPEs have generated through their four years of service, highlighting that the centers have assisted more than 6,000 companies and entrepreneurs, of which more than half are led by women. This information was made possible thanks to Program support to improve the SGI, as well as the consultancy for gathering impact generated in 2011 and 2012. The event also featured a product exhibition of the most successful companies served by each of the 12 CDMYPEs.



In his tour of the stands, the Deputy Director of the USAID Mission, Larry Sacks, enjoyed delicious corn tamales prepared by micro and small entrepreneurs who are supported by CDMYPE.

1.4 Other activities

The Program supported additional activities to help strengthen CONAMYPE and the CDMYPE Network:

a) Fifth National MSE Meeting. For the third consecutive year the Program sponsored this event organized by CONAMYPE, which on this occasion was titled: “Creating a Favorable and Equitable Environment for Micro and Small Businesses.” The event was held on September 23rd, and was inaugurated by the Vice President and Presidential Commissioner for Public and Private Investment, Óscar Ortiz. One thousand micro and small business owners and entrepreneurs attended to learn about a wide range of products and services that they can access to improve their competitiveness. They also participated in conferences on topics of interest for the industry. The Program had an informational stand which received more than 500 people.



The Vice President of the Republic, at the opening ceremony of the event. In the table of honor, the Minister of Economy, the Deputy Minister of Trade and Industry; President of the Legislative Assembly and the Executive Director of CONAMYPE.

Talks on Extortion Prevention for SMEs		
Place	Date	No. of participants
CDMYPE Universidad Gerardo Barrios. Usulután	13/11/2013	26

Oficina Regional de CONAMYPE en San Miguel	19/11/2013	34
CDMYPE ADEL Morazán	19/11/2013	18
CDMYPE ADEL La Unión	29/11/2013	16
PROCOMES	09/05/2014	24
FADEMYPE	10/06/2014	23
Antiguo Cuscatlán, Universidad Jose Matías Delgado	11/07/2014	20
San Salvador, Universidad UFG	13/08/2014	25
Antiguo Cuscatlán, Universidad Jose Matías Delgado	22/08/2014	16

b) Anti-Extortion Talks. According to FUSADES, 79% of small businesses are subject to extortion,³ and the National Council of the Small and Medium Enterprise says that more than 5,000 small business owners have left the country because of crime. To help fight this scourge, the Program sponsored nine presentations on “Preventing Extortions in MSEs,” which are given by representatives of the National Civil Police (PNC), sometimes with the support of the Attorney General (FGR) and the U.S. Department of Justice, for small business owners. Around 200 people attended these presentations, in which the PNC shared various cases and discussed strategies to prevent and respond to extortion.

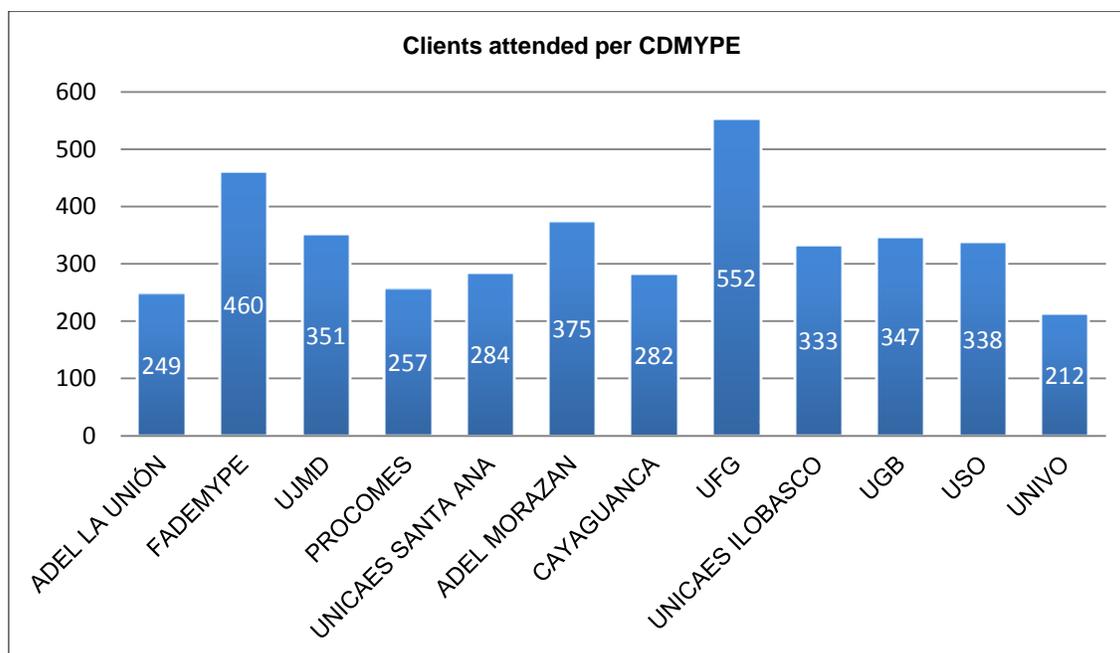
Main results achieved in FY2014

Between October 2013 and September 2014 the CDMYPE network assisted a total of 4,040 SME entrepreneurs.

The CDMYPEs with the greatest number of beneficiaries during the year were the ones operated by the Francisco Gavidia University (14%), followed by FADEMYPE (11%).

The CDMYPE network provided a total of 12,792 services, of which 96% corresponded to business counseling in the centers’ various areas of expertise: business, finance, female entrepreneurship, and ITC. CDMYPE advisors provided these services directly, accompanying the companies for no fewer than four months. Technical assistance, which is offered by hiring external consultants, represents only 1.7% of the total services provided during the year. The CDMYPEs that provided the greatest number of client services were the ones operated by the Catholic University of El Salvador in their Ilobasco and Santa Ana campuses, as shown in the following table:

³ La Página.com, August 27, 2014 (<http://www.lapagina.com.sv/nacionales/98678/2014/08/27/79-de-pequeñas-empresas-son-extorsionadas-segun-FUSADES>)



**Services rendered by the CDMYPE
October 2013 - September 2014**

Center	Consultations*	Technical assistances	Trainings	Linkages	Total services	%
ADEL LA UNIÓN	662	24	10	15	711	6%
FADEMYPE	542	17	11	18	588	5%
UJMD	1,139	1	22	2	1,164	9%
PROCOMES	979	14	29	19	1,041	8%
UNICAES SANTA ANA	1,774	20	16	15	1,825	14%
ADEL MORAZAN	640	37	17	28	722	6%
CAYAGUANCA	546	30	19	5	600	5%
UFG	1,243	8	26	7	1,284	10%
UNICAES ILOBASCO	1,877	15	12	2	1,906	15%
UGB	752	16	12	2	782	6%
USO	1,394	25	23	7	1,449	11%
UNIVO**	695	10	6	9	720	6%
Total	12,243	217	203	129	12,792	
Percentage	95.7%	1.7%	1.6%	1.0%	100.0%	

Source: SGI – CONAMYPE October 10, 2014

* Includes all types of advice: Business, financial, ITC and female entrepreneurship.

** CDMYPE UNIVO began operations in March 2014

Economic impact in numbers

Sales:

Sales made as a result of the support that CDMYPEs provide their clients are captured from two sources:

- i) The CDMYPEs themselves capture impact generated from technical assistance during the year,
- and ii) the Program hired a consulting firm to capture impact generated in previous years.

i) Impact on sales as a result of CDMYPE assistance in 2014

The CDMYPEs generated \$10,724,667 in sales by the clients that received assistance between October 2013 and September 2014.

ii) Impact measurement study

The study to measure impact in previous years showed that the clients that received assistance in 2011 generated sales of \$1,034,555 in 2012 and \$284,808 in 2013. The clients that received assistance in 2012 generated \$4,004,014 in 2013.⁴ There was also a group of clients that received assistance in both 2011 and 2012 and they generated sales of \$1,272,199 in 2012 and \$1,522,442 in 2013.

Compounded new sales from the above-mentioned sources amount to approximately \$18.8 million; however, considering its starting date, the Program is only attributing 50% of sales generated by the group of clients assisted during 2011 and 2012, and is not counting sales generated by clients assisted only in 2011. For that reason, the following table registers new sales attributed to the Program of \$16,887,222, of which \$16,178,991 (96%) are local and \$708,231 (4%) are exports. The three CDMYPES that reported the highest sales volumes among their beneficiaries were the ones operated by Dr. José Matías Delgado University (representing 28.9% of the total), the University of Sonsonate (17.5% of the total), and Francisco Gavidia University (10.8% of the total).

**Sales Generated by CDMYPE Beneficiaries
October 2013 – September 2014**

CDMYPE	NATIONAL SALES	EXPORTS SALES	TOTAL SALES	PARTICIPATION %
CDMYPE UJMD	\$4,319,805.10	\$562,525.00	\$4,882,330.10	28.9%
CDMYPE USO	\$2,926,688.05	\$30,500.00	\$2,957,188.05	17.5%
CDMYPE UFG	\$1,816,065.15	\$12,592.00	\$1,828,657.15	10.8%
CDMYPE ADEL Morazan	\$1,688,946.44	\$7,768.05	\$1,696,714.49	10.0%
CDMYPE PROCOMES FIECA ALFALIT	\$1,327,917.03	\$1,000.00	\$1,328,917.03	7.9%
CDMYPE UNICAES Cabañas	\$1,083,605.27	\$49,055.94	\$1,132,661.21	6.7%
CDMYPE UGB	\$1,024,931.97	\$0.00	\$1,024,931.97	6.1%
CDMYPE UNICAES Santa Ana	\$718,210.71	\$500.00	\$718,710.71	4.3%
CDMYPE Asociacion Cayaguanca	\$544,567.52	\$35,500.00	\$580,067.52	3.4%
CDMYPE FADEMYPE	\$274,928.70	\$0.00	\$274,928.70	1.6%
CDMYPE UNIVO	\$200,000.00	\$0.00	\$200,000.00	1.2%
CDMYPE COMPAS	\$199,860.78	\$0.00	\$199,860.78	1.2%
CDMYPE ADEL La Union	\$53,464.70	\$8,790.00	\$62,254.70	0.4%
TOTAL	\$16,178,991.42	\$708,230.99	\$16,887,222.42	100%

Source: SGI – CONAMYPE November 4, 2014

Jobs:

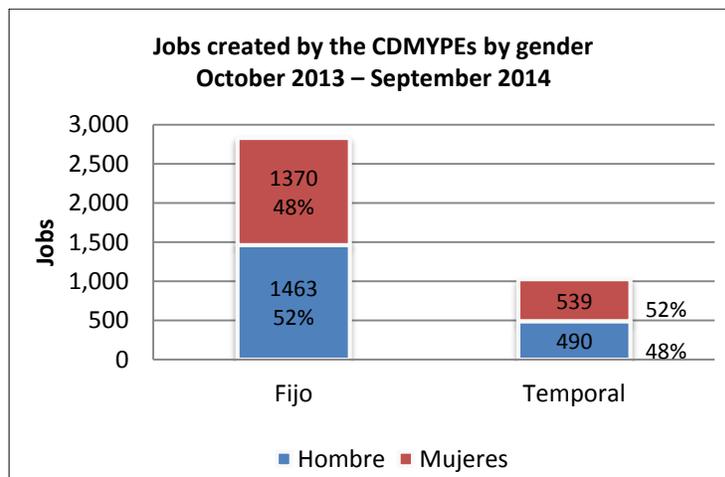
⁴ These clients did not generate new sales in 2012 because they only received assistance beginning at the end of that year.

The total number of jobs created in 2014 was 3,862, of which 2,833 (73%) were permanent and 1,029 (27%) were temporary. Women occupied 48% of the permanent jobs and 52% of the temporary positions.

**Jobs Generated by CDMYPE Beneficiary Businesses
October 2013 – September 2014**

CDMYPE	PERMANENT EMPLOYMENT		TEMPORARY EMPLOYMENT		TOTAL EMPLOYMENT
	MEN	WOMEN	MEN	WOMEN	
CDMYPE UJMD	173	160	90	95	518
CDMYPE USO	216	141	62	72	491
CDMYPE UFG	53	82	32	21	188
CDMYPE ADEL Morazan	72	82	48	30	231
CDMYPE PROCOMES FIECA ALFALIT	58	91	54	66	269
CDMYPE UNICAES Cabañas	58	43	53	64	217
CDMYPE UGB	210	127	14	30	381
CDMYPE UNICAES Santa Ana	14	13	26	28	80
CDMYPE Asociacion Cayaguanca	-1	11	41	59	110
CDMYPE FADEMYPE	223	204	44	49	519
CDMYPE UNIVO	0	2	1	2	5
CDMYPE COMPAS	51	77	25	24	176
CDMYPE ADEL La Union	338	339	1	1	679
TOTAL	1,463	1,370	490	539	3,862

Source: SGI – CONAMYPE, November 4th, 2014



2. COLLABORATION WITH THE GOVERNMENT OF EL SALVADOR TO STRENGTHEN MECHANISMS TO SUPPORT SME DEVELOPMENT.

2.1 Assistance to the Productive Development Fund (FONDEPRO)

FONDEPRO supports micro, small, and medium companies with non-reimbursable cofinancing to increase their competitiveness and generate economic impact. During the Program's third year of operations, it continued strengthening FONDEPRO's institutional capacity, concentrating its efforts on the following areas: a) development and implementation of a computer system that automated the internal processes to award funding, from the promotion phase through the measurement of economic impact, which has reduced customer response time and improved internal management of the funding; b) implementation of the two cofinancing tools designed in 2013, which are awarded competitively and are intended to promote territorial development and the formation of supply chains, and c) implementation of FONDEPRO's promotion strategy with the private sector, distributing information on how to access the Fund's resources to more than 100 companies.

During this election year, the Executive Management of FONDEPRO experienced some changes, including being without a leader since June. This affected the implementation of the FY2014 work plan. Detailed descriptions of the activities undertaken are below.

2.1.1 Automating the process of awarding FONDEPRO cofinancing (Business Initiative Management System). With the Fund's institutionalization and resources allocated from the national budget, the institution's flow of operations has increased since 2010. Appropriate technological tools to expedite processes, however, did not accompany these changes. One of the main deficiencies in the software that FONDEPRO had used since its inception was that it only automated 25% of the process of granting funds. As a result, many of the control mechanisms were manual, which necessitated reprocessing and affected the efficiency of service. For these reasons, the Program assisted FONDEPRO in developing the Business Initiative Management System, which automated the Fund's operations from promotion to rating, project formulation, assessment, monitoring, and impact evaluation.



Access screen to the Business Initiative Management System through <https://app.fondepro.gob.sv/sgiem/Inicio/Login.aspx>

This process took more than a year owing to the complexity and reach of the system. FONDEPRO, the Program, and the company hired to develop the system worked to redefine certain internal processes to improve processing and response times to cofinancing applications. The automation of the system was done in phases and included the creation of six modules:

- *Customer service.* This is the first phase of managing business initiatives. It facilitates the registration of the companies that express interest in obtaining cofinancing and an initial evaluation.
- *Monitoring and measurement of impact,* whose administration is the responsibility of the Coordinator of Impact Monitoring, a position created following Program assistance in this area. This module allows each business leader to input information about the impact of the support s/he received from FONDEPRO directly into the system.

- *Master files.* This is the structure to administer and control accessibility and operability of the system through defining the parameters for each of the modules. Access to these files is limited to the system administrator.
- *Qualification.* This module uses information entered by the companies applying for cofinancing, which analysts then use to assess the eligibility of the initiative and of the applicant. It includes financial tools that were automated to facilitate the review of initiatives. The implementation of this module has eliminated the need to re-enter client information, which Grading Analysts used to do.
- *Creation of Fast Tracks and Project Formulation.* This module uses information that companies applying for cofinancing enter online and combines it with information from Grading Analysts, permitting a reduction in the time needed for project formulation. It includes a feature to interact directly with applicants via live chat, enabling real-time communication.
- *Analysis and evaluation.* This facilitates the automatic calculation of applicants' financial status, according to FONDEPRO evaluation guidelines. It then generates a consolidated report of the results that includes financial and technical analysis. Finally, it can automatically generate letters, certificates, and *pro forma* agreements, minimizing the time required to write them manually.

The system is currently operating fully and almost 100 companies have used it to present their initiatives. On an internal level, the system's implementation has enabled not just substantial savings in the time required for registration, project formulation, and application evaluation, but also better control over the status of each initiative through a control panel that allows each coordinator to more precisely monitor operational flow of each stage of the process and take timely decisions in the event of any delay. The Program-financed consultancy ended in August with training for FONDEPRO staff and employees of the MINEC Office of Technology and Information, which is responsible for the system's administration.

2.1.2 Assistance in implementing new cofinancing tools.

To facilitate the access of a greater number of companies to FONDEPRO funds, during FY2014 the Program supported the implementation of cofinancing tools designed in 2012 and 2013 and intended to promote territorial development and stronger supply chains. This initiative included the following activities:

- *Competitions for non-reimbursable cofinancing to promote territorial development.* In October 2012, the Program and the German Agency for Technical Cooperation (GIZ) assisted FONDEPRO through a consultancy to design a new tool to cofinance MSME projects to invigorate the economy on a territorial level. Starting in 2013, MINEC made funds available for priority areas and held four competitions in the following regions: Jiquilisco Bay, Usulután; the micro-region of Cumbres del Mar, the southern part of La Libertad; the micro-region of Los Nonualcos, La Paz; and the state of Morazán. Eighty-two projects were evaluated as a result, of which 19 projects were declared winners. The projects received



Representatives from the cooperative La Nuez de Oro receive an award from the Technical Secretary of the Presidency and Minister of Economy. Date: October 4, 2013

\$1.6 million, of which \$850,000 were MINEC funds and \$750,000 came from participating institutions.

In 2014, FONDEPRO set aside \$1.3 million (equivalent to 22.5% of the available resources for the year) to cofinance initiatives in the interior of country through funding competitions. As a result, in July and August, MINEC launched nine competitions in the states of La Unión, Usulután and Morazán, San Vicente, Cabañas, the micro-region of Los Nonualcos in La Paz, Sonsonate, Santa Ana, and Cumbres del Mar in La Libertad. The funds allocated for each area are \$150,000 on average. The Program supported the competitions in the central and western parts of the country. The events took place on July 3 and 10, and approximately 425 people participated with Program representatives seated at the table of honor. As a result, FONDEPRO received 98 project proposals, which the entities involved in the process are reviewing. The winners will be announced in November.



Authorities from MINEC, the Program and each municipality participated in the inauguration acts of the contests.

- *Non-reimbursable cofinancing for supplier development.* Following the 2013 transfer of the methodology used in the Supplier Development Program (PDP) from the United Nations Development Program (UNDP) to MINEC, the Program helped FONDEPRO design a competition to encourage projects that employ this methodology to strengthen supply chains. To achieve this, FONDEPRO offered medium and large companies the opportunity to use local micro and small businesses as their suppliers, reducing the risks resulting from lack of supply and the costs of maintaining inventory.



Officials and businessmen during the launching of the competition for funds. Date: May 12, 2014.

To improve the understanding of the methodology and the competition process, on December 11 the Program held a training session for 13 representatives of FONDEPRO and MINEC's Office of Productive Development (DFP). Not until May, however, did MINEC decide to launch the first funding competition to cofinance PDP, making \$160,000 available to the business sector. The Minister of the Economy, Armando Flores; the Resident Coordinator of the United Nations System and the Resident Representative of UNDP in El Salvador, Roberto Valent; the Vice Chancellor of the Republic, Carlos Castenada; and the Manager of the USAID/El Salvador Bilateral Program for Economic Growth, Carlos Arce, all participated in the official launch of the initiative. As a result, in accordance with information from DFP, 55 businesses indicated their interest in participating in the competition and are currently receiving assistance in writing proposals. The chains that are the furthest along in this process are dairy products and footwear, which have five and six suppliers, respectively.

2.1.3 Promoting FONDEPRO with the private sector. To encourage access to Fund services by a greater number of companies, this year the Program sponsored informational events as part of

the strategy to promote FONDEPRO. These events focused on publicizing the impact generated by the companies that implement initiatives with FONDEPRO cofinancing, and are aimed at helping FONDEPRO place \$6 million this year, double the amount that was available in previous years, thanks to a loan from the IDB. The events also sought to increase awareness of the lines of cofinancing available.

This initiative included the following activities:

- Presentation of economic impact generated in 2013.*
 The Program sponsored the event called, “Impact of Salvadoran MSMEs Assisted by FONDEPRO on Competitiveness, Productive Development, and Exports,” on November 13, 2013. It was presided over by the Minister of the Economy, Armando Flores; the Assistant Director of USAID/El Salvador, Larry Sacks, and a representative of the private sector and member of FONDEPRO’s Board of Directors, José Alfonso Laínez. Eighty people participated, including business leaders and representatives of public institutions and private sector organizations. The results of the impact generated by companies that received assistance from FONDEPRO were presented, including more than \$15 million in sales and the creation of 618 new jobs. There was also a discussion group called, “The Impact of FONDEPRO Cofinancing on the Development of the National Business Network,” in which Program representative, Lucy Murillo, explained the support provided in the design and implementation of the M&E system.



FONDEPRO Director, entrepreneurs and Program representative during discussion group: "The impact of FONDEPRO's cofinancing in national productive development"

- Workshop on writing effective cofinancing applications.*
 This workshop was held on July 8th in order to help MSMEs effectively prepare their proposals. More than 70 business leaders who were in the process of submitting their applications but had trouble finalizing them participated in the event, which the Program sponsored. FONDEPRO advisors addressed the companies' common questions and assisted them in registering their initiatives in the new computer system.



Picture of participants in the informative breakfast on the topic of effective development of cofinancing requests.

- Presentation on "Innovation in the Presence of Future Challenges and the Search for New Markets."* This session was intended to promote interest in cofinancing for innovation and technology projects and discussed the importance of these topics in improving the competitiveness of a company. Thirty-one businesses participated in the event, which occurred on August 19. Representatives of two Fund beneficiaries, Fuente Clara and Laboratorio Industrial Centroamericano S.A. de C.V., shared their experiences



Nearly 50 businessmen learned about cofinancing application requirements for innovation projects.

implementing projects in this area and how these have enabled them to save money, develop new initiatives and processes, and open up new markets.

2.1.4 Assistance in effectively capturing and measuring impact. FONDEPRO's results were traditionally measured based on performance indicators like amounts invested, number of clients assisted, and projects approved. After 10 years, however, this information became insufficient to demonstrate the effectiveness of the funding awarded. This led the institution to seek better ways to quantify the economic impact of its intervention, primarily in terms of local and export sales, job creation, and cost reduction among the companies receiving assistance. In 2013 the Program helped FONDEPRO design a methodology to measure impact and write the "Instruction Manual to Capture and Measure Impact," which contains the indicators to effectively demonstrate the Fund's impact. This year, FONDEPRO's M&E division completed two exercises to gather data using this methodology. In addition, representatives of the Program and the Fund's M&E unit held a training session called "Concepts and Methodology for Monitoring and Measuring Impact" to make all Fund personnel aware of the importance of M&E and reinforce the knowledge of the methodology that the Fund employs for this task. The session also served to encourage all Fund personnel to contribute to effectively measuring impact. All FONDEPRO employees and two external consultants attended the event, which took place on February 19. The measurement of impact in 2014 was affected by the resignation of the head of the M&E division in 2013, which required the Fund to hire someone new. The division has completed 17% of its third data-gathering exercise, which will measure the impact generated by initiatives from January-June 2014.



*Training on the methodology to capture economic impact.
February 19, 2014*

Main results and economic impact of activities undertaken in FY2014

Results

In FY2014 FONDEPRO approved 158 business initiatives by 135 companies, for a total of \$2,217,508 in cofinancing, of which \$1,885,838 was actually disbursed. More than a third of those resources were awarded through the regional competitions mentioned above. Thirty-six percent of the money went to micro enterprises, 34% to small ones, and 30% to medium companies.

Forty-four percent of the funding was invested in the innovation and technology lines of cofinancing, 24% in supply chains and partnerships, 16% in market development, and 6% in quality and productivity. These projects consisted primarily of technology adoption, process innovation, market penetration initiatives, product innovation, market research, and other activities that encourage business competitiveness.

In terms of the economic sectors assisted, 29% of the initiatives belonged to the agroindustrial sector, 19% to information technology, 15% to manufacturing, 13% to tourism, 11% to food and beverage, 7% to pharmaceuticals, 3% to the service industry, 2% to the metallurgical sector, and 1% to textiles and garments.

Impact results

Sales: In 2014 FONDEPRO reported that the funding it awarded resulted in sales of nearly \$2.7 million.

Jobs: The companies that received funding reported that the initiatives they implemented have created 516 jobs, of which 206 (40%) are permanent and 310 (60%) are temporary. Women occupy more than half (52%) of these jobs.

2.2. Strengthening the capacity of PROESA to provide export support services to SMEs

The Program provides support to PROESA, the Agency for the Promotion of Exports and Investments in El Salvador, with the goal of strengthening it as an institution, promoting better links with the private sector, helping with the integration of PROESA and CONAMYPE processes, and assisting it in improving the quality of its services for SME exporters. PROESA is a division of the Technical Ministry of the Presidency and is composed of three offices: the Office of Investments, the Office of Public-Private Partnerships, and the Office of Exports. The Program only supports the latter since its mandate is to drive exports among Salvadoran businesses. In doing so, the Program supports the sixth objective in the Partnership for Growth: “Surmount low productivity of tradable by transforming factors of production of the tradable sector through the implementation of strategies to improve innovation and quality, and a focus on the international market.”

A law to create PROESA as an independent institution was passed in April, thus strengthening its mandate. William Granadino was named PROESA president in June, with Carlos Federico Paredes as new Export Director.

PROESA channels its services to exporters through structured coaching programs like *Exportar Paso a Paso*, which consists of training new exporters and helping them access markets; *Exportar Más*, which seeks to broaden already established export markets, and *Exportar en Línea*, which involves training businesses in digital marketing to increase their Internet exposure. These programs are part of the export promotion strategy that the government has established to help exporters diversify their markets and increase the number of companies that have access to PROESA’s services. The institution also provides individual assistance to exporters through the Department of Exporter Development and works to bring Salvadoran exporters to markets through international fairs, trade missions to other countries, and meetings with buyers.

During FY2014 the Program assisted PROESA in the final stage of the *Exportar Paso a Paso 2013* program, in the implementation of the first version of the *Exportar en Línea* program, and in organizing three international fairs and a trade mission to Puerto Rico.

2.2.1 Export training

Results of FONDEPRO management FY2014

Indicator	Oct 13 – Sep 14
Amounts placed	\$2,217,508
By support line	
• Innovation and Technology	\$984,151
• Productive chains and Associativity	\$542,177
• Market Development	\$357,323
• Cleaner Production (CL)	\$190,081
• Quality and Productivity	\$ 143,775
• Dynamic Entrepreneurship	\$0
Number of approved initiatives	158
By support line	
• Market Development	86
• Innovation and Technology	44
• Productive chains and Associativity	14
• Cleaner Production (CL)	7
• Quality and Productivity	7
• Dynamic Entrepreneurship	0
Number of supported companies	135
By gender of the legal representative	
• Women	28
• Men	107
Amounts disbursed	\$1,885,838

Source: FONDEPRO.

- *Exportar Paso a Paso 2013 program.* *Exportar Paso a Paso* is a training program for new exporters with four phases: 1) market investigation to determine which sectors and destinations to target, 2) 9-week training cycle for the selected companies, 3) accompaniment in preparing export plans, and 4) trade missions to the selected destinations. The third version of this program, which the Program supported, began in May 2013 with the hiring of consultants to accompany the companies in creating their export plans, a requirement for their participation in trade missions. The first three phases were implemented during FY2013 and the fourth began in September 2013 with trade missions to Honduras and Nicaragua, and concluded from October 7-10, 2013 with a trade mission to Guatemala in which 23 companies participated. During that final mission, the participating entrepreneurs – who primarily hailed from the service, food and beverage, and manufacturing sectors – held more than 150 business meetings with Guatemalan companies. Given that Guatemala is the third largest export destination for El Salvador, PROESA is optimistic that many companies will begin exporting to the country in the near term.

All in all, during the 2013 version of *Exportar Paso a Paso*, 84 SMEs completed the training phase and wrote export plans. More than half of these companies had no previous export experience and the remainder had very little. Of these 84 businesses, 62 went on the trade missions to Guatemala, Honduras, and Nicaragua. During the second quarter of FY2014, PROESA sent the 84 companies a survey to obtain sales information from them. At the writing of this report, 44 companies have responded, declaring export sales of \$181,197. Two notable success stories were Calzado GW, whose footwear earned a positive reception in Nicaragua, and iMoves, a mobile application developer that began operations in Guatemala and now has six clients there.

- *45 companies received support in creating digital marketing plans in the first version of the Exportar en Línea program.* *Exportar en Línea* is intended to strengthen digital marketing capacity among Salvadoran companies with export potential to increase their international exposure. PROESA and the Program implemented this program for the first time from October 2013-February 2014. The Program elected to assist PROESA in developing this initiative since electronic commerce and having a virtual presence have become important tools in enabling businesses to enter international markets. The initiative focuses on helping companies to take advantage of virtual tools like social networks, search engines, and websites, allowing them to broaden their presence on a global scale at a low cost.



Juan Carlos Ramirez, from PROESA, during the closing of the program Exportar en Línea

Exportar en Línea was designed to be implemented in two phases: group training and technical assistance to create a digital marketing plan. The first phase consists of eight hours of training on topics including the social networking dynamic, ways in which participants can use these sites to promote their products or services, and the return on investment in digital markets, among others. The training was given in two modules from October 17-23, 2013, and of the 83 companies that registered, 77 completed the process. The second phase began in November with the selection of 45 SMEs of the 74 that applied to receive technical assistance in developing a digital marketing plan. As a starting point, PROESA evaluated each

company's online presence to identify focus areas for digital marketing. Later, the companies participated in group and individual coaching sessions to help them finalize their plans.

Exportar en Línea finished in February 2014. PROESA identified early success stories with companies that improved their exposure to virtual media and increased their sales, especially in foreign markets, as a result of the implementation of their digital marketing plans. At the writing of this report, this initiative has generated \$78,000 in increased sales.

2.2.2 Supporting the participation in international fairs and trade missions

International fairs and trade missions are one of the most effective ways of building market linkages, since these trips permit companies to interact directly with potential buyers and increase their contacts to secure new business. For this reason, in FY2014 the Program and PROESA sponsored the participation of Salvadoran SMEs in a trade mission to Puerto Rico and three international fairs in which many Salvadoran companies wanted to participate: Expocomer in Panama, ExpoComida Latina in the United States, and the International Congress of Information Technology, in Mexico.

- 12 companies participated in Expocomer 2014, a multisector trade fair that takes place annually in Panama with food, textiles, construction, technology, and services being the most important industries represented. More than 7,000 buyers from North and South America, Asia, Europe, and the Caribbean attend each year, making this the most important trade fair in Central America.



Stand from El Salvador in Expocomer

This year, Expocomer took place from March 26-29, and the Program participated actively with PROESA in planning the Salvadoran participation in this event. A Panamanian consultant was hired by the Program to identify potential clients for Salvadoran exhibitors and organize the corresponding business meetings. The Program also cofinanced the space and decoration for the El Salvador stand. The participating firms belonged to the following sectors: agroindustry, automation services, machinery production, crafts, footwear, IT, and graphic design. The companies held 71 meetings with Panamanian businesses interested in their products. Five of them reported that they expect to make sales in Panama in the short term, while the remaining seven expect to do so in the medium term. Once the fair ended, the companies continued to receive Program support for two months to follow up on the professional contacts they made in Panama. At the writing of this report, the companies have made \$119,300 in sales, and this figure is expected to increase.

- *Eight companies participated in ExpoComida Latina 2014*, the largest Hispanic food fair in the United States. The call for participants for this event occurred in June and the fair was held from August 17-19 in Anaheim, California. The Program financed the space for the participating Salvadoran companies as well as part of the decorations, and PROESA financed a consultancy to organize the participating companies' business schedules. This is the third time that the Program and PROESA jointly organize companies' participation in this fair, each time with excellent results in terms of exports, given that the food and beverage ethnic sector is one of the most important in the country and enjoys significant demand in the United States. As a result of this year's fair, the eight participating companies expect to make \$1.5 million in sales, 35% in the short and medium term and 65% in the long term. The Program will collect impact indicators through PROESA during the first quarter of FY2015.



Salvadoran business representatives at the business roundtables in ExpoComida Latina 2014

- *Assistance to six businesses to enable their participation in the World Congress on Information Technology.* With the support of the Program, PROESA, and the Salvadoran Chamber of Information Technology and Communication (CASATIC), six Salvadoran ITC companies – specifically in the areas of mobile app development, webpage design, and IT corporate strategy – participated in this congress, which is one of the largest of its type. This year organizers counted approximately. The event, which occurs in a different place every two years, took place this time in Guadalajara, Mexico from September 29-October 1, and this proximity gave Salvadoran companies a unique opportunity to participate. Approximately 2,500 people from 60 different countries attended the event. The participating companies used space that the Program financed to exhibit their products and services and to hold meetings with potential buyers. In total, these companies held 66 meetings with potential buyers, 23 of which had high potential for establishing business relationships. The companies estimate that they will be able to make \$100,000 in sales in the short term (six months) and \$500,000 in the medium term (one year).
- *Assistance to nine companies to facilitate their participation in a trade mission to Puerto Rico.* The Program helped PROESA organize a trade mission to Puerto Rico for nine Salvadoran companies in the areas of food and beverage, metallurgical engineering, plastics, and others from June 9-12. The selection of the destination was the result of a joint Program and PROESA evaluation of the business opportunities identified during a market research trip in 2013. PROESA extended the invitation to participate in this trip to companies in areas where the market research trip indicated demand, and the Program hired a Puerto Rican consultant to organize the business schedule. In April and May, the consultant worked with the companies to identify potential buyers, many of whom PROESA identified in its market research, and to schedule meetings with those with whom there were real business opportunities.

During the mission, each company held at least six meetings with Puerto Rican companies, totaling 63 business meetings, of which 34 are thought to have high sales potential. The companies expect to make approximately \$1.4 million in sales in the next year as a result of the mission. At the writing of this report, the companies have continued following up with potential clients, with results expected during the first quarter of FY2015.

3. ASSISTANCE TO BUSINESS ASSOCIATIONS AND OTHER PRIVATE SECTOR ORGANIZATIONS TO STRENGTHEN SME NETWORKS FOR EXPORT GROWTH

In line with the Program's market-driven focus, new alliances were established with lead firms with the capacity to affect SME sales, with organizations assisting SMEs in meeting market demands, and with business groups seeking to increase sales and/or develop procurement relationships. Together, these alliances contribute to generating viable business initiatives and to building a more favorable environment for SMEs in El Salvador. The activities in this area also support goal 6.3 in the Partnership for Growth: increasing exports by Salvadoran companies through guided processes and mentoring.

3.1 El Salvador Exporters Corporation (COEXPORT)

The Program worked with COEXPORT this year on providing technical assistance to help companies export, as well as in preparing and accompanying groups of companies to international fairs to exhibit and sell their products. The Program also supported a publication and a web site developed by COEXPORT, as well as some of its promotional activities.

a) Participation in international fairs

The Program subcontracted COEXPORT to organize SME participation in the following international fairs: Expo Walmart 2014 in Guatemala City, Guatemala; Expo ANTAD (Asociación Nacional de Tiendas de Autoservicio y Departamentales) in Guadalajara, Mexico; World of Coffee in Rimini, Italy, organized by the SCAE (Specialty Coffee Association of Europe); Expo Calzado in Guatemala City, Guatemala, and New World Crafts in Antigua, Guatemala.

To achieve effective and successful participation in these fair, COEXPORT implemented the following: 1) invitation to eligible companies and presentation of information; 2) booking of space and stand decoration; 3) training on negotiation processes, how to exhibit, and guides for sending samples; 4) design and printing of promotional material; 5) identification of potential clients and organization and execution of business meetings; 6) activity coordination and accompaniment during the fair; 7) monitoring through surveys and following up on the results of negotiations after the fair. Details of the participation of more than 40 SMEs in five international fairs are provided below:

- *Eight SMEs participated in Expo Walmart 2014, also called the “Suppliers Fair.”* The Program assisted eight Salvadoran companies in their organization and participation in the Expo Walmart 2014 fair, which occurred from February 25-27 in Guatemala City’s Industry Park. Participation in this fair is a huge opportunity for Salvadoran companies to sell their products in the region since Walmart sales in Central America are around \$2 billion.

Program support included accompaniment by a specialist leader from COEXPORT, who also provided a directory of exhibitors and a list of buyers by product category. He also shared market research undertaken since the first day of the fair that contained relevant information about the competition, prices, products, presentation, trends, design, and quality of similar products for export. The consultant further provided negotiation assistance with purchasing agents, store managers, commercial area managers, executive managers, distributors, and other exhibitors to forge links between the companies and the more than 600 points of sale at Walmart stores in Central America and Mexico. This support resulted in more than 20 professional contacts in Central America.



Salvadoran business owner providing information of their products at Expo Walmart trade fair

The Salvadoran delegation was represented by the following SMEs and their respective product lines: *Sainsa*, with products like morro horchata and cebada (sweet drinks made of seeds, grains, and other flavorings), textured soy protein, chang (a seed similar to chia) drinks, and tamarind; *Jamcalza*, with women’s footwear; *Santa Eduvigis*, with traditional Salvadoran pastries; *Diaco*, with natural juices and meats; *Palacio de los Postres*, with caramel-filled cookies, meringue cookies, ground coffee, cubes of chocolate, and coffee wine; *Salvacosol*, with lighters for coal and firewood and 100% natural vegetable coal; *Grupo Don Pan*, with breadsticks, focaccia and baguette crackers, and *La Canasta*, with powdered natural beverages like horchata, cebada, myrtle, tamarind, piña colada, and others.

The participating entrepreneurs are currently developing sales proposals and implementing changes and adjustments to their products to comply with Walmart’s requirements and achieve sales projections of more than \$900,000. An example of this is *Salvacosol*, which was asked to make a change in its packaging and now has an order for coal and coal lighters from Walmart Nicaragua for more than \$150,000.

During the fair, Walmart Central America awarded prizes to recognize the contribution and efforts of the best suppliers in the region. A Salvadoran company that makes pickles, *Encurtidos Lupita*, was previously awarded this prize through COEXPORT.

- *10 SMEs participated in the National Association of Self-Service and Department Stores (ANTAD) multisector fair in Mexico.* This fair took place from March 12-14 at the Exposition Center in Guadalajara, generating business synergies and meetings between more than 2,200 supplier businesses with 37,000 professional visitors. In addition, more than 14 chains associated with ANTAD set up a purchasing office on the exposition floor to assist all of the exhibiting companies at the event. The sectors that participated were food marts, fresh products, non-food products, furniture and equipment for stores, general merchandise, toys, plastic footwear, textiles, and others.



Rafael Arce, from SME DON PAN, met with a representative from one of the biggest chains from México, Grupo IDEA, during Expo ANTAD trade fair.

COEXPORT was responsible for organizing and preparing the SMEs that participated in the fair. The organization also hired an international marketing expert to assist in the business meetings and conduct market research, identifying consumer patterns and requirements in the Mexican market, as well as market conditions, ways of doing business in Mexico, the competition, and substitute products.

El Salvador was represented by the following companies in their respective production areas:

1. **Vape**, natural honey, mostly crystallized and flavored;
2. **Comelsa**, chocolate products and powdered gelatin;
3. **Jamcalza**, women's footwear;
4. **Santa Eduvigis**, semita (traditional Salvadoran pastry) and other pastries;
5. **Grupo Don Pan**, breadsticks and focaccia and baguette crackers;
6. **Industrias Facela**, school and seasonal supplies;
7. **Distribuidora Cuscatlán**, personal care products;
8. **Shanti**, aromatherapy products;
9. **Garbal-Iberplastic**, plastic footwear and cleaning supplies, brooms, and brushes;
10. **Grupo Logístico**, logistics and distribution services.

According to buyer surveys, the most successful products were from the companies Don Pan and Garbal. The latter, along with COMELSA and Facela, made their first exports to Mexico, with sales of more than \$88,000. Other companies, such as Santa Eduvigis, Don Pan, and Vape are resolving food issues like sanitation registrations in order to enter the Mexican market. The remaining companies project sales of more than \$250,000 in the short term and expect better results after participating in the fair a second time in 2015.

- *Six SMEs participated in the World of Coffee fair and more than \$400,000 in sales are projected for the 2014-15 harvest.* The Program helped six Salvadoran companies and the Salvadoran Coffee Council (CSC) organize and participate in the World of Coffee 2014 fair, the leading European event for specialty coffee, organized by the Specialty Coffee Association of Europe (SCAE) in Rimini, Italy from June 10-12. Program support included preparing and training the companies prior to the event, stand decoration, background materials, and the sending of samples. The Program's support further included accompaniment by a coffee specialist in preparation, blending, and tasting of specialty coffees. The coffee specialist

prepared samples for potential clients, set up business meetings and assisted with the management of market information.

The Salvadoran delegation was composed of the following SMEs: *Cafescal S.A de C.V*, *La Buena Esperanza S.A de C.V*, *Exportadora el Volcán*, *Asociación Cooperativa Los Pinos*, *Cooperativa Cuzcachapa*, and *Urrutias Estate Coffee S.A de C.V*. Each company received assistance in scheduling meetings with people who had received coffee samples prior to the fair. The majority of buyers work with the brands *DR Wakefield* from England and *Sandaj Trading y Torrefazione Café Gourmet* from Italy, among others.

Company name	Estimated sales (qq)	Estimated sales \$
Cooperativa los Pinos	825qq	\$148,500
Exportadora el volcán	250qq	\$45,000
Cafescal S.A de C.V	325qq	\$58,500
La Buena Esperanza S.A de C.V	350qq	\$63,000
Cooperativa Cuzcachapa	200qq	\$36,000
Urrutias Estate Coffee	300qq	\$54,000
TOTAL	2250qq	\$405,000

Three successful tasting sessions were held at the fair with 13 samples from the sector. In addition to the companies that received Program support, there were also samples from more than 37 Salvadoran producers that the CSC was in charge of promoting. *The Cooperativa Los Pinos* and *Cafescal* attracted the attention of European buyers interested in microbatches of coffee.

The producers should be able to sell coffee from the next harvest as a result of this initiative and will then be able to provide concrete sales information. Although companies like *Cafescal* are already reporting sales of more than \$19,000 from the early harvest, it will not be clear whether the producers represented by the CSC were able to sell the projected 2,250 quintals or more of premium coffee until the beginning of next year, when the harvest ends. Considering an average price per quintal of \$180, sales will likely exceed \$400,000

- *Five shoemakers participated in Expo Calzado 2014*. Four of these companies also participated in the 2013 fair and one company was added to compensate for the absence of *Coco Canela*, which was unable to attend. The fair took place from August 12-14 in the *Tikal Futura Convention Center* in Guatemala City.

The delegation's offer was varied and the styles in greatest demand were casual men's shoes with different colored soles and women's sandals and platforms in fun designs and colors, which were presented by *Ricarfelli* and *Jamcalza*. *Grupo GW* presented men's casual shoes and industrial boots and *Garbal* presented rubber work boots. Both companies maintain a very competitive and recognized position in the market, with buyers registering the greatest demand for the innovative designs that incorporated colors into the rubber boots. *Fabnicely* presented shoes for babies and children, adding variety to what the delegation



El Salvador stand in ExpoCalzado 2014 trade fair

offered for export. There was not much available in terms of athletic shoes or tall boots for women.

The Program hired a consultant to manage the companies' schedules and business meetings, securing an average of five meetings per company. As a result of this support, Fabnicely connected with a footwear distributor, with whom it established distribution agreements. Grupo GW also reached a distribution agreement with a Guatemalan company, and Garbal is working towards the same end. Some buyers expressed the view that some styles, like GW's industrial security boots, could be sold in the US market, as long as technical regulations are met. The participating companies reported sales of more than \$71,000 as a result of contacts and negotiations with international buyers.

Two of the participating companies, Grupo GW and Jamcalza, have become leaders in the industry. With the support of MINEC, the two companies and two other SMEs recently launched the first Consortium for Footwear Exporters in El Salvador (CONEXCALZA).

- *Artisans who participated in the New World Crafts fair report positive results.* For the third consecutive year, the Program provided assistance for companies to participate in the New World Crafts fair, which took place in Antigua, Guatemala from September 23-25. The fair, which specializes in gifts and decorations on a regional level, brings together hundreds of the most important artisans in Latin America to exhibit their handmade products. The Central American craft sector is helping to make the region more relevant to the world, displaying the region's culture and history with unique and innovative crafts and attracting the attention of buyers in the United States and Europe. Along with agriculture, the crafts sector is the basis of the economy for many rural communities.



Group of artisans that exhibited their products in New World Crafts 2014 trade fair

Fourteen companies participated in this seventh version of the fair, most of them led by female artisans who presented a wide variety of products, including clothing dyed with indigo, tapestries, crafts made out of wood, as well as jewelry, leather bags, and hammocks. For some of the business leaders, their third time participating in NWC has afforded them recognition and allowed them to consolidate sales with international buyers. This was the case with NOVICA (a recognized online platform), with which Sol Azul and Arte Comasagua were able to negotiate orders for more than \$10,000.

One company that participated for the first time was Mayan Gifts, led by Marisol Monge, which negotiated sales for \$5,000 with Italian distributor, David Cambrioly. The 14 SME participants in the fair made more than 150 contacts, immediate sales of \$2,000, and negotiated more than \$46,000 in sales for the next six months. Participants in past versions of the fair report sales of more than \$129,000.

b) *Technical assistance*

- *22 SMEs, mainly in the food and beverage sector, were beneficiaries of specialized technical assistance provided by COEXPORT under a Program subcontract.* The technical assistance was requested by companies largely as a result of their participation in fairs or trade missions

and in order to comply with requirements from potential export markets. To overcome these obstacles or gaps, COEXPORT prepared proposal and work plans to provide assistance, selecting the ideal consultants for each case from its database of personnel. It also defined the number of hours that each company needed to complete the training processes. Once the details were settled, the costs of the assistance were determined and the beneficiary firms committed to covering 30% of these costs. These agreements led to the creation of work plans to develop and implement the specific processes recommended in each technical assistance.

In October 2013, 17 SMEs began receiving assistance to help them comply with requirements in areas related to the FDA Food Safety Modernization Act (FSMA), like traceability, HACCP, and good agricultural and manufacturing practices. Technical assistance was also offered in the development of new products, labeling, shelf life, process standardization, certifications, and other areas. In June 2014, five additional companies were the beneficiaries of technical assistance in the areas mentioned above to enable them to comply with technical requirements for export markets, overcome gaps and inefficiencies in production of sanitation that inhibit or prohibit their access to American, European, and Central American markets.



New product image of LICA, launched as a result of the technical assistances received

Exporting SMEs that have received technical assistance report positive results. For example, Inversiones Innovadoras was able to export \$56,000 of its Salva Noni products to the United States after implementing best manufacturing practices. LICA, a rice cracker manufacturer, benefited from a Shelf Life Analysis of 10 of its products, increasing its national sales to more than \$30,000. Likewise, Embutidos La Española has increased its domestic sales by more than \$50,000. Thanks to assistance with FDA registration, Mieles Joya de Cerén has increased its exports to the United States by \$150,000 and obtained new clients in Switzerland and France.

At the writing of this report, 13 companies have increased their sales by more than \$400,000 after concluding their technical assistance, and five more companies are completing their technical assistance process. Projected new sales for the 22 companies that have received technical assistance is estimated at more than \$2.5 million.

List of SMEs that received technical assistance in 2014, on FSMA		
SME	Created product	Type of assistance offered
1. ACOAPJSAL	Producers of Jocote and Loroco	New Product Development
2. PAN SAN ANTONIO	Semita, light bread and ethnic bakery products	HACCP and Brand register
3. EXAGROLI	Agroindustrial products	HACCP, BPM, BPA, Traceability
4. EMBUTIDOS LA ESPAÑOLA	Sausages, cold cuts and pork products	New product development
5. INVERSIONES INNOVADORAS	Noni products	TA for compliance of FDA requirements
6. LICA, S.A. DE C.V.	Baked rice cookies	Shelf life analysis
7. LOS QUESOS DE ORIENTE	Dairy products and ice cream	Development of a strategic plan for 5 years

8.	EMPACALSA	Flavored beverages and gelatin	BPM
9.	ENCURTIDOS SAN MIGUELITO	Pickled vegetables and sauces	Registry of acidified products for the FDA, labels
10.	ENVASADORA SUMMER	Concentrated coconut, tamarind, passion fruit and hibiscus	New product development, shelf life analysis and labeling
11.	Cadena de Miel Joya de Cerén	Honey in bulk and packaged	FDA registry
12.	Tribus Raíces Cuscatlán	Passion fruit and hibiscus pulp	FDA registry and new product development
13.	Beneficio Al Tepecoyo	Roasted and ground coffee	Product labeling, health and FDA registries
14.	Embutidos La Española	Sausages, cold cuts and pork products	New product development and labeling
15.	Acopat de R.L	Drinks derived from rice	Standardization of processes, product labeling and health registries
16.	Díaz Figueroa, S.A. de C.V.	Spices: Achiote, laurel, sesame, oregano	Product labeling and FDA registries
17.	Salvacosol	Vegetable coal	Product packaging and labeling

c) *Promotional events*

- *Exporters Award 2013.* The 37th gala was held on December 3, 2013 and for the second consecutive year the Program sponsored the Female Exporter of the Year award. The winner was María Teresa de Borgo, general manager of Palacio, S.A. de C.V. (Sweet's), a company that makes and sells desserts. Ms. de Borgo has extensive experience in the field: at 16 she was already supervising cake production in her family's business. Over time, now as the manager of a company, she took on the challenge of exporting, managing small shipments in 2007 and 2008. However it was not until 2013, with the help of COEXPORT, that she was able to confirm her exporting potential, with sales to Germany, Puerto Rico and the United States, as well as smaller amounts to Guatemala and Honduras.



María Teresa de Borgo, receives the "Exporter Woman" award, from Mr. Kirk Dahlgren. Director for USAID/EL Salvador office.

The Program sponsored the event, during which USAID/EI Salvador Director, Kirk Dahlgren, was recognized for the Program's support to exporters and companies working towards developing their export capability.

- *Training seminar to comply with the requirements of the FDA Food Safety Modernization Act (FSMA).* The Program and COEXPORT signed an MOU to cofinance the participation of 25 SMEs in the areas of food and beverage, cosmetics, and natural cosmetics in a seminar that took place on March 27 and 28. The initiative received support from the Salvadoran Normalization Organization (OSN) and was part of PROESA's *Exportar con Calidad* program. An accreditation advisory expert from AIB International with experience in FSMA norms and regulations gave the training. The FSMA, which was approved in January 2011, gives the FDA broader powers to regulate imported foods. The AIB specialist discussed the law's requirements and how to prepare to enter the American market, particularly the food and beverage sector, with attendees who included business leaders, production managers, and factory directors and supervisors.

- *Exporter Day and seminar on Strategies for Female Exporters.* With the presence and participation of the Technical Secretary of the Presidency, Francisco Lorenzana; the President of the Central Reserve Bank, Óscar Cabrera; the President of PROESA, William Granadino; the President of COEXPORT, Pablo Durán, and more than 150 other people, including representatives of the diplomatic sector, senior government employees, and business leaders, the Exporter Day celebration took place on July 15. Representatives of the public and private sectors, including USAID/El Salvador Director, Kirk Dahlgren, discussed the importance of increasing exports and expressed their willingness to work together to achieve that objective. The Vice Minister of Trade and Investments, Merlin Barrera, spoke about encouraging export diversification and growth, and Carlos Federico Paredes, PROESA's Director of Exports, discussed PROESA's efforts to promote exports from El Salvador.

As part of Exporter Day, a seminar on Strategies for Female Exporters was held. Thirty-nine businesswomen participated in the event, most of them already exporting, in addition to other special guests. The event touched on important issues such as breaking barriers in the international environment as well as competition, leadership, and negotiating skills to support and include women in the sector and standardize business opportunities for both sexes, especially in the area of exports. Speakers also discussed tools for success, primarily to motivate participants to continue moving forward and become more involved in issues related to female exporters as an important part of business management.

International speakers contributed to the event, including María Cristina Figueroa, the Ambassador of Uruguay in El Salvador, and Mireya Rodríguez, an expert in negotiations, image, and communications for women in business. There was also a discussion panel led by four distinguished Salvadoran businesswomen: Rosa Mejía, from the domesticated iguana export company ARAUCA; Elisa de Valiente from VAPE, which exports specialized honey derivative products; María Teresa de Borgo, from Palacio de los Postres; and Elena de Alfaro, a hammock exporter with EXPORSAL. All of the participants shared their experiences with the group and encouraged them to enter international markets.



Important representatives from the economic sector attended the celebration of the Exporter's Day

- *Exporter Award 2014.* The 38th gala for the presentation of the Exporters Award was held on July 28. As with previous galas, more than 400 guests attended the event, including the Vice President of El Salvador, Óscar Ortiz, and the Minister of the Economy, Tharsis Salomón López, in addition to other public servants, ambassadors and representatives of the diplomatic corps, private sector leaders, and exporting business leaders. Kirk Dahlgren, Director of USAID/El Salvador, spoke and also presented the Female Exporter award, which the Program has sponsored for three years. This year the award went to Lourdes Mena, the owner of



Lula Mena, Woman Exporter 2014

QUMBO Diseño en Guacaladas. Ms. Mena has had an impressive career thus far in accessory design, household items, and crafts and she has exhibited her products in prestigious fairs like Dwell on Design and Artisan Resource in New York, and twice at the New World Crafts fair in Guatemala. With the Program's support, she also participated in the Emmy and Academy Awards Gifting Lounges in 2013.

Another Program beneficiary also received recognition. Claudia Avalos, the owner of Miele Joya de Cerén and the leader of Cadena de Miel of which Miele Joya de Cerén is a part, received the Female SME Exporter award for her work exporting to countries including Germany, France, and more recently, the United States. The Program sponsors this award. The following links show the coverage of this event by the main newspapers in the country: <http://goo.gl/2gaARd>, y <http://goo.gl/Fh7XM0>

d) *Publications and tools to support exports*

- *Supporting SME exporters through a virtual sales platform.* In an effort to assist exporters and companies with export potential, the Program and COEXPORT signed an MOU in December 2013 to develop an online sales platform called *Carretilla de Compra* ("shopping cart"). The platform will offer products from 13 Salvadoran SMEs in the areas of food, beverages, crafts, ceramics, beauty and personal care, garments, and accessories. The assistance consisted of hiring a service provider to design, develop, and program the website, allowing sellers to display their products to buyers throughout the world. The website also needed to be able to handle online sales. SME participants received training in the platform's use, specifically in how to populate the system themselves, thereby guaranteeing the platform's proper use and the initiative's sustainability. The platform is open to additional SMEs and its administration and promotion is the responsibility of COEXPORT, which is also handling customer service. The participating companies make biannual contributions.

The platform is live at the following domain: www.productsfromelsalvador.com. COEXPORT will be promoting the site on search engines and social networks next year.

- *Launch of the Catalog and Directory of Export Products and Services.* On June 24, the Program and COEXPORT signed an MOU to support the Catalog's dissemination, which has an updated database of producers, business owners, and distributors that export and are seeking new markets. The Program's support consisted of printing 1,000 copies of the Catalog, to be distributed to institutions like the Ministry of Foreign Relations, embassies and consulates in El Salvador, government and export institutions, chambers of commerce, and international importers.

The document contains two parts. The first is a list of exportable goods from 200 companies and the second is a directory with the contact information of more than 600 companies. This document is unique in El Salvador and will be available in electronic format starting this year on COEXPORT's website. The Catalog's launch occurred as part of Exporters Day. More than 800 catalogs have so far been given distributed.

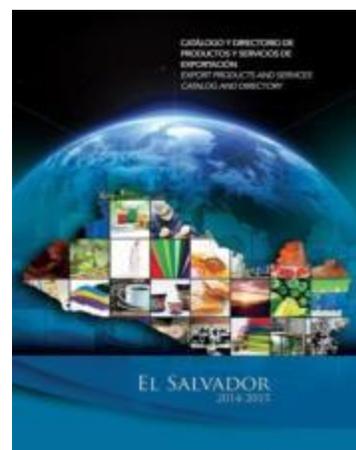


Image of the cover page of the "Export Products and Services Catalogue and Directory"

3.2 El Salvador Chamber of Commerce and Industry (CCIES)

CCIES is one of the Program's main strategic partners since 2012. CCIES executes the Supplier Development Program (PDP), through which the Program assisted two driver firms and 22 of their SME supplier companies during FY2014.

Additionally, the Program signed on to a CCIES initiative to support the participation of 30 SMEs in trade missions to Guatemala, Honduras, and Nicaragua. The Program's assistance was essential in facilitating ideal professional contacts to enable the participating companies to generate new business.

Alongside CCIES, the Program also launched the Export Innovation Program, *Innovexport*, which is based on the successful methodology of the Costa Rica Chamber of Industry (CICR). This initiative seeks to improve the competitive capacity of SMEs through preparing them to innovate and develop novel products with export potential. *Innovexport* has had significant results to date in each of the 12 chemical/pharmaceutical companies that have received training.

Finally, during this reporting period the Program agreed to help CCIES design a new business mentoring service for women entrepreneurs. This initiative is described in the section on gender.

Supplier Development Program (PDP)

The objective of PDP is to support projects that enable companies to improve the quality and productivity of their suppliers. To achieve this, the lead or "driver" firm receives assistance by certified professionals in defining and implementing a development strategy for a group of its supplier companies. Suppliers also receive business counseling and – in some cases – technical assistance on production issues. In FY2013, the Program helped three driver firms in the dairy products sector and 34 companies in their supply chains, plus a public transport company seeking to enter the tourism market. In FY2014 the Program concluded its assistance to two additional supply chains and also provided technical assistance to the Artisanal Fishers Association of El Cuco Beach (ASPESCU). Details are provided below:

- *The AGROSANIA and Los Quesos de Oriente (LQO) supplier development programs were completed and reported more than \$4 million in increased sales by the end of 2014. Ten individual livestock farms as well as the Las Lajas and Barra Ciega cooperatives (with 210 and 67 members each, respectively), participated in the AGROSANIA PDP. With the assistance it received, the driver firm was able to almost completely reduce milk shortages, enabling it to meet the delivery schedule for all of its clients. The suppliers increased their earnings by reducing costs and improving their productivity. Production increased by more than 1.1 million bottles, equivalent to an estimated \$684,000, in additional AGROSANIA sales, and more than \$260,000 in additional sales for the 10 suppliers. For its part, LQO completed its first PDP with nine suppliers (including liquid milk, printing and graphic art services, and plastic bottles), with increased total sales of more than \$1.4 million.*

- *The Los Quesos de Oriente II PDP.* Because of the success of the first edition, LQO requested a second PDP for 11 more of its SME suppliers. These companies are in the areas of fumigation, graphic arts and printing, plastic and rubber, beverage and meat products, and fluid milk. The suppliers and the driver firm have already signed the agreements that define their commitments and the suppliers have been assessed to identify areas for improvement in their production processes and in their relationship with the driver firm. As a result, each SME received a detailed business and technical improvement plan that each SME must implement. Alongside the driver firm, the PDP team coordinates the implementation of these initiatives in an effort to make each supplier efficient and dependable. This activity will take place during the next quarter, as will the reporting of preliminary results and sales projections.



Adopting the SDP methodology helped Los Quesos de Oriente be more efficient.

- *PDP with cooperative dairy processing association GEOLAC and 12 of its suppliers.* This PDP began in August 2013 ended in April 2014 with recommendations for controlling and registering herds of livestock, food, nutrition and fodder management, good practices in milking, health, genetics, and birth control and fertility. All of these practices seek to reduce costs and improve milk production to cover and improve the supply available to meet GEOLAC's demands. PDP support generated positive impact in most of the suppliers, some of which obtained production increases of more than 50%. For its part, GEOLAC invested in infrastructure and equipment in its cheese and milk derivatives processing plant, and registered an increase of more than \$100,000 in sales.

- In November 2013 the Program agreed to support the ASPESCU Fishers Association with technical assistance through CCIES/PDP to improve processing and handling of fish for sale to customers like Walmart. In April, specialized PDP consultants gave the Association technical assistance on Good Manufacturing Practices and implementing HACCP. As a result



Fish fillet vacuum packed by ASPESCU personnel at their production plant.

of the consultant's excellent work, Walmart (ASPESCU's main target market) allocated additional funds to enable her to provide assistance until the end of the year. Walmart personnel and its technical team have supervised the quality improvement process and remodeled the association's factory to comply with sanitation standards. ASPESCU received technical assistance in designing its brand, which will help it improve its presence in target markets, as well as in cuts of fish and filleting, both of which are indispensable in diversifying the presentation of its products. The Program also assisted the Association in developing technical factsheets in filleting as a training tool for new hires.

- *PDP with the Pollo Campesino Group and eight of its suppliers.* On August 27 the Program and CCIES signed a work order to implement the PDP for eight suppliers of the driver firm

Grupo Campestre, S.A. de C.V., which is composed of seven companies in the areas of restaurant chains, food, livestock, services, poultry raising, and others. The eight suppliers are in the publicity, printing, maintenance, textiles, and dairy products sectors, and are located in San Miguel and San Salvador. According to the driver firm, one of the most significant limitations that the SMEs face is their lack of compliance with Grupo Campestre's quality requirements and problems in product delivery, both of which reduce their sales to the driver firm. The suppliers must improve their management and sales skills as well as their technical capacity to better meet Grupo Campestre's needs. At the writing of this report, the Program has received the value chain development proposal, which describes the benefits to the driver firm and its suppliers of implementing the PDP, as well as details of the suggested technical assistance program. As a result of this assistance, the participating companies are expected to generate more than \$450,000 in additional sales.

Trade missions to Guatemala, Honduras, Nicaragua, and the Dominican Republic

During the first quarter of FY2014, the Program joined forces with CCIES, the Federation of Central American Chambers of Commerce (FECAMCO), and the Center for the Promotion of the Micro and Small Enterprise (CENPROMYPE) to enable 30 SMEs with export potential to undertake trade missions to Guatemala, Honduras, and Nicaragua. This effort also helped to strengthen CCIES since, with Program support, the head of the organization's fairs and trade missions area was able to participate in the trips, thereby improving her knowledge. As follow-up to this activity, CCIES and the Program held a workshop on February 19 to identify lessons learned and the obstacles that the SMEs continue to face. At the workshop, the 22 participating companies, mostly from the chemical/pharmaceutical and food sectors, indicated that they needed additional assistance in following up and being able to make sales. To determine what was necessary, in April CCIES sent a consultant to visit eight of the 22 companies that participated in the workshop. These eight were selected because the CCIES determined that they had the greatest negotiating potential on the trade missions making them ideal candidates for technical assistance and training. The four companies willing to continue with the process will receive this assistance in FY2015.

The Dominican Republic has now been added as a destination to be visited by interested companies the first quarter of 2015. To publicize this opportunity, on June 26 CCIES and the Program met with 22 previously selected exporting SMEs mainly from the chemical, pharmaceutical and food sectors. Representatives from FONDEPRO were also present to explain the type of support they can offer for participation in these missions.

Innovexport Program

In November 2013 the Program sponsored CCIES's Second SME Congress, which gave considerable attention to the topic of innovation. One of the keynote speakers was Guillermo Velázquez, the Director of the Innovation Center at the Costa Rica Chamber of Industry, who discussed innovation as a business strategy to develop a strong presence in new markets. Mr. Velázquez explained how the Costa Rican Innovex methodology uses training and technical assistance to help companies improve their ability to innovate and develop a portfolio of novel products and services that respond to consumer trends and requests from the most demanding domestic and international markets.

PROGRAM FACTS:

- The 12 SMEs that participate sell more than \$24.5 million annually
- The structures of the SMEs allow them to incorporate a culture of innovation
- At least 15 new products will go to market as a result of Innovexport

SMEs that participate in INNOVEXPORT			
N°	Name	Size	Sector
1	Patronic	Medium	Food
2	Polyfarma	Small	Pharmaceutical products
3	Compañía Farmacéutica (COFASA)	Medium	Pharmaceutical products
4	Laboratorio Vides	Medium	Pharmaceutical products
5	Inhospí	Medium	Pharmaceutical products
6	HealthCoProducts	Small	Pharmaceutical products
7	Laboratorio SyM	Small	Pharmaceutical products
8	Farmasi3n: Monte Si3n S.A.	Small	Pharmaceutical products
9	Soperquimia	Medium	Pharmaceutical products
10	Bolplan	Small	Industrial Chemistry
11	Innovaciones Nutricionales	Medium	Veterinary products
12	Pharmapec	Small	Veterinary products

As a result of the interest generated by this presentation, the Program and CCIES decided to adapt the Costa Rican experience to Salvadoran needs and design an innovation program similar to that implemented by in Costa Rica, but which would be called Innovexport. It was decided to execute this first Innovexport program with the pharmaceutical sector, given its significant potential and competitiveness at a regional level, as well as its significant impact on exports: \$189 million in products exported to 28 destinations in 2010. The program would also seek to prepare and certify Salvadoran consultants in the methodology, thus creating local capacity for future programs.

Innovexport was launched on May 8th at an event led by the Minister of the Economy, Armando Flores; the Director of USAID/EI Salvador, Kirk Dahlgren; the President of CCIES, Luis Cardenal; and the Director of the CICR Innovation Center, Guillermo Velásquez. To publicize the start of the initiative, CCIES made informational visits and invited its associates, the Chamber of Cosmetics Laboratories Companies and the Association of Pharmaceutical Laboratories (ALFA). The forty companies that attended the launch were asked to complete an application sheet designed by the lead consultant. Representatives of CCIES, the Program, and CICR evaluated the 18 expressions of interest they received at the event using the previously agreed upon evaluation criteria: growth potential, the management's commitment and leadership skills, organizational structure, and willingness to contribute counterpart, among others. As part of the selection process, the lead CICR consultant and CCIES representatives visited each of the companies that applied in order to corroborate that they met the selection criteria.

The committee ultimately selected 12 companies to participate in the Innovexport program. Three people from each company are participating in training sessions that will end in February 2015. These people will also be in charge of implementing the methodology in their companies. A similar process will take place with the six local consultants that accompany the program, which were selected from a pool of 14 applicants. Two CCIES representatives will also receive training in the methodology.

Innovexport training began on May 28 with the workshop “Innovation Strategy to Build Export Capability.” The workshop focused on business innovation strategies, the analysis of export capability, and trends and opportunities in the chemical/pharmaceutical sector. Additionally, during the ensuing six weeks, each of the 12 companies received at least 10 hours of in-person and online technical assistance from the lead consultant and the local consultants.

The lead consultant made a second visit to El Salvador from July 21-25, during which he visited participating companies and imparted the second workshop, “Economic Drivers of Value and Innovative Ideas,” which took place on July 23rd. The goal of the workshop was to discuss ways to generate innovative ideas through brainstorming sessions, in addition to developing a deeper understanding of drivers of economic value, including growth, working capital, profit margin, assets and investments, and added economic value. Participants and their designated consultants decided on the driver that would guide the development of new products and improvements in processes or business models. Through this exercise, participants were encouraged to be creative and to break away from standard paradigms. A similar workshop, but this one for the local consultants and CCIES staff, was held on July 24. As with the first workshop, during the ensuing six weeks the companies received in-person and on-line assistance to achieve the goals they had set.



SMEs that participate in Innovexport have been visited after each training session

The third and last workshop, “Innovation Management Capacity and Innovation Plan Design,” took place on September 10. There the participants learned about tools they could use to consolidate their innovation project and determine their improvement plan. One of the key aims of the workshop was for each company to create an innovation committee and designate the people who would serve on the committee and their roles and functions. The workshop also featured a space for representatives of the MINEC Office of Innovation, BANDESAL, and FONDEPRO to present financing options as well as government-sponsored training and activities that support innovation.

The companies are currently working on the design of their projects, which are expected to be concluded in February of 2015. A closing ceremony is scheduled for March of 2015, and efforts are underway for implementing a new Innovexport program, possibly for the machining sector.

3.3 Assistance to the crafts and design sector

The country has a significant number of artisans who make traditional crafts, as well as an emerging and growing group of handicraft, furniture and surface designers who can compete in the international market. The Program worked during the year with a number of these sectors, resulting in the development of new products and inspiring the creation of new spaces to sell them. As part of the effort, the Program supported a collection of crafts with contemporary design elements that were sold in department stores like SIMAN as well as collections that were presented in international fairs including the Lula Mena brand, Exporsal, Marka Moderna, and The Carrot Concept. These initiatives created jobs and added dynamism to the crafts and design sectors.

Linking 33 craft workshops with SIMAN for the second version of the high-quality artisan crafts collection: ARTECA

In FY2014 the Program linked 33 artisans and SME suppliers with SIMAN. The department store proceeded to purchase more than \$178,000 of products from these companies for its ARTECA collection, a private line of Central American crafts that SIMAN began in FY2013 and now organizes every August and September to celebrate Independence Day in Central American countries. The initiative has had Program support since its inception in 2013, when it introduced SIMAN to the 26 SMEs whose products made up the collection that year, and assisted the artisans with their production. This first edition of ARTECA generated more than \$579,000 in sales by both the artisans and the driver firm and has had many positive consequences, such as the formalization of five companies and the adoption of formal accounting practices by others. The products sold by 18 of the selected suppliers traveled outside the borders of El Salvador, to SIMAN stores in other Central American countries.

PROGRAM FACTS:

- 33 artisans were introduced to SIMAN to serve as suppliers for the second version of ARTECA. Fourteen of these companies became part of the collection in 2013.
- SIMAN has committed to making the initiative permanent and repeating it annually.
- ARTECA has improved the positioning of local hand-made products. It will be presented as a model case study during ID Week, the national week of design, in October.

In 2014 the Program and SIMAN renewed their alliance in an effort to increase the links between small artisan workshops and SIMAN. The Program is facilitating the process again, specifically identifying SMEs and then preparing them to meet SIMAN's requirements. To achieve this, the Program hired a consultant in artisanal product sales, who provided technical assistance to the companies at each stage of the process.

The organization of ARTECA 2014 was composed of the following stages:

- *SME identification:* in January and February there was an open call for applications through social networks, USAID and private sector partners, to encourage artisans from every part of the country to apply. The Program's consultant also conducted visits to municipalities in the countryside, including San Juan El Espino, Ataco, Atiquizaya, and Concepción Quezaltepeque, to invite artisans of specific interest to SIMAN. The consultant received 126 applications from 98 craft workshops throughout the country.
- *Preparation for negotiations with buyers:* In total SIMAN pre-selected 56 companies: 48 which applied for the first time in 2014 and another eight that sold to SIMAN in 2013. They were invited to participate in training given by the Program's consultant on March 17 on how to sell to SIMAN. Fifty-three artisans from 48 workshops attended. At the training, the consultant discussed purchase requirements, the advance payment that SIMAN offers for production, and the supporting items each company should bring when they negotiate with SIMAN, which included their list of prices.
- *Negotiations:* Negotiations began in March and SIMAN started issuing purchase orders in April. The Program's consultant accompanied the artisans to more effectively assist them with product modifications and requests for new products from SIMAN's buyers. SIMAN negotiated with 56 companies and made purchases from 32 of them, of which 15 had worked with the store in 2013. Five of the companies selected for ARTECA 2014 exported, one of them, NEERE, for the first time. NEERE is owned by an 18-year old woman who succeeded in formalizing her business through the linkage with SIMAN.
- *Launch:* ARTECA 2014 was launched on August 21 with a press conference that included the following people: Carlos Arce, Manager of USAID/El Salvador's Bilateral Program for

Economic Growth; Joaquín Gutiérrez, SIMAN's Manager of Regional Purchasing; Adriana Gasteazoro, SIMAN's CSR Manager; Delmy Romero from DecoArte, and Edgar Mancía from El Madero de Jesús. The collection was displayed in the seasonal department from August 15-September 15 and then products were moved to other departments throughout SIMAN's stores.

At the writing of this report, the Program's partnership with SIMAN has generated more than \$542,500 in sales by SMEs in the crafts sector to SIMAN and more than \$831,000 in total sales. It has connected 44 artisan workshops to the department store, creating an important base for future supplies. The initiative has also had an unexpected social impact by clearing the way for other companies to buy from domestic suppliers after seeing the quality of the products on sale in SIMAN's ARTECA collection. In addition, it has elevated cultural identity, design, and the use of traditional artisanal techniques.

Promoting groups of artisans through QUMBO

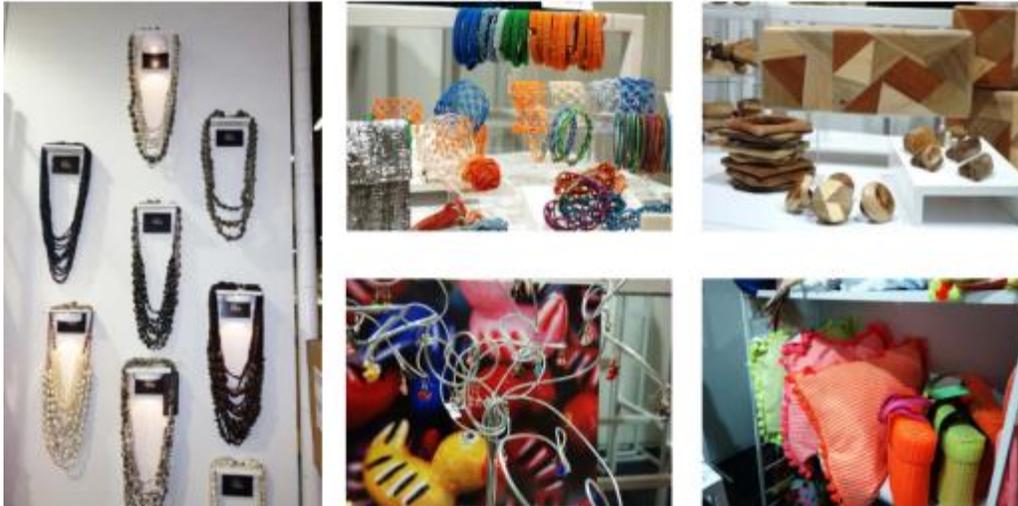
Recognizing the potential that exists in artisan communities in the countryside and aware of QUMBO's role as a driver firm for products made in these areas, the Program established a partnership with QUMBO in May 2013. QUMBO is a small company that sells accessories and household items made by communities of artisans, most of whom are women from rural areas of El Salvador. The products that sell the most are part of the brand of the lead designer, Lula Mena, but the store's portfolio includes a number of products designed by other artisans who also get media coverage through the store.

As a driver firm for artisan communities, the Program supported QUMBO's participation in the Dwell on Design 2013 fair. Because of the event, QUMBO became the first Salvadoran business to receive an invitation to the Emmy Awards Red Carpet Gifting Lounge, which took place in September 2014. The Program also supported QUMBO's participation in the New World Craft 2013 fair and linked it with SIMAN, resulting in QUMBO becoming one of the main suppliers for the ARTECA 2013 collection. This linkage paved the way for a stable relationship between the two companies: QUMBO is now one of SIMAN's service providers in photo styling for the store's Household section. In 2013 QUMBO reported sales increases of 200% because of Program assistance.

Owing to the excellent results of this partnership, the Program renewed its alliance with QUMBO in January 2014 to include new activities with the firm's suppliers as well as international marketing. This assistance is expected to help QUMBO consolidate its growth such that its suppliers, a chain of nine small businesses in artisan communities in El Salvador, will continue to increase their sales.

The key achievements of this partnership during FY2014 are the following:

- *Linkages with new suppliers and strengthening QUMBO's existing suppliers:* Since January 2014, the Program has hired a consultant in artisan design to assist QUMBO in developing new products and identifying new artisan workshops to add to its supply chain. The consultant connected QUMBO with six workshops in Chalatenango, La Palma, and Ilobasco whose artisans have developed new products that QUMBO has exhibited in different fairs or collections. At the writing of this report, the consultant is still assisting these workshops and others that already formed a part of QUMBO's supply chain.



Products presented by QUMBO during the Artisan Resource trade fair in 2014, in New York

- *Product development for the Artisan Resource fair:* The Program financed the space for QUMBO to exhibit products created by groups of artisans who had received Program support at the Artisan Resource fair, which took place from August 16-19 in New York City. The fair is a key event connecting international producers of crafts with American buyers. The companies invited to display their products are selected based on their commitment to innovative design, cultural preservation, social entrepreneurship, and sustainability. As a result of its participation in the fair, QUMBO received 32 orders from retailers, online stores, department stores, museum stores, and catalogs, including ABC Carpet & Home, a store with a global reputation for promoting an environmentally friendly lifestyle. The orders, which amounted to more than \$18,000, will create jobs for at least 30 artisans from seven communities, three of which are new in QUMBO's supply chain. QUMBO will also be following up on the connections it made with Target and Forever 21.
- *Participation in ARTECA 2014:* As a result of the linkage that the Program facilitated in 2013, SIMAN once again selected QUMBO to participate in the ARTECA collection that launched in August 2014.
- *Linkage with the store 3PUNTOS:* As a result of a connection that the Program facilitated in July 2014, the store 3PUNTOS selected QUMBO as a supplier for the Christmas collection. Starting in November 2014, the store will dedicate a section of its stores to Lula Mena's products.
- *Supporting QUMBO's participation in the Oscars Gifting Lounge:* To help QUMBO increase its international exposure, especially in the United States, as well as to increase the store's recognition in El Salvador, the Program financed space for QUMBO at the Oscars Gifting

Lounge, where QUMBO had been invited to participate. The event took place in Los Angeles on March 1, enabling more than 50 celebrities to learn about the Salvadoran artisans who designed the products on display. The Rock Productions made a professional documentary about QUMBO as a result of its participation in this event (see: <https://www.youtube.com/watch?v=7ChjylKQmcc>) and the company received coverage in key American media outlets. QUMBO has since seen a 22% increase in its local sales since the publicity generated through the event increased the traffic in its store and the recognition of the brand. The company also followed up on its women's empowerment campaign, which it launched at the event. It successfully enlisted the support of local personalities, creating an ambassadors program that includes presenters on Univision and domestic television.

- *Participation in Exportar en Línea:* The Program referred QUMBO to PROESA to participate in the latter's Exportar en Línea program from October 2013-February 2014. Its participation became one of the program's success stories and helped QUMBO and Lula Mena to establish a presence on Twitter and YouTube, increasing their exposure on social networks. QUMBO garnered more than 2,000 additional followers on Facebook and began doing paid publicity on the site. It also implemented a new marketing strategy in which it separated the store brand from its lead designer, allowing greater recognition of both brands in less time. Further, QUMBO created a blog to better tell the stories of its artisan suppliers that form part of the company's value proposition. Finally, in the digital marketing plan that the company created as part of its participation in the program, QUMBO defined some key search terms that allowed it to better position itself on search engines.

In sum, as a result of Program support, at the writing of this report QUMBO has reported \$293,300 in increased total sales throughout its supply chain. This growth motivated QUMBO to relocate in October 2014, allowing it to increase the products it exhibits from its Salvadoran suppliers. The Program plans to continue supporting QUMBO's expansion and the growth of its suppliers' sales in FY2015 through events with international exposure and assistance with product development.

Expanding the export capacity of Exporsal and its SME suppliers

In FY2013, the Program established a partnership with Exporsal, a medium-sized Salvadoran business that makes hammocks and other products for the home and garden. The company generates employment for more than 200 artisans who manufacture different parts of Exporsal's products, which are then assembled and shipped mainly to the United States and Europe. Exporsal has been very successful in diversifying its export destinations. With Program support, the company entered new markets in FY2014, including Australia and New Zealand, making the total number of countries to which Exporsal exports reach 42. The jobs that Exporsal generates and the microloans that the company offers to its suppliers, most of them women, have permitted many micro-workshops to expand their production capacity, growing alongside the driver firm.



Hammocks with innovative designs and attractive colors are Exporsal's main export.

The Program helped Exporsal develop its 2014 spring collection and to participate in the *Spoga Faga* fair in Germany in September 2013. At the fair, Exporsal launched a new line of hammocks

in natural colors created with Program assistance. That same month, the Program and COEXPORT sponsored the company's participation in New World Crafts fair in Antigua, Guatemala. Because of the positive results obtained from these activities, the Program also supported Exporsal's participation in the *Ambiente* consumer goods trade fair, in Frankfurt, in February 2014, and at New World Crafts in Guatemala, in September of the same year.

As a result of the assistance it has received in product development and fair attendance, Exporsal's sales in FY2014 increased by more than \$1.1 million, with significant growth in Europe. At the writing of this report, Exporsal has started exporting to new markets in Switzerland, Holland, Australia, and New Zealand. To keep up with this growth, the company invested \$92,000 in expanding its warehouses.



Exporsal proactively seeks to share market opportunities with other, smaller companies in El Salvador. An example of this is that in 2013 Exporsal introduced key clients from the United States (Magnolia Casual and Charleston Gardens) to other local SMEs, creating linkages between these clients and the micro-enterprise Ilobasco Cerámicas Josselyn. Through Exporsal, Josselyn exported to the United States for the first time during the second quarter of FY2014. In addition, Exporsal took products from smaller companies like QUMBO and MOJE to each of the international fairs where it exhibited to evaluate those products' reception in new markets. In FY2014, Exporsal agreed to begin exporting those companies' products to certain clients. Exporsal also assists the artisan communities where its products are made. In FY2014 the company created the Cecilia Castro Fund for Education and Training, which channels scholarships to Exporsal's artisan suppliers or people who work with Exporsal as well as their children, especially those looking to improve their abilities or who show good academic achievement.

3PUNTOS

The Program has worked to link SMEs in the crafts sector - most of which are led by women - with driver firms like SIMAN, QUMBO, and Exporsal, such that these small businesses can expand nationally and internationally. The Program has also provided these firms with technical assistance to help them achieve the levels of quality and innovation required by demanding local and foreign markets.

As part of this effort, in July the Program approached 3PUNTOS, a medium business that sells household items, to discuss incorporating Salvadoran companies into its supply chain, since 3PUNTOS currently imports the majority of its products. The Program showed 3PUNTOS a portfolio of products in line with the store's style, from 11 artisan workshops including QUMBO, MOJE and others that have received Program support. As a result of the presentation, 3PUNTOS selected five workshops to make new products. It also requested Program support for two workshops that are already working with the store and could benefit from designing new products.



Alexandra Araujo, from 3Puntos, talks with one of the artisans who exhibited their products.

The technical assistance consisted in supporting the design and development of new products that incorporated 3PUNTOS's feedback, as well as helping the SMEs comply with the store's logistical and administrative requirements. In July, 3PUNTOS visited QUMBO's workshop to select products and then, in September, the other five companies chosen presented the products that they had worked on with assistance from the Program. 3PUNTOS placed orders with all five workshops for products to be delivered in October and exhibited in the store's Christmas collection starting in November. The store expressed interest in adding several of these workshops to its base of regular suppliers.

MARKA MODERNA

In January the Program received a request for assistance from Marka Moderna, a small business that makes outdoor design furniture for export. The company's products are made in seven small workshops in the areas of metallurgy, design services, and carpentry, and the company is one of the pioneers in its sector, having received recognitions like the Editor's Award for Outdoor Furniture 2013 at the International Contemporary Furniture Fair (ICFF). To consolidate its position in international markets, Marka Moderna requested Program support to participate in ICFF 2014, the most important event connecting buyers and manufacturers in the contemporary furniture industry.

As a result of its participation in ICFF in New York, from May 17-20, Marka Moderna strengthened its links with previously established contacts, made new contacts, and hired a sales representative for the eastern part of the United States. During the event, the company consolidated its presence in three niches: developers, retailers, and hotels. The business received a request for proposals for design and architecture projects from clients such as hotels in Playa del Carmen, Mexico and hotels and retailers in the United States. It also began negotiations with a foundation interested in auctioning off its chairs painted with graffiti by local artists, and a museum is considering buying its furniture. Marka Moderna, which sells through Amazon.com, sent merchandise worth more than \$30,000 to its warehouse in Miami in order to meet the demand



Some of the products exhibited by Marka Moderna at ICFF 2014 trade fair

for its products as a result of its participation in the fair. At the writing of this report, the company has made sales of almost \$47,000.

The Carrot Concept

Since 2013, the Program has partnered with The Carrot Concept, a group of multidisciplinary entrepreneurs in the design of graphics, products, textiles, and interior spaces. The group has made significant strides in positioning Salvadoran design in the international market. With Program support, The Carrot Concept participated Wanted Design 2013 in New York, which enabled 15 companies to display their products and gain international recognition through write-ups in various publications, including Fast Company and Trendy Spots.

Participants in Wanted Design 2014

1. Cincopatasalgato
2. Claudia and Harry Washington
3. PIPA
4. Estudio Medio Limón
5. Roberto Juárez
6. Guillermo Altamirano
7. Karla Méndez Pimentel

As a result of the group's participation, *The Wall Street Journal* published an article in which writer Jake Stangel said: "The Carrot Concept has become a cohesive and exciting symbol of Salvadoran design, and has made tremendous strides in elevating El Salvador's international design presence." (<http://jakestangel.com/Carrot-Concept-WSJ>) The collective launched its first collection for sale to the general public in the United States at the beginning of FY2014 through the online store FAB.com, a contact that it made through the fair. The member designers are also implementing actions to strengthen the collective: they improved export logistics and hired people to do marketing, promotion, and follow-up with contacts.

Given the opportunity to scale up the collective's efforts and increase the visibility of Salvadoran design in the industry, the Program renewed its partnership with The Carrot Concept to facilitate the participation of seven member companies in Wanted Design 2014, including two of the SME winners of CONTEMPO 2013, which the Program also sponsored. The fair took place in New York from May 16-19. The event's organizers awarded the Most Wanted Design prize to The Carrot Concept for the social impact of its work, since the collective always seeks to involve more designers and, in doing so, promotes El Salvador's economic development. The group received media coverage as a result of its participation and gave interviews to important magazines in the field of design, including *The New Yorker*, *Dwell*, and *Condé Nast's Architectural Digest*, all of which will help to promote the collective's work at an international level. The collective's representatives further identified new business opportunities and solidified a relationship with a Swedish company with which it had connected at Wanted Design 2013. The collective reports \$321,000 in sales to date as a result of its participation in Wanted Design and estimates that its exports and domestic sales will each increase by \$100,000 by the end of 2014.



The Carrot Concept stand at Wanted Design 2014

During Wanted Design 2014, organizers selected one product from each Latin American country for an exhibition that pays homage to the innovative and creative trends in contemporary design in the region, which were on display at the Museum of Arts and Design in New York in November. One of The Carrot Concept's designs, made by Roberto Juárez, was

selected for inclusion. The folding chair by Roberto Dumont, the *icono* chair by Harry and Claudia Washington, and the basket lamp by José Roberto Paredes, will also be part of the exhibit.

CROMA

The Association of Salvadoran Designers (CROMA) brings together SMEs dedicated to design and the manufacture of surfaces, furniture, lights, accessories, and other products to which value can be added through innovation in design. The Program signed an MOU with the Association during the second quarter of FY2013 to help finance the fifth Biennial Design Competition CONTEMPO 2013, called “Local Inspiration, Global Design.” The competition, which first took place in 2007 with support from USAID/EI Salvador, seeks to strengthen innovation and sales of Salvadoran designers with the capacity to export their products and services to markets that value design, quality, and contemporary trends without ignoring functionality.

The 2013 competition launched in March and received 62 proposals. The 27 finalists built prototypes that were exhibited in the Museum of Art (MARTE) in August. A panel of international judges composed of Jerry Helling, Eva Prego, Derek Chen, Corina Benavides, Mark Woodman, and Will Arriaga reviewed the projects in October. The Program provided the support that made possible the participation of Corina Benavides, the founder of the Orphans’ Kisses brand of purses, and Derek Chen, founder of the furniture design company Council Design. Mr. Chen also held a training session that 20 people attended called “Successes and Lessons Learned from a Designer Entrepreneur”, as part of the competition’s closing activities. The judges evaluated the projects based on aesthetics, functionality, contribution to design and level of innovation, utilization of accessible and local materials, and ease of export. The awards ceremony took place on October 10 and the following winners were announced:

1. In the furniture category, first place went to the “Cicada Chair” made by Alessia Paola Sanabria and Rafael Antonio Campos; second place went to the “Collection Link” made by Karla Beatriz Bonilla and Gabriela Rubio; and third place went to the “Ritual Vase” made by Roberto Alonso Juárez Gómez;
2. In the surfaces category, first place went to Violeta Martínez Sandoval (VAIO), second place to Gerardo Javier Flores (ARCHIVALDO), and third place to Josué Danilo Machuca (Angemon).



First place winners in the category of furniture, with jurors and “la Silla Cigarra”.

The Program sponsored a guided visit to the Surtex and ICFF fairs, both in New York, from May 18-20 and May 17-20, respectively, for the winners of each category.

During their visit to the Surtex fair, the winners in the surfaces category had the opportunity to meet designers like Valerie Hart and Victoria Johnson, who gave them advice on participating in international fairs and market tendencies. The winners also attended the National Stationery Show fair at the Museum of Modern Art in New York and visited stores that define the trends in this industry to broaden their knowledge of the use of surface designs on clothes and accessories and learn more about that market. The winners that attended ICFF also visited Wanted Design and were able to establish contacts with designers of furniture and other products from different countries.



Violeta Martínez and her purse exhibition at the ICFF trade fair.

To date, Roberto Juárez (third place in furniture) and Violeta Martínez (first place in surfaces) have founded their own companies, Lero and Vessa, respectively. Lero is a product design firm that sells through The Carrot Concept and Vessa designs and sells purses locally. Both designers submitted their work to ICFF to be considered for participation in Designboom Mart, a space at the fair for emerging designers throughout the world to gain their first exposure to design sales. Both were invited to attend and were able to exhibit their products during the trip to New York.

14 SMEs in the artisanal crafts sector participated in New World Crafts 2014

Since 2012 the Program has sponsored companies' participation in the New World Crafts fair, the largest event in the crafts sector for household and decorative items in Central America. This year's fair took place in Antigua, Guatemala from September 23-25 and included the participation of 14 Salvadoran SMEs, the majority of which are led by women. These companies presented a wide variety of products, including clothing dyed with indigo, tapestries, crafts made out of wood, as well as jewelry, leather bags, and hammocks. More than 100 international buyers visited the stands to see the latest trends in the crafts market and the Salvadoran participants expect to make more than \$46,000 in sales as a result. Participants in past versions of the fair reported sales upwards of \$129,000.

Companies that participated in New World Crafts 2014

1. Comizahual
2. Manos Amigas
3. Bordados Penélope
4. Bea Falla
5. Piezas!
6. EcoMayan
7. Schuchil
8. Mayan Gift
9. Hacienda Los Nacimientos
10. Qumbo
11. Sol Azul
12. Arte Comasagua
13. Moje
14. Exporsal

3.4 Supporting added value in the agriculture and livestock sector

During FY2014 the Program continued seeking market-driven opportunities to assist SMEs in accelerating their ability to export, improve the quality of their products, and diversify their production in niches with more value added, thereby increasing sales and generating more dynamism in the Salvadoran economy. In doing this, the Program reaffirmed the partnerships it

has had since 2013 with Tropical View, to support the specialty coffee sector, and with Cadena de Miel, to support the honey sector.

Specialty Coffees

In March 2014 the Program renewed its alliance with the specialty coffees buyer *Tropical View*, which promotes a business model that connects producers and buyers of specialty micro-batch coffee directly in international markets, along with roasters and conceptual cafés, thus creating buyer loyalty to the plantations where the coffee was grown, independent of the size of production. This allows small producers to compete with larger ones and access buyers willing to pay a premium for quality.

At a time when coffee production in El Salvador is low due to the rust scourge, many small producers have expressed interest in producing specialty coffees that can guarantee them a higher and more stable price in the long term. In 2013 the Program and Tropical View helped 95 producers learn processing techniques for specialty coffees. Fifty-eight of them produced micro-batches that complied with quality requirements. Given these positive results for participants and testimonies from Tropical View’s international buyers interested in increasing their purchases from El Salvador – like Union Hand-Roasted, which met with the Program team twice – the Program and Tropical View agreed to assist a new group of 35 producers, as well as 17 who participated in the last training but did not achieve the required quality standards. The Program hired Ninety Plus Development in March to implement this project, which included training all 52 producers, developing labels and marketing factsheets for the 35 new producers, organizing buyer visits, and advertising in international markets.

The project was divided into the following stages:

- Training in processing specialty coffees:* Personalized trainings were given for the two groups (see box). The new producers identified in FY2014 took 10 practical modules for 49 hours, while the producers who were repeating the training receiving six modules for 27 hours. The training was meant to enable the producers to understand agricultural management and the processes that they needed to adopt to produce specialty coffee. During one course, participants learned about how their coffee is marketed internationally and how to structure a sales chain so that the product gets to market in the most direct way possible. The group of producers who were repeating the training were more attentive since they realized the importance of what they were learning in being able to successfully enter the specialty coffee niche market. The sessions for the new producers took place from April-July and the sessions for the producers with previous training occurred in April and May.

Training modules	New producers	Producers repeating training
Elaboration of African beds	X	
Calibration of pulp removing machines	X	
Use of moisture meters and refractometer	X	
Cupping techniques	X	
Crop quality	X	X
Processing of coffee in African beds	X	X
Drying process of washed coffee	X	X
Agricultural practices on farms	X	X
Specialty coffee market	X	X
Dry processing of coffee and manual selection	X	X

- *Developing marketing factsheets and technical labels:* These materials were developed in April and May for the micro-batches that the newly trained 35 producers made. (The producers who participated in the training in FY2013 already had these materials.) The marketing factsheet helps Tropical View publicize the stories of each farm and producer, including the families that benefit from the coffee's production. The tag is affixed to the product that the final client receives and includes a picture of the producer as well as all of the technical information about the batch: traceability information, the farm's location and altitude, the variety of bean, the process used, and the harvest year.
- *Tasting samples from the trained producers:* Tasting coffee is essential for quality control as well as for buyers to be able to make decisions regarding purchasing and the price that the producer will receive. To verify the quality of each batch, the subcontractor did three tastings of 64 samples and determined that 31 producers had made specialty coffees that would be offered in the market.
- *Coordinating the visits of international buyers:* Between March and May two buyers visited El Salvador: Matthew Ludsikowski from Brash Coffee and Jesse Crouse from Verve Coffee, both of the United States. Mr. Ludsikowski visited the Montealegre Plantation in Chalchuapa, while Crouse visited the La Montañita Plantation in the municipality of Metapán and Mamá Dalia Plantation in the municipality of Citalá. The buyers tasted samples of micro-batches and interviewed the producers to ensure that their negotiations with Tropical View were fair and transparent, which is particularly important in specialty markets.

This project will end in November, with the exhibition of the specialty coffees in the Taiwan Tea, Coffee, and Wine Expo, in Taipei. To date, the Program's partnership with Tropical View has generated more than \$232,000 in sales, not counting those that will be generated from the latest harvest.

THE HONEY PRODUCERS ASSOCIATION (Cadena de la Miel)

Cadena de la Miel is a beekeepers association that seeks to integrate and strengthen SMEs in the sector and improve the environment in which they operate. Its leading exporter is the company Miel Joyas de Cerén. The Program has assisted the association with various activities since 2013: the development in two phases of a Beekeeping Diploma given by experts from the International Regional Body of Agricultural Safety (OIRSA) and the 10th Central American and Caribbean Congress for Beekeeping Integration and Knowledge Sharing. The purpose of the latter was to strengthen regional cooperation and ensure that participants had up-to-date knowledge of new techniques and good practices in beekeeping.

Owing to the sector's potential and the positive results stemming from the assistance mentioned above, the Program held a meeting with representatives of Cadena de la Miel, the Ministry of Agriculture (MAG), OIRSA, José Simeón Cañas Central American University (UCA), and Alberto Masferrer University at the beginning of FY2014. At the meeting, participants defined a strategy to accompany member beekeepers to enable them to comply with export market requirements, mainly in Europe, ensure that they are aware of available public and private sector services for the sector, overcome problems that came to light following a January 2013 inspection by the European Commission of Health and Consumers, and reinforce those areas in the MAG's technical regulations that will be implemented starting in 2015 regarding the conditions and requirements with which producers and processing plants must comply to access markets. As a result of these conversations, the Program, OIRSA, and Cadena de la Miel signed

an MOU on April 21 to implement a training and technical assistance program, called the 1st Program in Advanced Beekeeping, to address the above-mentioned topics.

The program was designed for 200 SME honey producers throughout the country. Of these, the driver firm selected 24 with the best leadership and highest production potential to receive individual technical assistance in creating an improvement plan. This program began on June 18 with a public event that included the participation of MAG representatives, the president of Cadena de la Miel, the Executive Director of OIRSA, the Director of the USAID/El Salvador Office for Growth, more than 180 beekeeping SMEs from nine states in the country, MAG technicians, representatives of universities, and representatives of institutions that support the honey sector. The program lasted four months and included three modules of training and technical assistance in which experts from Mexico, Costa Rica, and Argentina – countries that are models in research, production, and export of bee honey – shared their experience with participants. To guarantee the sustainability of this effort, technicians and other personnel from MAG, PAF, USAM, and UCA also attended the training sessions.

The first module was on traceability and food safety and was given by Yolanda Moguel from Mexico from June 18-30. The topics included the application of medicine and its documentation, installing equipment to extract honey and its derivatives, storage requirements, and honey transport with its respective controls and registrations. The second module concerned sanitation and beekeeping management and was given by Ana Cubero from Costa Rica, from July 13-27. Ms. Cubero discussed sampling techniques in the countryside to evaluate for plagues and other illnesses, general epidemiological concepts in beekeeping sanitation, and epidemiological vigilance of endemic and tropical diseases. Finally, Marcelo Bonzón from Argentina delivered the third module, business management and sales, from August 17-31. Mr. Bonzón covered business administration, process standardization, costs, beekeeping business management and human resource management, and honey-related preferences in the Latin American and European markets.

Each module included one day of theoretical training and one day of practical training at the facilities of the driver firm and exporter Miel Joya de Cerén. Groups of 25 could attend each practical training session. During the next 10 days, experts visited the 24 SMEs that the driver firm selected. During these visits, they provided specialized technical assistance to each SME, highlighting areas that required attention and change. The final part of the program was an 8-hour theoretical training session for technicians from MAG, PAF, OIRSA, UCA, and USAM in which participants learned how to continue supporting the sector. A technical assistant who the Program hired accompanied each module and was responsible for coordination and ensuring compliance with each of the activities.



A beekeeper applying the techniques taught in the beekeeping program.

The program's closing ceremony took place on August 29. The Minister of Agriculture and Livestock, Orestes Ortez; the OIRSA representative in El Salvador, Edwin Aragón; the president of Cadena de la Miel, Claudia Avalos; and the Program Director, Jules Lampell, presided over the ceremony and presented certificates of participation to each of the 24 SMEs. Technicians from MAG, PAF, OIRSA, and USAM also received a diploma recognizing their participation. This program helped correct problems and identify opportunities to help the SMEs become more

competitive and increase their export potential. Each of the 24 SMEs now has an improvement plan structured by Cadena de la Miel with recommendations from each of the experts. The SMEs received these documents, which provide a roadmap for overcoming the obstacles that inhibit their ability to satisfy international market requirements, in September. The plans are also a follow-up tool for MAG.

Cadena de la Miel will begin follow-up and monitoring to verify the SMEs' implementation of their improvement plans during the first quarter of FY2015, with support from the Program. This activity is expected to create new jobs and achieve sales and export increases of \$650,000 in 2014 and \$975,000 in 2015.

3.5 Innovation, startups and new sectors

Supporting the metalworking sector with ITCA-FEPADE

According to the Salvadoran Association of Manufacturers (ASI), metalworking represents approximately 4.8% of industrial production and employment. With exports of \$262.6 million in 2013, it also represents over 5% of the country's total exports. However, this key sector for industrial development has in the past few years experienced some decline due to outdated processes and lack of capacity to meet the evolving demand. The Specialized School of Engineering ITCA-FEPADE has supported companies in the metalworking sector since 2001, incorporating key areas of interest for the sector into its academic program, particularly Mechatronics and Computerized Numerical Control (CNC).

Towards the end of 2013 ITCA presented a proposal to the Program to strengthen the metalworking sector through seminars, workshops, and the application of good practices in the use of CNC technology and mechatronics. Considering the importance of this sector and the considerable number of SMEs involved, the Program decided to support this effort and signed an MOU with ITCA to promote the productivity, competitiveness and export capability of metalworking SMEs. On November 21st the Program and ITCA organized a workshop with 10 SMEs that provided important information to create the assistance and training plan. As a result of this meeting it was decided to search for an international expert with links to foreign markets and broad knowledge of technological modernization, who could be brought to El Salvador to work with a group of interested SMEs.

The person identified for this job was Miguel Ramírez Cadena, Director of the Mechatronics Department at the Monterrey Institute of Technology and Higher Education (ITESM) in Mexico. The Program hired Mr. Cadena to do a diagnosis of the sector and improve the competitiveness of a group of SMEs. In April, Mr. Ramírez came to El Salvador and met with 22 metalworking entrepreneurs to learn about their situation and encourage them to participate in a training and technical assistance program. Each company completed a technical questionnaire containing information on quality, organization, marketing, strategy and technology, which was used to determine the technical and organizational requirements of each company and select those that could benefit the most from technical assistance.



USAID representatives toured the facilities where SMEs receive training

On May 29th, the Program and ITCA-FEPADE held a public launch event for the program to strengthen the metalworking sector. The Director of the USAID/El Salvador Office for Economic Growth, Gregory Howell; a representative from the Vice Minister of Science and Technology; the President of the ITCA Board of Directors, Daniel Cohen; and the Dean of ITCA-FEPADE, Elsy Escolar Santo Domingo, all participated in the event.

Following the launching event, on May 29th and 30th Mr. Ramírez gave a seminar called “Making the Salvadoran Metalworking Sector More Dynamic”. in which 13 company representatives participated. The seminar’s aim was to bring the participants’ knowledge of CNC technology and mechatronics up to date, promote good practices in the use of CNC technology, and discuss world-class CNC business models and current trends in the industry. On May 31st Mr. Ramírez presented another seminar for ITCA professors and technical personnel in the areas of mechatronics and CNC. This seminar helped strengthen ITCA as an institution and improve participants’ training in these areas, enabling them to improve the services that they provide to businesses. Thirteen people participated in the event.

In the coming months the Program will continue working with this sector, promoting linkages between SMEs as well as between SMEs and large companies that buy metalworking goods and services. To advance towards the latter, a trade fair for buyers and sellers of the metalworking sector is being planned for the first half of 2015.

Promoting innovation with FUSADES

In December 2013 the Program signed a framework agreement with the Salvadoran Foundation for Economic and Social Development (FUSADES), specifically with its Innovation Promotion Program (PROInnova). This agreement sought to complement efforts to promote SME growth, mainly in the food and beverage sector, through the incorporation of innovation management. The agreement contains three action areas: 1) Development of sector-specific workshops for SMEs with export potential to make them more aware of opportunities to innovate and teach them about international trends; 2) a subcontract to provide technical assistance to SMEs in the food and beverages sector whose export potential can be strengthened through the introduction of innovation management, and 3) the identification and joint undertaking of other activities to promote innovation in the food and beverage sector or other areas with high export potential.

PROInnova is one of the first programs in El Salvador to promote innovation. The program has successfully implemented IDB projects and has a database of companies that have received training, many of which received assessments and innovation plans. Through this partnership with PROInnova, the Program has helped these companies develop new products, processes, and business models. As part of the subcontract signed in June 2014, 14 SMEs in the food and beverage sector have started a series of technical assistance to develop new products, innovate processes, and increase the mechanization and automation of their businesses. Of these 14 companies, six belong to the bakery sector and will receive technical assistance to determine the type of machinery or equipment necessary to introduce innovation



Juan Manuel Tiznado Vizcarra, who has over 20 years of experience in the food industry, gave the first module of the technical assistance. Photo courtesy of PROInnova.

into their processes. They are also receiving assistance in preparing the required documents to apply for funding from FONDEPRO, thereby assuring that they have the resources they need to invest and implement their projects successfully, achieving the sales goals they projected of more than \$1 million. This initiative will end in April 2015.

Another activity included in the framework agreement is driving sector-specific activities within the SME sector through workshops covering sector-specific topics. These workshops are intended to increase SME awareness of opportunities to innovate, teach participants about international SME trends, and, in some cases, assist them in gaining international certification. The first workshop was for the bakery sector because of its growth potential in El Salvador. PROInnova had identified bakeries that needed to achieve a certain certification, adding value to their companies and making them more competitive. To achieve this, FUSADES established a partnership with the American Institute of Baking (AIB), which aims to provide training and professional consulting services for the baking industry. In addition, FUSADES sought out a strategic alliance with Molinos de El Salvador (MOLSA) for technical issues. MOLSA will assist in providing training facilities, technical personnel, and basic baking ingredients. The program is composed of four in-person training modules and includes a practice component once every three days. IDB FOMIN provided funds for the first and second modules, which took place in July with the participation of 18 SMEs, seven MOLSA technicians, and five PROInnova technicians. They covered the functions of ingredients and processes in baking and making different types of artisanal breads. The third module took place from September 29-October 1 and covered how to resolve technical problems in baking. Representatives of 17 SMEs participated, in addition to five technicians each from MOLSA and PROInnova. The fourth module, on effective management and design of a bread factory, will take place at the end of October 2014.

A second series of training is being planned for ice cream makers, for the first half of 2015.

Other activities carried out this year with FUSADES-PROInnova to encourage innovation, include the following:

- The Innovative Entrepreneurship Projects Competition, which took place in December 2013 and was organized by FUSADES through the FIAGRO program and PROInnova. The competition sought to increase the potential of and recognize business leaders and innovative entrepreneurs, providing them with seed capital to start or accelerate their ideas of companies, and it attracted 35 project submissions from different sectors, mostly in the agroindustrial area. The Program was invited to be part of the judging panel. The Banco de Fomento Agropecuario and BANDESAL awarded seed capital to the first and second place winners and the Program awarded third prize, which was technical assistance for the company SECANTS, which manufactures fruit wines. At the writing of this report, the company is in the process of beginning this assistance, since it opted to formalize itself as a company prior to receiving the Program's support. The awards ceremony took place in January 2014.

- The First Tuesday platform seeks to generate new business through facilitating meetings with investors and providing greater access to knowledge. On March 25th more than 150 young entrepreneurs, all owners of SMEs in different sectors, participated in a creative activity with a robot at the *Learn, Innovate, Prototype, and Create* event. Erick Carballo, an international representative of Lego Education, spoke about prototyping as the first step of an innovative project. Also within the First Tuesday framework, on July 1st the Program helped launch the Tigo APP Challenge, in which more than 150 young people worked to develop cell phone and computer applications. By September the platform had received 40 mobile application proposals to resolve health, education, and poverty problems. The competition will end in October and awards will be issued in November 2014.



Patricia Figueroa gave a few words during the First Tuesday event.

Mobile technology companies

One of the main obstacles to growth for local mobile technology companies is their lack of access to potential buyers, who often are unaware that there are companies in El Salvador with the necessary talent and capabilities. Acknowledging this situation, the Program helped three small mobile technology companies to obtain at least four new local and international contracts.

During the second quarter of FY2014, the company iMoves, which the Program connected with PROESA, began exporting to Guatemala, where it made six contracts as a result of its participation in the Exportar Paso a Paso 2013 program. Also during the second quarter of FY2014, iMoves launched the application LA ESCALON, as a result of the connection it made with the Asociación La Escalón.

With Program support, in FY2014 the financial services company MIDO made three local contracts to provide mobile solutions to Salvadoran financial institutions, and another contract to provide these services to a non-financial company. With this momentum, the company worked to expand internationally and signed two more contracts in Mexico. MIDO connected with local microcredit providers through joint work by the Program and the USAID Project to Improve Access to Financial Services, which ended in FY2014.

Kadevjo Studios, which began as an entrepreneurial initiative in October 2012, formally launched the first edition of its electronic game, Guanapolio, for mobile devices, on March 19th. The Program, along with FUSADES/PROInnova, awarded the Salvadoran adaptation of Monopoly first place at the Mobiles Contest 2012. More than a year after its creation, creators Carlos Rivas and Nelson Chicas received support from a local venture capital fund to found Kadevjo Studios, a company that specializes in selling entertainment services for applications and exports to countries like the United States. The Program has continued helping the company to register the game's intellectual property and hire trained personnel.

Supporting StartUp Weekend San Salvador

This year the Program sponsored StartUp Weekend San Salvador, the flagship activity of an organization working to inspire entrepreneurship throughout the world. The Program's support consisted of bringing in a facilitator with significant experience moderating this activity in different Latin American countries to run the event and transfer his knowledge to local organizers, to enable the activity to be repeated in the future. StartUp Weekend San Salvador took place from February 28-March 1 at La Casa Tomada and marked the first time this event had ever been held in the country. The Cultural Center of Spain and UNDP also sponsored the event.

During the 54 continuous hours of StartUp Weekend, the participants suggested business ideas and voted on the most attractive ones before beginning market research. Over 100 Salvadoran youth participated in the event, presenting 52 business ideas. Teams were formed to work on prototypes and elevator pitches for the 13 projects remaining after the voting occurred. The activity, which focuses on learning by doing, also featured entrepreneur speakers, several of whom were Program beneficiaries, including the leaders of Delimaya, Eximius, and MIDO. The teams received assistance from more than 20 multidisciplinary leaders who offered their insight as entrepreneurs, as well as tips and advice.

At the end of the event, the 13 teams had five minutes each to present their idea and the prototype they had devised during the 54 hours of mentor support. The panel of judges consisted of seven people, including the Director of the USAID/El Salvador Office for Economic Growth, Greg Howell, as well as the President of Banco Agrícola and investors. Four winners were announced, one in each of the following categories: technology entrepreneurship, services, products, and social entrepreneurship.

The winner in the technological entrepreneurship category was a mobile application to encourage more visitors to tourism or business sites in the country and is currently in incubation phase. Other ideas have already received expressions of interest from potential investors. The group of young people who won in the social entrepreneurship category were particularly notable because the team members, sponsored by UNDP, were both deaf and mute. The team proposed the creation of a gourmet sausage factory to generate employment for deaf and mute adults.

3.6 Supporting gender equality and female entrepreneurship

Since its inception in October 2011, the Program has undertaken activities that seek to strengthen SMEs led by women to improve their access to business development programs. This is a key component of promoting economic growth in El Salvador. Although there are 300,000 women-led companies in the country, essentially the only local organizations that tailor their programs to women are *Voces Vitales*, in the private sector, and CONAMYPE in the public sector. Recognizing the need to strengthen the ecosystem of business support designed for companies led by women and better connecting these firms with the market, the Program undertook the following key projects during FY2014: a) designing a consultancy to devise a gender strategy, b) creating a mentorship program for SMEs led by women who are members of CCIES, c) linking the producers who are part of AMEES with SIMAN, and d) implementing initiatives through its partnership with *Voces Vitales El Salvador*. These efforts are described in detail below:

- a) *Consultancy to develop a strategy for gender*

In 2012 USAID launched its Policy for Gender Equality and Female Empowerment, which seeks to reduce discrepancies in access to resources, reduce gender-based violence, and improve opportunities for women to participate in every area of society. As a result of the policy's publication and to make Program beneficiaries more aware of the importance of this issue, the Program proposed developing a strategic vision for gender as it relates to Program initiatives. To do this, the Program hired an American consultant who worked from May until September to create this strategy. She completed this work in three phases: 1) assessing the needs of SMEs led by women and how the Program's activities and those of its partners take gender into account, 2) designing the gender strategy for the Program and its partners, and 3) holding a workshop on the USAID gender policy to make Program partners more aware of the issue and share the results of the assessment as well as the strategy's main points.

The consultancy's first phase occurred in May with the consultant's visit to the country to meet with public and private sector actors to discuss the design and implementation of a gender strategy. The consultant also implemented a focus group with other consultants who have worked specifically with female entrepreneurs, and another with female entrepreneurs themselves, to get their impressions of the gender situation in their areas and with respect to the institutions whose services they have used. The women interviewed as part of the second focus group expressed their interest in technical assistance programs that include accompaniment and that adapt to the beneficiary's progress, such as mentorship and support for business networking. They also indicated a desire for greater support for their companies from their male relatives.

In the second phase, the consultant drafted a strategy proposal which includes activities to increase gender awareness and mainstreaming, and the recommendation that Program partners design new projects with a gender focus and develop gender-specific project indicators. The recommendations include helping CONAMYPE consolidate its position as a reference point for gender issues within the government, and assisting Voces Vitales as a provider of business services for female business leaders.

The third phase of the consultancy consisted of a workshop on September 24 to share USAID's Gender Policy and discuss ways to implement it. Twenty-four representatives of Program partner organizations participated, including CONAMYPE, PROESA, MINEC, COEXPORT, CCIES, Voces Vitales, BPeace, and AMEES. There were also representatives from companies such as Walmart, Miele Joya de Cerén, Vape, and Jeques. USAID/El Salvador's gender specialist, Annie Valencia, presented USAID's Gender Policy and the consultant, Cara George, presented the results of the assessment she did in May 2014 and her key recommendations. Voces Vitales and CONAMYPE spoke about their gender-focused projects, which served as the basis for the conversation that ensued and the identification of best practices.



Consultant Cara George, presented the Program's Gender Strategy to strategic partners.

b) Business mentorship program for female business leaders who are members of CCIES

During the last quarter of FY2014, the Program and CCIES agreed to begin designing a new business mentoring service for CCIES member companies who are led by women. At the writing of this report, a consultancy was underway to design a program that will seek to identify

volunteer experts within CCIES who could act as business mentors, supporting SMEs led by women in resolving issues that obstruct the growth of their companies. José Matías Delgado University also joined the initiative as a strategic partner. The university proposed working with its students so they can help SMEs in areas like conducting market studies and the university will more precisely define how to optimize student participation next quarter. The new service will launch in December 2014 and a pilot project with 15 SMEs led by women will begin in January 2015.

c) *Linking AMEES with SIMAN*

In FY2014 the Program linked members of the Association of Female Entrepreneurs of El Salvador (AMEES) with SIMAN's new gourmet food department. The Program organized two tastings, one in December 2013 and the other in February 2014, in which 18 companies participated. Of these 18, SIMAN chose five and is currently working with them to ensure that the companies' products conform to the driver



Image of the tasting of products from the businesswomen from AMEES.

firm's expectations. The Program also assisted with the development of a brand for the group of suppliers, although SIMAN opted to use its own brand. At the writing of this report, the five companies selected have made progress in completing sanitary registrations for at least 20 new products and have adapted their product presentations. SIMAN will be standardizing registrations in the countries where it plans to introduce these products (Nicaragua, Costa Rica, and Guatemala) and is expected to start selling them in 2015.

d) *Collaboration with Voces Vitales El Salvador*

Since its inception the Program has worked with Voces Vitales El Salvador, an organization founded in 2008 which seeks the economic empowerment of women and is affiliated to the U.S.- based Vital Voices Global Partnership. Recognizing the importance and potential of women-led businesses in El Salvador – 64% of MSMEs are led by women, with a much higher concentration in micro and small enterprises – since 2012 Voces Vitales and the Program have jointly implemented activities to train and strengthen companies led by women. For example, in 2012 the Program to Develop Female Exporters enabled 39 female business leaders to create export plans. In July 2013 the Program signed a framework agreement with Voces Vitales that includes institutional strengthening.

During FY2014, the Program implemented through Voces Vitales an initiative to train women entrepreneurs and help them implement a business plan. The first step was an open training program for general business skills, given in two modules of each eight hours each in El Salvador's three main cities: San Salvador, Santa Ana, and San Miguel. The first module, in which 216 women participated, took place from January 27-30 and covered the cycle of entrepreneurship, how to do a business analysis, and basic accounting. The second module covered human resource management and client-oriented marketing strategies and took place on February 13, 18, and 20, with 228 women participating. In total, 370 women benefited from these trainings and 74 of them completed all of the subjects in both modules.



Over 350 businesswomen participated in workshops on general business abilities, which the Program offered through a subcontract with Vital Voices.

The second part of the initiative was a business coaching program for which 40 female entrepreneurs were selected out of 70 applicants, based on their growth potential. Participants received group training – both theoretical and practical - to create business plans and road maps for growth. There were two workshops of eight hours each, one on April 29 and the other on May 6. Once participants finished the training in business plans, starting in June they received three months of individual counseling by specialized consultants on turning their plans into practice. In total, each entrepreneur received at least 20 hours of coaching for the implementation of their business plans. One early result of this initiative was that Converplast, a company that manufactures and sells plastics, exported to Nicaragua for the first time with the help of the assigned consultant.

The final phase began with a four-hour networking workshop on September 9th, where the participating entrepreneurs were able to learn the importance of joining business networks and having an effective elevator pitch to present their companies to potential buyers. Then, on September 26, a business meeting was organized for participants to meet with representatives from 49 companies, including Grupo Roble, Bolívar, SIMAN, Vijosa, La Cascada, Citi, and Walmart. Greg Howell, USAID/El Salvador Director of the Office of Economic Growth, also attended the event. To complement this meeting, the Program sponsored the printing and distribution of 300 catalogs containing the products and services of the women-owned participants in the event. As a result of this activity, an entrepreneur who developed a business plan for a line of taxis exclusively for women received expressions of interest from Don Bosco University and GIZ; an event-planning company connected with Plan International, and a company selling veterinary products is negotiating to sell to Walmart.

The Program is also funding a consultancy to strengthen Voces Vitales as an institution. The consultancy will help devise a strategic plan for 2015 and 2016, including a strategy for the financial sustainability of the organization. The consultancy began in August with an assessment of Voces Vitales' current situation with respect to the services it provides, its organizational structure, and its financial situation.

Other activities with Voces Vitales during FY 2014 included:

- A Facebook campaign in March to increase the visibility of women-led businesses. The Program promoted 10 women-led businesses, posting the stories of their owners to inspire other women in business or who are trying to enter the business world. More than 6,400 people saw the posts and the campaign was included in USAID/El Salvador's own account.
- On May 28 the Program invited eight of its notable female beneficiaries to participate in the CreceMujer congress, the largest annual Voces Vitales event. The keynote speaker was Mariela Dabbah, founder of the Red Shoe movement, which strives to motivate female professionals and business leaders to support the professional development of other women. Two USAID/El Salvador representatives also participated in the event: Teresa Miller, Assistant Director of the Office of Economic Growth, and Arnie Valencia, Gender Specialist.
- The Program accompanied Voces Vitales at the *1st Meeting of Organizations United for the Economic Development of Women*, where participants discussed employability and entrepreneurship. The event took place on May 15.
- Since extortion is one of the key problems affecting SMEs in El Salvador, on September 19 the Program organized a presentation for members of Voces Vitales' Network on how to prevent it, given by the Anti-Extortion Unit of the National Civil Police (PNC). The 14 participants received training on how to manage extortions and how to request help from the PNC



The United States Ambassador, Mari Carmen Aponte, participated in the opening ceremony of CreceMujer 2014.

3.7 Assistance through volunteer experts to support corporate social responsibility (CSR)

Each year, thousands of people donate their time and expertise to improve conditions in developing countries. Sabios y Expertos and Bpeace are two such programs working in El Salvador, both of which provide technical assistance to SMEs in diverse areas, but with the shared objective of making companies more competitive. This year the Program worked with both organizations, facilitating on-site accompaniment of 18 selected SMEs. The Program also began working with FUNDEMAS, a foundation that seeks to contribute to the sustainable economic and social development of the country through promoting a culture of CSR and entrepreneurship. A business roundtable occurred for the first time in which SME participants trained in CSR were able to interact with anchor companies that value this knowledge among their suppliers. This niche area of support has produced positive results, offering companies novel ways of doing business to build their profitability and competitiveness.

Sabios y Expertos

Since 2013 the Program has partnered with Sabios y Expertos, one of the pillars of the pension fund AFP Confía's CSR program, to contribute to productive development and to strengthen El Salvador's economy. Sabios y Expertos seeks to coordinate and direct assistance from retiree programs in European countries – specifically Holland, Germany, Switzerland, Italy and France – to help Salvadoran SMEs introduce improvements to their products and processes. The program further seeks to ensure that the impact of its interventions is sustainable by bringing together the international experts with local experts from its database of retirees, so the former can help the latter improve their abilities. This assistance allows Salvadoran SMEs to overcome different types of obstacles to growth and create more sales and jobs. The Program's support consists of financing the stay and/or travel expenses of the international experts who participate in this initiative. Since the start of the partnership, the beneficiary companies have reported more than \$640,000 in new sales.



USAID and Program officers with Sabios y Expertos representatives and some of the beneficiaries.

During FY2014 two events were held to promote Sabios y Expertos' work in El Salvador. The first took place on March 12 and more than 50 SMEs in different sectors attended. Impact numbers since the start of the program two years ago were presented at the second event, which took place on September 23: sales increases of 22%, production growth of 20%, 17% more jobs, and 50 projects implemented with 50 SMEs. The following people spoke to an audience of more than 75 SME representatives: Lourdes Arévalo, the President Director of AFP Confía; Ricardo Pineda; Director of AFP Confía and of the S&E Program; Peter Klingeman, Honorary Consul of Holland, and Carlos Arce from USAID/El Salvador. Two beneficiary companies, two local experts, and one international expert all gave testimonials and Mr. Arce highlighted the positive results of the technical assistance that SMEs receive as part of this initiative.

Supported businesses in alliance with Sabios y Expertos		
Company Name	Industry	Month of the Assistance
Ernestina Castro S. A. de CV	Food	October 2013
Maya Cleaning S.A. de C.V	Services	November 2013
COMTEC	Logistics	November 2013
Prodina	Services	January 2014
Rexim	Logistics	February 2014
Direya S.A. de C.V	Substances and chemical products	May 2014
Suministros FMQ	Pharmaceutical products	June 2014
Pronavid	Pharmaceutical and medicinal products	June 2014

PROLECHE	Dairy products	July 2014
MACOGA	Processed animal feed products	September 2014
Centro de Control de Calidad Industrial (CCCI)	Services	September 2014

In the framework of this partnership, to date the Program has assisted 14 SMEs (11 in FY2014), generating a total of \$640,100 in sales and creating 103 new jobs. The technical assistance has resulted in the development of new products, improvements in production processes, innovation in products and processes, training to treat livestock diseases, and support for compliance with export requirements. The assistance provided has generated a significant impact on beneficiary companies like PROLECHE. PROLECHE, a nongovernmental organization with 211 members, received support from an expert in July who trained cooperative members and PROLECHE personnel in treating foot diseases in livestock. Thanks to this support, farmers throughout the country have received training, which has improved milk quality and reduced losses by 50%. In June, the company PRONAVID, which develops and distributes natural medicinal products, received technical assistance from a Dutch expert who advised the company on guaranteeing a higher level of quality in its products and in establishing its own production plant. The company currently works to provide better products that comply with export market requirements.

Bpeace

Bpeace is a nonprofit organization based in the United States that provides technical assistance to SMEs in parts of the world affected by violence through volunteer experts with significant expertise in various industries. Bpeace began working in El Salvador in 2011, focusing on small and medium companies (10-100 employees and \$100,000-\$4 million in revenue) with growth potential in San Salvador and Santa Tecla. The organization assigns experts from the United States, Canada, the United Kingdom, Germany, Mexico, and Singapore to companies that it calls “fast runners.” Over the course of two years, the expert works with the company to accelerate its growth and improve the quality of its products and access to markets, among other things.

Supported businesses in alliance with BPEACE in FY2014		
Company Name	Industry	Month of the Assistance
Krisppys	Food	February 2014
Acoopimold	Plásticos	February 2014
Grupo Razel	Pharmaceutical industry	April 2014
Los Trillizos	Bakery	May 2014
Delibanquetes	Food	June 2014
Seivalca	Services	August 2014
Gesel	Services	August 2014

The Program established an alliance with Bpeace in April 2013 to support the organization in developing Salvadoran SMEs. The agreement consists of Program cofinancing for the stay of volunteers who come to El Salvador to assist local companies. During FY2014, seven companies received assistance and these companies reported \$2,218,500 in increased sales and the creation of 68 jobs. The companies that received this support include *Delibanquetes*, a catering company that requested help in improving operations in their cooking department and the abilities of their chefs, as well as increasing their production capacity without sacrificing product quality. An international chef, Steven Harty, provided this assistance from June 29-July 5. Mr. Harty shared new trends in cooking, particularly highlighting minimalist cuisine, a new concept in El Salvador that replaces large plates with a variety of small ones, allowing the diner to try many different

options. As a result of this assistance, Delibanquetes redesigned its menu and became a pioneer in this type of cuisine, allowing their cooks to be creative, combine tastes, and present their food in unusual ways.

Another company worth mentioning is the bakery *Los Trillizos*, a family business that needed help improving its production processes, the staff's baking skills, and recipes, as well as in developing new products. A British expert in baking and food services worked with the company from May 10-16. As a result, the company added 14 new items to its product list, including a decorated ice cream cake, with significant opportunities to differentiate itself in the market. The company also reported having a more motivated team, improved manufacturing processes, better hygiene and food management, and a sales increase of \$235,000. Below are details about the companies that received assistance during FY2014.



Steven Harty (center), with chefs from Delibanquetes (photograph taken from the company's Facebook account)

Because of the positive results obtained, the Program agreed to extend its partnership to include companies participating in the Bpeace Executive Business Exchange Program, which is financed by the Department of State. This program gives representatives of Salvadoran SMEs the opportunity to do four weeks of training with similar companies in the United States, in addition to getting a 2-year follow-up plan from a team of experts who provide local assistance to the company.

FUNDEMAS

For the third consecutive year, the Program assisted FUNDEMAS, the key CSR organization in El Salvador, in holding National CSR Week, from July 21-26. The objective of the event was to publicize and promote CSR, success stories from large, medium, and small companies, and CSR's contributions to the sustainable economic, social, and environmental development of the country. At the Program's suggestion, the activity included a business roundtable in which the SMEs trained by FUNDEMAS in CSR were able to present their goods and services to potential buyers who also appreciate the CSR component. An introductory workshop on the fundamentals of CSR was held at FEPADE on July 9th.



Image from participants in the Business Roundtable organized in coordination with FUNDEMAS.

The roundtable took place on July 24th with FUNDEMAS's Secretary of the Board of Directors, Carlos Quintanilla Schmidt, presiding over the opening ceremony. The Program's support included organizing all of the events as well as contracting the services of the person who handled recruitment, coordinated business meetings, and followed up with the participating companies. Fifteen anchor members of FUNDEMAS and 77 SMEs from different sectors participated in the business sessions, with each SME securing an average of 10 meetings. Sales of

nearly \$4,300 were generated immediately, and 68 companies are in the process of negotiating sales for next year.

Prior to the roundtable there was a keynote lecture on “Improving Performance and Broadening the Market for SMEs” given by Daniel Javier, CSR Director of the World Business Conference, an organization with branches in the United States dedicated to promoting business development and which provides certification on CSR.

3.8 Assisting the Association of Agricultural Producers in Nueva Concepción (APANC)

The technical assistance given to APANC, which began in February 2013, ended in December 2013. This assistance enabled the Association to create a new formula for livestock concentrate, identify potential markets, and make a business plan to facilitate its entrance into those markets, which are mostly located in the northern part of the country. As a result, APANC increased its market participation and reported sales increases of more than \$360,000.

3.9 Supply chain in the footwear sector

In July 2013 the Program hired FUNDES, a company with significant experience in SME business development, to strengthen the supply chain led by Ravez, S.A. de C.V., a family-owned footwear business. Ravez has seven retail stores in El Salvador called Only Shoes, and institutional sales through its participation in bids from the public and private sectors. 50% of Ravez’s products come from 22 domestic suppliers, with whom the company has faced procurement issues. Ravez has also battled problems with its own business management and lack of a strategy for growth.

The Program supported this intervention upon learning of Ravez’s interest in cofinancing a consultancy to achieve two objectives: assisting it to increase both its purchases and sales in the local market, and strengthening its suppliers to allow them to overcome the obstacles that inhibit their ability to satisfy product demands.

This assistance is expected to help Ravez improve the management of its purchases and define its plan for expansion. Combined with administrative and technical improvements to eight of its strategic suppliers who have committed to the program, the initiative should create value for all participants in the supply chain and make all of them more competitive. The project included business and technical consulting, the latter provided by the Applied Innovation Center in Competitive Technologies (CIATEC) in León, Mexico, to close gaps identified in the assessments of each participant in the chain.

Upon the conclusion of FUNDES’s consultancy, in June 2014, Ravez succeeded in professionalizing its purchase management, defining a supplier management system, and establishing strategic alliances with at least four Program suppliers. In addition, the suppliers are incorporating improvements based on the technical training from CIATEC. At the writing of this report Ravez has increased its domestic purchases by 38% and anticipates even better results from June through September, which is the company’s peak season.

The program to strengthen Ravez and eight of its suppliers developed as follows:

- *Strengthening the footwear suppliers.* Support to the eight SMEs in the footwear sector – five from Santa Ana and three from the San Salvador metro area – began during the first quarter of FY2014 with comprehensive assessments of the companies’ current situations with respect to business management, production capacity, level of innovation, and quality assurance. Following this, action plans were created to identify the next steps that would allow these companies to overcome bottlenecks.

STRENGTHENING PARTICIPANT (OWNER)	COMMERCIAL COMPANY NAME	LOCATION
Henry Blandón	INDUSTRIAS BLANDON, S.A. DE C.V.	Santa Ana
Claudia Cea	TEXTILES Y PIELES, S.A. DE C.V.- Calzado Daddys	Metropolitan area of San Salvador
Guillermo Hernan Guerrero Ruiz	CALZADO GUERRERO	Santa Ana
Nestor Mauricio Campos	NESTOR MAURICIO CAMPOS	Santa Ana
René Gonzalez Martinez	MARIELA SHOES	Santa Ana
David Rene Martinez Colocho	DAVID RENE MARTINEZ COLOCHO	Metropolitan area of San Salvador
Jose Antonio Cortez Baños	INDUSTRIAS DE CALZADO J.A.	Santa Ana
Aristides Amilcar Acosta Yanes	CALZADO ADEMIR	Santa Ana

Finalized in December 2013, the action plans created strategic axes

on which the consultancies focused. These axes were: 1) improve coordination and communication with Ravez; 2) improve production planning based on Ravez’s demand forecasts; 3) design and model new products; 4) develop potential capacities for local and international market expansion; 5) explore serial production; 6) implement production quality systems, and 7) train in business and technical areas.

The business training took place in June and consisted of eight hours on the characteristics of innovation, including commitment, decision-making, and risk evaluation. An additional 16 hours of training focused on family business administration and financial management and planning, a weakness identified during the assessments. The trainings were complemented by a cycle of technical assistance given by CIATEC in March on quality and productivity. The CIATEC expert met with the driver firm to identify quality areas in which its suppliers were lacking and then held a 6-hour group session with the suppliers to explain to them how partnership is a means of improving competitiveness in their sector. He also discussed success stories from León and new techniques in modeling and scaling, and then worked with the suppliers to evaluate the state of the footwear sector in the country. From March 4-13, the expert visited every beneficiary’s factory to impart eight hours of individual technical assistance intended to help the company overcome the particular problems it was facing.

To cover the other axes in the action plan, between April and June the suppliers received 18 hours of individual technical assistance from a FUNDES consultant who followed up on the recommendations in the areas of business management, commitments made in the meeting with Ravez, and CIATEC’s technical advice.

- *Strengthening Ravez.* The process to strengthen the driver firm began in September 2013 with an assessment of the system to manage suppliers and purchasing. In the course of interviewing the company’s directors, FUNDES discovered that the company did not have a good sense of the production capacity or willingness of its suppliers to partner in sales, including with those suppliers with whom it had been working for more than 10 years. Ravez also made orders without consolidating the needs in all of its stores, making its suppliers unable to coordinate their production. In response to these revelations, FUNDES

organized meetings between the company and the leaders of each supplier and then helped Ravez design a supplier and procurement management system to identify those suppliers with the greatest potential for strategic partnerships, and to promote the consolidation of orders between stores to allow the suppliers to develop economies of scale. In parallel, to make Ravez's directors more aware, the Program urged them to visit each of their supplier's factories to evaluate their production capacity and the efforts they make to fulfill orders.

Combining improvement in the areas of supplier and procurement management with the goal of increasing the driver firm and its suppliers' sales, the consultancy to strengthen Ravez assisted participants in revising their business plan and developing a plan for growth. The review of the business model allowed the leaders of Ravez to reflect on the company's long-term sustainability, lines of business, and the role of domestic suppliers. This process facilitated the construction of a shared vision and the decision to replace imports with higher quality and more durable domestic products. Ravez finished implementing this revised business model in October. Ravez also received assistance in developing an expansion and communication plan. To begin with, the consultancy undertook a consumer behavior study to identify weaknesses that inhibited organized growth. The management and FUNDES analyzed this information together and created a 5-year road map for growth. The document contains strategies to ensure the company's continued success and includes a discussion of medium- and long-term business models, financial projections, expansion schedule, and the investment and advertising plan. The marketing plan includes a strategy to position the brand and make a value proposition to middle income Salvadoran families with a local product of artisan quality.

Between January and April 2014, Ravez's directors and administrative personnel received business training in developing sales policies, creating a balanced scorecard to monitor performance and efficiency indicators, and reviewing their product lines to identify the ones with greatest turnover to better focus their purchases. This review enabled Ravez to define five categories and identify the type of products within the categories that generated the most earnings.

The intervention ended in June with a closing meeting at which the results were presented to the Chávez family, which owns Ravez, and to the eight suppliers that participated in the project. At the meeting, Ravez reiterated its commitment to increase its domestic purchases and further improve its procurement process. In August the Program received the final report on closing the gaps in the administration of Ravez and its suppliers. This report highlighted the following achievements:

- *Increase in domestic purchases by the driver firm:* Ravez's domestic purchases from four of the eight suppliers that participated in the initiative increased by 38% as of May 2014, compared to the period from December 2012-May 2013. The June-September period is the peak season for the company and a greater purchasing increase is expected in the next quarterly report.
- *Definition of a growth strategy for the driver firm:* The consultancy enabled Ravez to define its road map for growth as a family-owned business and in terms of the mix of products that it offers. From an administrative standpoint, qualified members of the family will be taking on newly created roles in the company such as marketing management and handling changes in key purchasing positions. The directors of Ravez were diligent in adopting the recommendations that emerged from the consultancy, even though the fact that Ravez is a family business sometimes made this difficult. From a sales standpoint, the company decided to expand the domestic products it sells and replace imported products with domestic ones.

This is in line with its value proposition and marketing scheme to sell Salvadoran products with artisanal craftsmanship.

- *Awareness of supplier needs.* The consultancy allowed Ravez to recognize the value of developing strategic partnerships with its suppliers. It thus began to communicate more with each of its suppliers, securing a commitment from them and showing genuine interest in holding regular meetings with each one and making factory visits. Though eight of the suppliers have worked with Ravez for more than 10 years, this program provided the first occasion for Ravez to visit their factories and understand their work conditions and production capacities. This has made the company more aware of the importance of better managing its purchases.
- *Improvement in purchasing management:* Ravez professionalized the management of its purchases and established a new process that allows it to make consolidated orders, optimizing the production planning of its suppliers and the company's ability to plan its purchases and forecast demand. The company's management also committed to purchasing an information system before the end of 2014 to facilitate the integration of inventory in each store and obtain automated consolidated order information.

3.10 American Chamber of Commerce in El Salvador (AMCHAM)

In May 2013 the Program signed an alliance with AMCHAM to support a trade mission to Guatemala City as part of the Business Future of the Americas conference, the annual meeting of the Latin American Association of the American Chambers of Commerce. The initiative took place in June and attracted the participation of 11 SMEs interested in increasing their business potential in Guatemala and other Latin American countries. Given the positive results, in FY2014 the Program again agreed to support SME participation in the conference, which was held at a hotel in Panama City on July 15 and 16. The day before the conference began, there was a business roundtable for the participating companies: Bemisal (packaging for animal food), BDS Asesores (legal advisory services), RF Systems (software development), and Hermel (food). The event ensured that each company held at least six business meetings.

ANNEXES

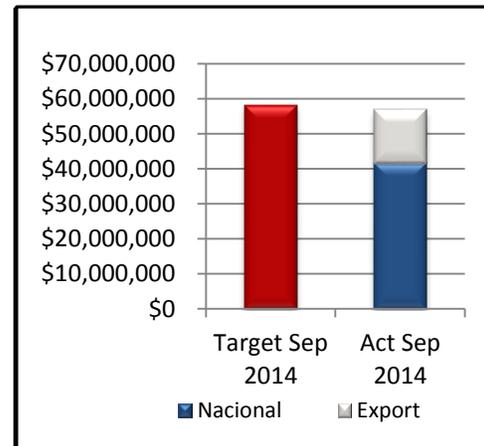
ANNEX A: ADVANCES IN KEY INDICATORS AS OF SEPTEMBER 30, 2014

1. Increased annual 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 2014: \$58,297,584
Actual as of Jun 2014: 57,001,563

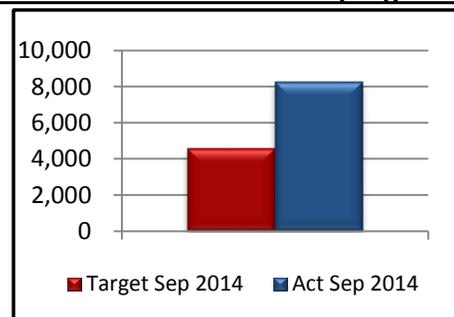
The institutional strengthening of Fondeprou and the CDMYPE network continues generating important results. 40% of the additional sales are generated by companies assisted by CDMYPEs, 29% by FONDEPRO beneficiaries and the remaining 31% comes from other initiatives. Export sales amounted to \$15,292,794.

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

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



Target for Sep 2014: 4,538
Actual as of Jun 2014: 8,222

Most of the job results come from companies assisted by CDMYPEs (70%), while 13% come from Fondeprou. Jobs are distributed by gender as follows:

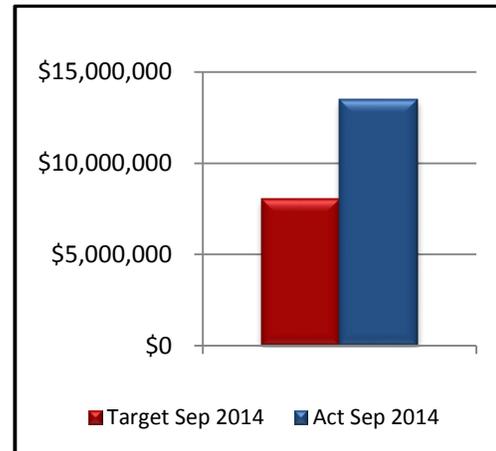
Gender	Number of jobs	Percentage
Male	4,204	51%
Female	4,018	49%

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, agreements or Program’s memoranda with leverage estimation. Fondeprou and Conamype through reports of leverage raised from SME and partners that run CDMYPE, respectively



Target for Sep 2014: \$8,041,882
Actual as of Jun 2014: \$13,488,148

73% of the total amount leveraged comes from SMEs involved in our initiatives and 27% from non-government institutions that support SME development.

The detail of leverage by counterparty is as follows:

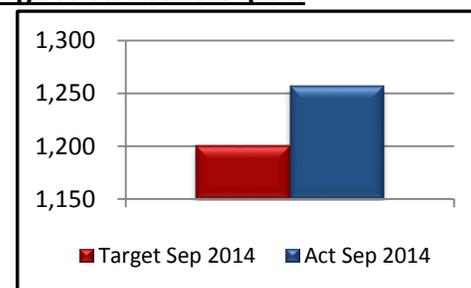
Counterpart	Leverage
Private	\$9,805,184.20
NGOs	\$3,682,963.91
Total	\$13,488,148.11

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 2014: 1,200
Actual as of Jun 2014: 1,257

In last quarter, initiatives such as Advanced Apiculture and fairs New World Craft, Manufexport and Expocomida Latina among others, were supported. This led to an increase

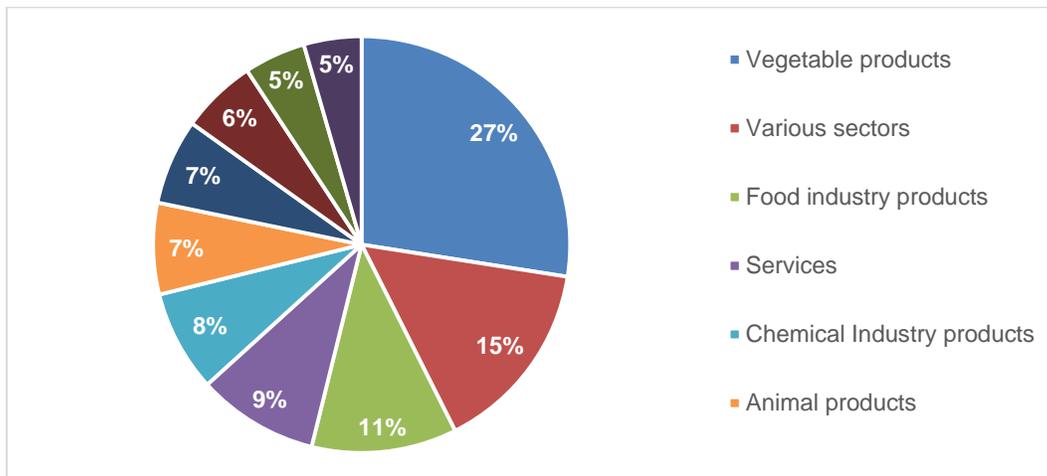
in the number of companies that received assistance for export to 1,257. Out of these 1,257 companies, 609 received only training, while 648 received technical assistance.

Type of support	Number of companies
Technical assistance	648
Only training	609

Companies that received technical assistance are distributed as follows in terms of the gender of their owner:

Gender	Number of companies
Male	408
Female	197
No data available	43

Of the companies that received technical assistance, 27% were in the vegetable products sector (coffee, fruits, vegetables, etc.) In general, companies were distributed as follows:

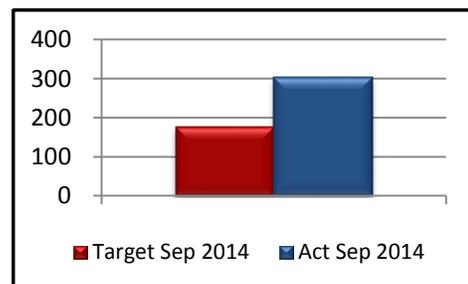


5. Number of USG supported trade and investment capacity building trainings events.

Definición: 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 2014: 176
Actual as of Jun 2014: 304

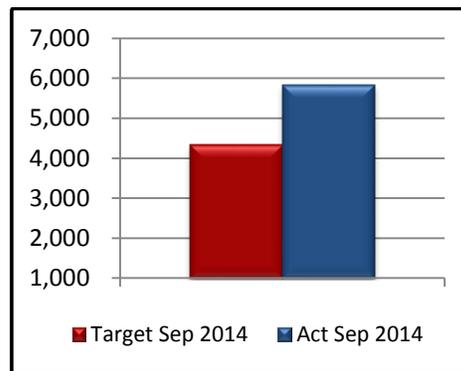
Of the 304 events carried out, 263 were directly targeted to SMEs and 41 were intended to strengthen small business development institutions like CONAMYPE, FONDEPRO and PROESA. 65% of the topics of these events had to do with process improvement and 11% with export.

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

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 complete 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 2014: 4,347
Actual as of Jun 2014: 5,840

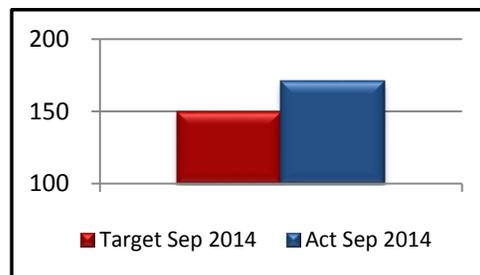
74% of participants came from the private sector, 17% were from NGOs and small business development institutions, and 9% were from the public sector. 52% of the participants were women.

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 2014: 150
Actual as of Jun 2014: 171

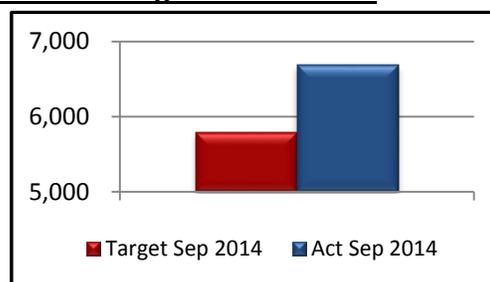
Because of the intense work undertaken in training of counterparts such as CDMYPE, PROESA, Fondeprou and Proinnova that provide development services, 171 consultants have been trained in the development of business capacity. 69% of these 171 consultants work for CDMYPEs. 57% were women and 43% men

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 2014: 5,798
Actual as of Jun 2014: 6,686

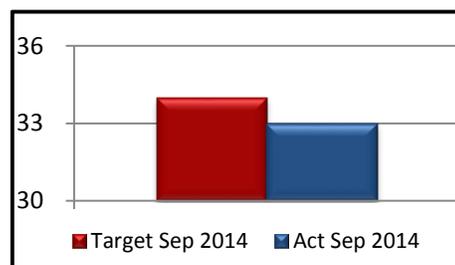
The plan to strengthen the CDMYPE network has helped to make the network's internal processes more efficient and streamlined, which has enabled the coverage of the model to expand.

9. Number of PSO working with the Program, to support SME groups

Definición: 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 2014: 34
Actual as of Jun 2014: 33

The successful effort to build relationships with SME development organizations has allowed the establishment of agreements with 33 companies and organizations to date: Coexport, Agrosania, Tropix, CCIES, FUNDEMAS, FUNDES, Proinnova/Fusades, Vital Voices, 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, Bpeace, Exporsal, TUDO, Siman, AmCham, AFP Confía, RAVEZ, Aspescu, FUPEC, AMEES, Geolac, ITCA, 3Puntos

Other results

- I. CDMYPEs assisted and accredited. The Program originally intended to assist 17 CDMYPEs, but there are currently only 12 in operation.

- II. Number of companies certified: Currently, employees of El Salvador Produce have been certified in HACCP, as have four companies in the Program for Organic Certification run by the US Department of Agriculture.

ANNEX B: TRAINING EVENTS

Event	Date	Gender		Total participants
		Male	Female	
Certification course to CDMYPE staff	October 9, 2013	25	41	66
Successes and lessons learned from an entrepreneurial designer	October 9, 2013	8	12	20
Study Tour ASBDC Puerto Rico	November 11, 2013	1	3	4
Preventing Extortion in MSEs	November 13, 2013	15	11	26
Preventing Extortion in MSEs	November 19, 2013	14	20	34
Preventing Extortion in MSEs	November 19, 2013	6	12	18
Preventing Extortion in MSEs	November 29, 2013	6	10	16
Follow-up meeting with FONDEPRO	December 11, 2013	7	6	13
CEPS Ravez training	January 8, 2014	4	3	7
Financial Management Modules and Monitoring goals of SGI	January 10, 2014	1	0	1
Financial Management Modules and Monitoring goals of SGI	January 13, 2014	1	4	5
COEXPORT's Shopping cart- Products from El Salvador	January 14, 2014	1	12	13
Strengthening of business skills for Ravez's suppliers	January 15, 2014	6	1	7
Financial Management Modules and Monitoring goals of SGI	January 17, 2014	11	11	22
Women Entrepreneurs winning the great game of business	January 27, 2014	1	111	112
Women Entrepreneurs winning the great game of business	January 28, 2014	2	58	60
Women Entrepreneurs winning the great game of business	January 30, 2014	1	47	48
GMP Training for ASPESCU	January 30, 2014	3	4	7
Modification of Supplier Management System for Ravez	January 30, 2014	2	1	3

Event	Date	Gender		Total participants
		Male	Female	
Modification of Supplier Management System for Ravez	February 3, 2014	0	9	9
Modification of Supplier Management System for Ravez	February 4-5, 2014	2	1	3
Modification of Supplier Management System for Ravez	February 11, 2014	2	2	4
GMP Training for ASPESCU	February 13, 2014	4	4	8
Women Entrepreneurs winning the great game of business	February 13, 2014	4	50	54
Modification of Supplier Management System for Ravez	February 13, 2014	2	2	4
Women Entrepreneurs winning the great game of business	February 18, 2014	2	125	127
Concepts and Methodology of Impact Monitoring and Measuring for FONDEPRO	February 19, 2014	10	12	22
Women Entrepreneurs winning the great game of business	February 20, 2014	0	53	53
Handling, storage and use of Alkemy chemicals for ASPESCU	February 27, 2014	3	0	3
CIATEC Training for RAVEZ's suppliers	March 05, 2014	2	0	2
Cleaning and corrective maintenance of stainless steel surfaces, plastic curtains and walls for ASPESCU	March 06, 2014	3	0	3
CIATEC Training for RAVEZ's suppliers	March 06, 2014	2	0	2
CIATEC Training for RAVEZ's suppliers	March 07, 2014	2	0	2
CIATEC Training for RAVEZ's suppliers	March 10, 2014	2	0	2
CIATEC Training for RAVEZ's suppliers	March 11, 2014	1	0	1
CIATEC Training for RAVEZ's suppliers	March 12, 2014	1	0	1
Legal figures for the creation of CDMYPE Organization	March 12, 2014	7	4	11
CIATEC Training for RAVEZ's suppliers	March 13, 2014	1	0	1
How to sell to SIMAN?	March 17, 2014	20	34	54

Event	Date	Gender		Total participants
		Male	Female	
Food Safety Modernization Act (FSMA)	March 27-28, 2014	15	11	26
Dry mill process and manual selection of specialty coffee	April 1, 2014	2	2	4
Dry mill process and manual selection of specialty coffee	April 2, 2014	6	0	6
Agronomic management in coffee farms	April 4, 2014	2	1	3
Successful participation in International Trade Fairs	April 7, 2014	20	22	42
Improving the quality of specialty coffee harvest	April 7, 2014	3	0	3
Processing of specialty coffee in African beds	April 7, 2014	3	0	3
Dry mill process and manual selection of specialty coffee	April 8, 2014	3	2	5
Elaboration of African beds for specialty coffee	April 9, 2014	3	0	3
Improvement of the quality of specialty coffee harvest	April 9, 2014	3	0	3
Agronomic management in coffee farms	April 10, 2014	3	0	3
Agronomic management in coffee farms	April 11, 2014	5	2	7
Specialty coffee market	April 11, 2014	7	1	8
Elaboration of African beds for specialty coffee	April 12, 2014	5	2	7
Improvement of the quality of specialty coffee harvest	April 12, 2014	6	1	7
Processing of specialty coffee in African beds	April 16, 2014	2	0	2
Use of moisture meters and refractometers for specialty coffee	April 16, 2014	1	1	2
Processing of specialty coffee in African beds	April 19, 2014	6	1	7
Dry mill process and manual selection of specialty coffee	April 23, 2014	6	1	7
Agronomic management in coffee farms	April 24, 2014	5	1	6

Event	Date	Gender		Total participants
		Male	Female	
Specialty coffee cupping techniques	April 25, 2014	6	1	7
Use and calibration of coffee pulp processing machinery for specialty coffees	April 26, 2014	6	1	7
Specialty coffee cupping techniques	April 28, 2014	5	4	9
Technical assistance in business and strategic growth plans -Vital Voices	April 29, 2014	1	46	47
Specialty coffee cupping techniques	April 29, 2014	1	4	5
Specialty coffee cupping techniques	April 30, 2014	6	1	7
Agronomic management in coffee farms	May 2, 2014	2	0	2
Specialty coffee cupping techniques	May 2, 2014	3	0	3
Drying process of washed coffee	May 2 and 3, 2014	3	2	5
Agronomic management in coffee farms	May 3, 2014	6	2	8
Dry mill process and manual selection of specialty coffee	May 3, 2014	3	0	3
Drying process of washed coffee	May 5 and 6, 2014	3	2	5
Mejoramiento de la calidad de cosecha de café especial	May 6, 2014	3	2	5
Technical assistance in business and strategic growth plans -Vital Voices	May 6, 2014	0	42	42
Processing of specialty coffee in African beds	May 6, 2014	3	2	5
Improvement of the quality of specialty coffee harvest	May 7, 2014	2	0	2
Processing of specialty coffee in African beds	May 7, 2014	2	0	2
Improvement of the quality of specialty coffee harvest	May 8, 2014	5	2	7
Processing of specialty coffee in African beds	May 8, 2014	5	2	7
Drying process of washed coffee	May 7 and 8, 2014	2	2	4

Event	Date	Gender		Total participants
		Male	Female	
Prevention of extortions in micro and small enterprises	May 9, 2014	11	13	24
Drying process of washed coffee	May 9 and 10, 2014	5	0	5
Dry mill process and manual selection of specialty coffee	May 12, 2014	3	2	5
Marketing of specialty coffees	May 12, 2014	3	2	5
Drying process of washed coffee	May 12 and 13, 2014	5	2	7
Dry mill process and manual selection of specialty coffee	May 13, 2014	2	0	2
Marketing of specialty coffees	May 13, 2014	2	0	2
Dry mill process and manual selection of specialty coffee	May 14, 2014	5	3	8
Marketing of specialty coffees	May 14, 2014	5	3	8
Drying process of washed coffee	May 15 and 16, 2014	3	0	3
Drying process of washed coffee	May 16 and 17, 2014	3	2	5
Experimental Workshops for Sequence	May 16, 2014	11	2	13
Marketing of specialty coffees	May 17, 2014	3	2	5
Experimental Workshops for Sequence	May 17, 2014	8	6	14
Drying process of washed coffee	May 19 and 20, 2014	2	0	2
Use and calibration of coffee pulp processing machinery for specialty coffees	May 19, 2014	3	0	3
Marketing of specialty coffees	May 19, 2014	4	4	8
Marketing of specialty coffees (Barrancón)	May 20, 2014	3	0	3
Marketing of specialty coffees (Rancho Quemado)	May 20, 2014	6	0	6
Improvement in purchase management with RAVEZ' national suppliers.	May 20-23, 2014	3	2	5

Event	Date	Gender		Total participants
		Male	Female	
Marketing of specialty coffees	May 21, 2014	2	2	4
Drying process of washed coffee	May 21 and 22, 2014	4	3	7
Experimental Workshops for Sequence	May 23, 2014	14	1	15
Negotiation processes and shipping of samples	May 23, 2014	6	2	8
Experimental Workshops for Sequence	May 24, 2014	11	4	15
Use of moisture meters and refractometers for specialty coffee	May 26, 2014	6	1	7
Use of moisture meters and refractometers for specialty coffee	May 27, 2014	7	0	7
Improvement in purchase management with RAVEZ' national suppliers	May 27-30, 2014	3	2	5
Crece Mujer 2014	May 28, 2014	0	7	7
Innovation to increase added value in the Chemical Pharmaceutical Sector	May 28, 2014	16	22	38
Dinamization of the metalworks sector of El Salvador	May 29 and 30, 2014	19	4	23
Experimental Workshops for Sequence	May 30, 2014	15	1	16
Experimental Workshops for Sequence	May 31, 2014	4	3	7
Dinamization of the metalworks sector of El Salvador	May 31, 2014	12	1	13
Prevention of extortions in micro and small enterprises	June 10, 2014	11	12	23
Experimental Workshops for Sequence	June 13, 2014	14	0	14
Experimental Workshops for Sequence	June 14, 2014	6	3	9
Advanced apiculture training	June 18, 2014	149	30	179
Experimental Workshops for Sequence	June 20, 2014	14	0	14
Experimental Workshops for Sequence	June 21, 2014	5	3	8

Event	Date	Gender		Total participants
		Male	Female	
Experimental Workshops for Sequence	June 28, 2014	4	2	6
Experimental Workshops for Sequence	July 3rd, 2014	13	0	13
Experimental Workshops for Sequence	July 4th, 2014	11	0	11
Experimental Workshops for Sequence	July 5th, 2014	1	1	2
Effective preparation of applications for grant funds	July 8th, 2014	42	39	81
Experimental Workshops for Sequence	July 10th, 2014	12	0	12
Experimental Workshops for Sequence	July 11, 2014	12	0	12
Experimental Workshops for Sequence	July 11, 2014	9	3	12
Exporting Woman Seminar by COEXPORT, 2014	July 15, 2014	0	41	41
Advanced Apiculture	July 17, 2014	89	29	118
Experimental Workshops for Sequence	July 19, 2014	4	3	7
Drivers of economic value and generating ideas for innovation	July 23, 2014	14	25	39
Talleres Experimentales Sequence	July 26, 2014	5	0	5
Modelo Malcolm Baldrige CDMYPE	July 28, 2014	45	70	115
Procesos de negociación y envío de muestras Feria Expocalzado 2014	July 29, 2014	2	3	5
Leadership seminar for CDMYPE	July 29, 2014	15	7	22
Strategic planning seminar for CDMYPE	July 30-31st, 2014	18	13	31
Preventing Extortion in MSEs	August 13, 2014	7	18	25
La Innovación ante los desafíos futuros y búsqueda de nuevos mercados	August 19, 2014	26	19	45
Preventing Extortion in MSEs	August 22, 2014	8	8	16

Event	Date	Gender		Total participants
		Male	Female	
Advanced Apiculture	August 28, 2014	77	28	105
Advanced Apiculture	August 29, 2014	10	5	15
Annual Study Tour Conference ASBDC	September 8- 13, 2014	1	5	6
Networking workshop – Vital Voices	September 9, 2014	0	23	23
Capacity management in innovation and design of an innovation plan for the pharmaceutical sector	September 10- 11, 2014	18	29	47
Training for New World Crafts Trade Fair 2014	September 11, 2014	0	8	8
Preventing Extortion in MSEs	September 19, 2014	2	14	16
USAID’s Gender Policy	September 24, 2014	2	22	24
International Certification in Bakeri by AIB	September 30, 2014	20	12	32
Total participants				2,800

ANNEX C: LIST OF DELIVERABLES BY TASK ORDER, ASBDC'S SUB CONTRACT AND OTHER CONSULTANCIES

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
II (2013)	I	5	Reporte de progreso, a mitad del período de cada PYME participante- proveedores de Agrosania	Approved
III (2013)	Subcontract	5	Guía final de criterios de evaluación- FONDEPRO	Approved
	III (CCIES)	3	Estudio de Mercado - TUDO	Approved
	Subcontract	3	Documento resumen sobre el modelo de acreditación de Estados Unidos, México y otros	Approved
IV (2013)	III (CCIES)	4	Plan de Negocios – TUDO	Approved
	Consultancy	3	Estudio de validación de mercado	Approved
	Subcontract	4	Documento de criterios y estándares	Approved
	II (Coexport)	4	Presentación y Reporte Final I-19	Approved
	Consultancy	4	Desarrollo de fórmulas de concentrado	Approved
	Consultancy	5	Reporte final para el Programa (6 PYME proveedoras de Wal-Mart)	Approved
	Consultancy	1	Quince Planes de negocio, uno por cada empresa asignada- Exportar Paso a Paso 2013	Approved
	Consultancy	1	Quince planes de Negocio, uno por cada empresa asignada- Exportar Paso a Paso 2013	Approved
	Consultancy	1	Quince planes de negocio, uno por cada empresa asignada- Exportar Paso a Paso 2013	Approved
	Subcontract	6	Capacitación sobre la aplicación de la guía de autoevaluación y diseño del plan de mejora	Approved
	Consultancy	1	Quince planes de negocio, uno por cada empresa asignada- Exportar Paso a Paso 2013	Approved
	Consultancy	1	Quince planes de negocio, uno por cada empresa asignada- Exportar Paso a Paso 2013	Approved
	Consultancy	5	Procesos de producción de fórmulas de concentrado	Approved
	Consultancy	1	Quince planes de negocio, uno por cada empresa asignada- Exportar Paso a Paso 2013	Approved
	Consultancy	6	Reporte final - APANC	Approved
	III (Coexport)	1	Propuesta de asistencia técnica para cada PYME- Asistencia Técnica	Approved
	III (Coexport)	2	Acuerdos de entendimiento con las PYME participantes- Asistencia Técnica	Approved
III (Coexport)	3	Reportes finales- Asistencia Técnica	Approved	

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
	IV (Coexport)	1	Convocatoria- Feria Expocalzado	Approved
	IV (Coexport)	2	Reunión de reclutamiento y cartas de compromiso- Feria Expocalzado	Approved
	IV (Coexport)	3	Preparación de las empresas – Feria Expocalzado	Approved
	IV (Coexport)	5	Acompañamiento a feria y reporte final- Feria Expocalzado	Approved
	Subcontract	1	Plan de trabajo- Sistema Gestión Iniciativas Empresariales FONDEPRO	Approved
	Subcontract	1	Carta compromiso de la empresa tractora RAVEZ	Approved
	Subcontract	1	Cartas de compromiso de las empresas proveedoras de RAVEZ	Approved
	Subcontract	2	Cartas de compromiso de las empresas proveedoras de RAVEZ	Approved
	Consultancy	2	Propuesta preliminar del diseño técnico del instrumento de co-financiamiento- Metodología de concurso de FONDEPRO	Approved
	Consultancy	3	Propuesta final del diseño técnico del instrumento de co-financiamiento – Metodología de concurso de FONDEPRO	Approved
	Subcontract	1	Propuesta de diseño- Módulo seguimiento de metas e informes financieros Conamype	Approved
	V (Coexport)	1	Convocatoria – Feria New World Craft 2013	Approved
	V (Coexport)	2	Reunión de reclutamiento- Feria New World Craft 2013	Approved
	V (Coexport)	3	Cartas de compromiso- Feria New World Craft 2013	Approved
	V (Coexport)	4	Citas de negocio- Feria New World Craft 2013	Approved
	V (Coexport)	5	Adquisición del piso de exhibición, diseño y decoración del stand- Feria New World Craft 2013	Approved
	V (Coexport)	6	Capacitación y asesoría en procesos de negociación y envío de muestras- Feria New World Craft 2013	Approved
	V (Coexport)	7	Desarrollo del material promocional- Feria New World Craft 2013	Approved
	V (Coexport)	9	Acompañamiento a feria y reporte final – Feria New World Craft 2013	Approved
	Subcontract	7	Guía para evaluadores	Approved
	Subcontract	2	Propuesta de diseño del Sistema Gestión Iniciativas Empresariales FONDEPRO	Approved
	IV (CCIES)	1	Plan de trabajo- proveedores Geolac	Approved
I (2014)	Consultancy	3	Reporte final describiendo resultados comerciales y ventas aseguradas a Simán, así como la sostenibilidad que se haya logrado en cuanto a la proveeduría de cada artesano.	Approved
	Subcontract	8	Autoevaluaciones y Planes de mejora para los 11 CDMYPES	Approved

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
	Subcontract	9	Informe de resultados del ejercicio de evaluación	Approved
	Subcontract	3	Primera entrega parcial de 3 módulos del Sistema Gestión Iniciativas Empresariales FONDEPRO	Approved
	Subcontract	6	Diagnósticos de fabricantes de calzado- RAVEZ	Approved
	Subcontract	7	Planes de acción para cuando menos ocho proveedores de calzado de RAVEZ	Approved
	Subcontract	10	Plan de expansión y de Difusión de RAVEZ validado	Approved
	Consultancy	3	Plan de negocios- concentrado APANC	Approved
	Consultancy	4	Reporte final- Plan de negocios concentrado APANC	Approved
	Subcontract	1	Plan de trabajo- Voces Vitales	Approved
	Subcontract	2	Diseño de un programa de capacitación (dos módulos) con el tema de habilidades generales de negocios- Voces Vitales	Approved
	Subcontract	3	Diseño de materiales didácticos para el primer módulo de capacitación – Voces Vitales	Approved
	Consultancy	1	Coordinación y acompañamiento a misión comercial a Guatemala	Approved
	Consultancy	2	Coordinación y acompañamiento a misión comercial a Honduras	Approved
	Consultancy	3	Coordinación y acompañamiento a misión comercial a Nicaragua	Approved
	Consultancy	1	Ocho diagnósticos de las páginas web de la PYME seleccionadas por PROESA	Approved
	Consultancy	1	Siete diagnósticos de las páginas web de la PYME seleccionada por PROESA	Approved
	V (CCIES)	1	Plan de trabajo- ASPESCU	Approved
	VII (Coexport)	1	Planes de trabajo de asistencia técnica para cada PYME –Asistencia técnica	Approved
	VII (Coexport)	2	Acuerdo de entendimiento con las PYME participantes- Asistencia técnica	Approved
	VIII (Coexport)	1	Planes de trabajo de asistencia técnica para cada PYME- Asistencia técnica	Approved
	VIII (Coexport)	2	Acuerdo de entendimiento con las PYME participantes- Asistencia Técnica	Approved
	IV (CCIES)	2	Convenios con proveedores y empresa tractora-proveedores Geolac	Approved
	IV (CCIES)	3	Doce documentos de diagnóstico- proveedores Geolac	Approved
	Consultancy	1	Propuesta del desarrollo del taller- Promoción Asociación CDMYPE	Approved
	Consultancy	2	Taller de sensibilización sobre asociatividad-Promoción Asociación CDMYPE	Approved
	Consultancy	3	Informe de resultados del taller - Promoción Asociación CDMYPE	Approved
II (2014)	I (CCIES)	6	Reporte final- Agrosania	Approved

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
	I (CCIES)	7	Al menos 75% de los proveedores reportando nuevas ventas- Reportes de venta de los proveedoras de Agrosania	Approved
	Subcontract	8	Informe del sistema de gestión de proveedores modificado de RAVEZ	Approved
	Subcontract	9	Diseño del nuevo plan de sistema de compras de RAVEZ	Approved
	Subcontract	2	Desarrollo e implementación de los módulos para el registro, monitoreo y seguimiento de metas y para la generación de informes financieros	Approved
	Subcontract	3	Documentación técnica, archivos digitales (códigos fuentes)	Approved
	Subcontract	4	Sesiones de entrenamiento- Módulo seguimiento de metas e informes financieros Conamype	Approved
	Subcontract	4	Entrega del primer módulo de capacitación- Voces Vitales	Approved
	Subcontract	5	Diseño de materiales didácticos para el segundo módulo de capacitación- Voces Vitales	Approved
	Subcontract	6	Entrega del segundo módulo de capacitación- Voces Vitales	Approved
	Consultancy	4	Informe final de seguimiento y monitoreo	Approved
	Consultancy	2	Ocho planes de mercadeo digital uno por cada PYME asignada	Approved
	Consultancy	2	Siete planes de mercadeo digital uno por cada PYME asignada	Approved
	IV (CCIES)	4	Doce planes de trabajo para el desarrollo de asistencias técnicas- proveedores Geolac	Approved
	IX (Coexport)	1	Convocatoria- Feria ExpoWalMart 2014	Approved
	IX (Coexport)	2	Reunión de reclutamiento- Feria ExpoWalMart 2014	Approved
	IX (Coexport)	3	Cartas de compromiso- Feria ExpoWalMart 2014	Approved
	IX (Coexport)	4	Contratación del piso de exhibición y decoración- Feria ExpoWalMart 2014	Approved
	IX (Coexport)	5	Capacitación y asesoría en procesos de negociación y envío de muestras- Feria ExpoWalMart 2014	Approved
	IX (Coexport)	6	Reunión final de coordinación- Feria ExpoWalMart 2014	Approved
	IX (Coexport)	7	Acompañamiento a feria y reporte final- Feria ExpoWalMart 2014	Approved
	VI (CCIES)	1	Propuesta de desarrollo de la cadena de valor- Los Quesos de Oriente II	Approved
	Subcontract	1	Plan y estrategia de trabajo	Approved
	Subcontract	2	Diseño de metodología y encuesta	Approved
	Subcontract	3	Integración e inducción del equipo encuestador	Approved
	X (Coexport)	1	Comunicaciones para la convocatoria- Feria ExpoAntad 2014	Approved

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
	X (Coexport)	2	Documentación de una reunión de reclutamiento- Feria ExpoAntad 2014	Approved
	X (Coexport)	3	Cartas de compromiso- Feria ExpoAntad 2014	Approved
	X (Coexport)	4	Carta de contratación del piso de exhibición y propuesta de decoración- Feria ExpoAntad 2014	Approved
	X (Coexport)	5	Capacitación y asesoría en procesos de negociación y envío de muestras- Feria ExpoAntad 2014	Approved
	X (Coexport)	6	Reporte sobre la reunión final de coordinación- Feria ExpoAntad 2014	Approved
	II (CCIES)	6	Reporte Final – Los Quesos de Oriente	Approved
	II (CCIES)	7	Al menos 75% de los proveedores reportando nuevas ventas- Reportes de venta de los proveedores de Los Quesos de Oriente	Approved
	Consultancy	10	Propuesta del Sistema de Acreditación de los CDMYPE aprobada por el comité de Consulta	Approved
	Consultancy	11	Informe de talleres de desarrollo empresarial y técnico - RAVEZ	Approved
	Consultancy	12	Informe de talleres para mejorar gestión de comprar a proveedores nacionales - RAVEZ	Approved
	Consultancy	7	Diseño de currícula y material didáctico para un taller de crecimiento estratégico y planes de negocios – Voces Vitales	Approved
	Consultancy	8	Selección de las PYME que participarán en el taller de crecimiento estratégico y planes de negocios y fase de coaching empresarial – Voces Vitales	Approved
	V (CCIES)	2	Reporte de validación de mercado y documento de plan de negocios - ASPESCU	Approved
	VII (Coexport)	3	Proceso de implementación y reportes finales – Asistencia Técnica COEXPORT	Approved
	VIII (Coexport)	3	Proceso de implementación y reportes finales – Asistencia Técnica COEXPORT	Approved
	IV (CCIES)	5	Reporte de resultados de asistencias técnicas brindadas a las 12 empresas proveedoras – proveedores GEOLAC	Approved
	IV (CCIES)	6	Reporte final – proveedores GEOLAC	Approved
	VI (CCIES)	2	Convenios con proveedores y empresa tractora – Los Quesos de Oriente II	Approved
	VI (CCIES)	3	Once documentos de diagnóstico – Los Quesos de Oriente II	Approved
	Consultancy	4	Reporte de resultados de prueba piloto	Approved
III (2014)	Subcontract	4	Segunda entrega parcial de 3 módulos del Sistema Gestión Iniciativas Empresariales FONDEPRO	Approved
	V (CCIES)	3	Capacitación HACCP y Manual de implementación - ASPESCU	Approved
	V (CCIES)	6	Desarrollo de marca- ASPESCU	Approved

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
	Consultancy	8	Reporte de recomendaciones de mejora al sistema para capturar, registrar y medir el impacto económico	Approved
	X (Coexport)	7	Acompañamiento a feria y reporte final- Feria ExpoAntad 2014	Approved
	Subcontract	1	Cartas de compromiso de la empresa tractora y de los pequeños productores de café	Approved
	Subcontract	2	Reportes de capacitación de productores que no lograron el puntaje de calidad requerido para clasificar como cafés especiales en 2013	Approved
	Subcontract	4	Fichas de mercadeo y etiquetas de productores que fueron identificados en 2014	Approved
	Consultancy	1	Plan de trabajo- Asociación CDMYPE	Approved
	Subcontract (CCIES)	1	Plan de trabajo y carta de compromiso de consultores seleccionados- Innovexport	Approved
	Subcontract (CCIES)	2	Lista de empresas seleccionadas para el programa de fortalecimiento- Innovexport	Approved
	Subcontract (CCIES)	3	Cartas de compromiso de las PYME- Innovexport	Approved
	XI (Coexport)	1	Documentación de una reunión informativa- Feria World of Coffee 2014	Approved
	XI (Coexport)	2	Cartas de compromiso- Feria World of Coffee 2014	Approved
	XI (Coexport)	3	Propuesta del proveedor de decoración- Feria World of Coffee 2014	Approved
	XI (Coexport)	4	Participación en capacitación y documentación asesoría en procesos de negociación y envío de muestras- Feria World of Coffee 2014	Approved
	XI (Coexport)	5	Materiales promocionales y agendas de negocios para cada participante- Feria World of Coffee 2014	Approved
	XI (Coexport)	6	Reporte sobre la reunión final de coordinación- Feria World of Coffee 2014	Approved
	Subcontract	5*	Desarrollo, integración e implementación total del Sistema Gestión Iniciativas Empresariales FONDEPRO	Approved
	Subcontract	13*	Reporte del estado final y cierre de brechas de productores de calzado- RAVEZ	Approved
	Subcontract	9*	Llevar a cabo un taller de crecimiento estratégico y planes de negocio- Voces Vitales	Approved
	Subcontract	5*	Primer informe de avance de medición de impacto	Approved
	Subcontract	6*	Segundo informe de avance de medición de impacto	Approved
	Subcontract	7*	Informe consolidado de medición de impacto y percepción de calidad de los servicios	Approved
	Subcontract	3*	Reportes de capacitación de productores con potencial de procesar cafés especiales que no han recibido entrenamiento	Approved
	Consultancy	2*	Perfil de la Asociación- Asociación CDMYPE	Approved
	Subcontract (CCIES)	4*	Diseño de curricula y material didáctico para los talleres a empresas y consultores	Approved

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
	Subcontract (CCIES)	5*	Entrega del primer taller para empresas y consultores en Estrategia de Innovación para la Exportación y primer reporte de avance de asistencia técnica	Approved
	XI (Coexport)	7*	Reporte final sobre la feria- Feria World of Coffee 2014	Approved
	XII (Coexport)	1*	Planes de trabajo de asistencias técnicas- Asistencia Técnica	Approved
	XII (Coexport)	2*	Cartas de compromiso- Asistencia Técnica	Approved
	Consultancy	1*	Plan de trabajo- Fundemas	Approved
	Consultancy	2*	Agendas de reuniones de negocios- Fundemas	Approved
IV (2014)	Subcontract	6*	Documentación técnica, archivos digitales (códigos fuente)- Sistema Gestión Iniciativas Empresariales FONDEPRO	Approved
	Subcontract	7*	Sesiones de entrenamiento- Sistema Gestión Iniciativas Empresariales FONDEPRO	Approved
	Subcontract	14*	Reporte del estado final de la gestión de compras y cierre de brechas, más reporte de impacto de ventas- RAVEZ	Approved
	Subcontract	10*	Primer reporte de avance de coaching empresarial- Voces Vitales	Approved
	Subcontract	11*	Segundo reporte de avance de coaching empresarial- Voces Vitales	Approved
	Subcontract	13*	Llevar a cabo un taller de networking de negocios- Voces Vitales	Approved
	V (CCIES)	4*	Capacitación en procesamiento de pescado, fileteado, empackado y creación de un manual de procesos- Aspescu	Approved
	V (CCIES)	5*	Elaboración de fichas técnicas de productos- Aspescu	Approved
	V (CCIES)	7*	Reporte final –ASPESCU	Approved
	Subcontract	5*	Reportes de catación de muestras de los productores capacitados	Approved
	Subcontract	6*	Reporte de visitas de campo de potenciales compradores	Approved
	Consultancy	3*	Estatutos validados- Asociación CDMYPE	Approved
	Consultancy	4*	Manual de organización Approved- Asociación CDMYPE	Approved
	Consultancy	5*	Reglamento interno Approved- Asociación CDMYPE	Approved
	Subcontract (CCIES)	6*	Entrega del segundo taller en Conductores de valor económico y generación de ideas para empresas y consultores y segundo reporte de avance de asistencia técnica	Approved
	Consultancy	3*	Reporte de la organización de una rueda de negocios para 100 PYME- Fundemas	Approved

Quarter	Task Order	No. Deliverable	Name of deliverable	Status
	Consultancy	4*	Reporte final- Fundemas	Approved
	Consultancy	1*	Plan de Trabajo- OIRSA	Approved
	Consultancy	2*	Coordinar capacitaciones para 200 PYMEs, coordinación de seminarios de actualización de conocimientos apícolas para 12 técnicos del Ministerio de Agricultura y Ganadería y universidades	Approved
	Consultancy	3*	Visita a 25 PYMEs apiculturas y monitoreo de implementación de planes de mejora	Approved
	XIII (Coexport)	1*	Documentación de una reunión informativa- Feria Expocalzado 2014	Approved
	XIII (Coexport)	2*	Cartas de compromiso- Feria Expocalzado 2014	Approved
	XIII (Coexport)	3*	Contrato de piso y propuesta del proveedor de decoración- Feria Expocalzado 2014	Approved
	XIII (Coexport)	4*	Participación en capacitación y documentación asesoría en procesos de negociación y envío de muestras- Feria Expocalzado 2014	Approved
	XIII (Coexport)	5*	Materiales promocionales y agendas de negocios para cada participante- feria Expocalzado 2014	Approved
	XIII (Coexport)	6*	Reporte sobre la reunión final de coordinación- Feria Expocalzado 2014	Approved
	XIII (Coexport)	7*	Reporte final sobre la feria- Feria Expocalzado 2014	Approved
	XIV (Coexport)	1*	Documentación de una reunión informativa- Feria New World Craft 2014	Approved
	XIV (Coexport)	2*	Cartas de compromiso- Feria New World Craft 2014	Approved
	XIV (Coexport)	3*	Contrato de piso y propuesta del proveedor de decoración- Feria New World Craft 2014	Approved
	XIV (Coexport)	4*	Participación en capacitación y documentación asesoría en procesos de negociación y envío de muestras- Feria New World Craft 2014	Approved

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

ANNEX D. SUCCESS STORIES



SUCCESS STORY

Playing with technology

Guanapolio is the Salvadoran adaptation of the board game Monopoly, now available as a mobile application offering users a more interactive and dynamic platform.



P photo: courtesy of Carlos Rivas

Carlos Rivas (left) and Nelson Chicas created the game, which is now available to those who want to get to know Salvadoran culture.

“There is a lot of talent in the country. We dreamed about being on the front page of a newspaper...and we did it! Now we continue to move forward and make improvements to Guanapolio, which has opened many doors to us on a national and international level.”

—Carlos Rivas, founder of Guanapolio

Guanapolio was born in 2009 as an answer to an exam in Carlos Rivas' multimedia design course. The idea was to reinforce the cultural identity of the country through a game that would involve the family or a group of friends, allowing each player to identify with the phrases and characters. The project received a high grade and the instructor's recommendation was to, "register it and sell it." The creator's lack of experience inhibited him from doing so, however, though he received positive feedback everywhere that he brought his "little box" with the game's prototype inside. In 2012 he created a Facebook page for Guanapolio and, at the insistence of his followers, decided to sell the first 25 games. "Each box required 3 hours to make, everything done by hand: every cut, every fold, every time something was attached to something else," remembered Carlos. "They were very simple."

After a short time he found himself producing more. Each customer proposed improvements and little by little he began to include figures of iconic Salvadoran characters: the Siguanaba, the Cipitío, and Manyula, among others. Monuments, symbolic places in the country, and certain local words and expressions also made their way into the game, making it more striking and fun. "What was difficult was the production, the cutting and counting of bills," Carlos recalled. "My neighbors and my mother helped with this process." As requests for radio interviews and television appearances began to come in, the game went viral.

Although the game was novel and fun every time, Carlos' dream was to make Guanapolio into a mobile application. It was in this stage that he got together with Nelson Chicas who encouraged him to enter the game into a competition. Together they worked to develop the application, which included music from well-known national groups and illustrations and animations of typical Salvadoran characters: Mágico González, the Cipitío, the Tenchis, Frank Velásquez, Don Chepe, Chuperto, Cipro, and Cocolito. This entrepreneurial effort has helped them to win important awards: first place in Ingenia Emprende 2013, Mobiles Contest 2012, and Estudiante Emprendedor 2012, and the application was a global finalist at GSEA New York 2012. Another important achievement is that Guanapolio is one of the few Salvadoran brands that can be found on Amazon, plus it has 40 points of sale within El Salvador.

USAID recognized these young people and their innovative product at the awards ceremony of Mobiles Contest 2012 by giving them technical assistance, thereby contributing to increasing their competitiveness and access to new markets. This success motivated the creation of a business, Kadevjo Studios, a consortium that stands out in the mobile application development and update market, mainly for international television chains. Though nine new employees have already been added, the goal is to double that by the end of 2014. "They gave us the opportunity and we've been taking advantage of it as much as we can," said Carlos.



SUCCESS STORY

Sevialca: improving road signs in Central America

With the support of USAID and Bpeace, international experts share proven methodologies to help business leaders expand their work in sustainable and profitable companies.



Photo: courtesy of Bpeace

Volunteers from Bpeace Shankar Lakhavani (left) and Kimberly Smithson-Abel accompany the improvement process begun by José Villela (center), owner of Sevialca.

“The Experts came at a crucial time for the company. We made a strategy for our products, which allowed us to sell more: what we had before had fallen short and we had to hire more personnel and purchase more machinery to meet demand. I continue to seek opportunities for growth. It makes me happy to be able to give people work.”

– José Villela, Owner of Sevialca

Street signs are very important for organizing traffic and ensuring safety on the road. The lives of the people who travel these roads are determined, in large part, by what the signs indicate, the attention paid to them, and the driver's compliance with what the signs say. This industry has been growing in El Salvador for several years owing to a number of factors: the recent construction of the Longitudinal del Norte highway, which is 139 miles long, the current fiscal policies that favor infrastructure projects, and the use of taxes to improve highways.

Sevialca, a medium company that makes highway signs, has operated in the country since 2006. Despite its experience in the market, however, the company has confronted problems with growth and expansion since the industry is not very well developed in the country. José Villela, its owner, has worked to overcome these obstacles with the support of Bpeace (Business Council for Peace), an American nonprofit organization that has worked with business leaders in countries affected by conflict, including Afghanistan and Rwanda, since 2002. Since its arrival in El Salvador in December 2011, Bpeace has offered local business leaders the accompaniment of international experts to help them overcome problems that generate stagnation or that impede growth. This program is complemented by USAID support.

Sevialca has been assigned two experts who have completed an assessment to determine improvements to Sevialca's central operating procedures and then designed an expansion strategy. “With the help of the experts, our business has become more dynamic and we have better organizational management,” said Mr. Villela. “We have overcome operating problems with simple tools and this has permitted us to optimize our resources and grow from 25 employees to 114.”

With this assistance, Sevialca has also been able to define the function and responsibilities of each employee and jointly develop a strategic plan with objectives, actions, and implementation dates. Follow-up is through visual boards rather than through software. This allows everyone who is involved to have easily accessible and accurate information on meetings, client problems and the status of these problems' resolution, project status, and accumulated work.

Sevialca has also begun to export. Salvadoran professionals who have relocated to Panama, Honduras, and Costa Rica now offer Sevialca services in these countries. The company is experiencing sustained growth and is soon planning to divide itself into two business areas in order to provide specialized client service. This is a demonstration of the impact of technical assistance on strengthening small and medium local businesses. USAID will continue providing assistance so that more SMEs receive training and can better participate in the market.



SUCCESS STORY

When someone's thirst is somebody else's business

USAID supports CONAMYPE in the consolidation of the CDMYPE model, which provides business development services to micro and small enterprises in El Salvador.



Photo: courtesy of Sandra de Molina

"I'm thankful to the CDMYPE because had I not had its support, I might only have three products now, primarily because of the cost of receiving technical assistance. These costs are not easy to cover for small businesses."

– Sandra de Molina, Owner of the bottler SUMMER

Ten years ago, Sandra de Molina was selling coconuts and its by-products under the brand name SUMMER. At that time, she never imagined that she would become a successful businesswoman.

At 26 years old, Sandra thought that her professional life was just beginning to consolidate when a down-sizing at the company where she was working shook her stability. It was at that moment, in the middle of this uncertainty and with only \$340, that she decided to open a hardware stall in a market. The earnings from this endeavor allowed her to support herself for the next three years. That said, the business did not do so well and a friend encouraged her to sell coconuts to passers-by in the area. In spite of her doubts, the decision to do so changed her life. Sandra offered her products to companies and soon she was selling 15,000 coconuts each month. A few years later, her husband joined the business and they invested together to construct a plant and obtain the permissions that would allow them to process the coconuts rather than just sell them as a raw material. This opened the doors for selling their products in convenience stores and small businesses in different parts of the country.

As a businesswoman with a vision, in 2010 Sandra reached out to the Center for the Development of the Micro and Small Enterprise (CDMYPE) operated by the Foundation for the Self-Development of the Micro and Small Enterprise (FADEMYPE) for support in improving the image of her product and positioning her brand. With the subsequent change of brand, she doubled her monthly sales. At the same time, Sandra learned how to make traditional artisanal sweets and the CDMYPE gave her technical assistance to create tables of nutritional facts and obtain sanitary registrations for eight products, as well as in designing the image for her sweets brand.

Her products are a big success. She now processes 55,000 coconuts each month and sells more than \$2,000 in traditional sweets. "Little by little I have grown and diversified," says Sandra, who has added toasted plantains and yucca to her portfolio of products and is currently developing four new products in the natural drinks line. Though it began with three employees, her company has grown to eight, plus her husband, and the employees work together on the production, distribution and processing of the coconuts and the traditional sweets. "The employees are part of the company's success," Sandra says. "They work hard so that the business will grow."

Sandra has been able to move forward thanks to her own efforts and the constant support of the CDMYPE. SUMMER is one of the more than 6,000 companies that have benefited from CDMYPE services. CDMYPE is the result of an alliance between the public, private and academic sectors in which the National Commission for the Micro and Small Enterprise (CONAMYPE) participates, along with a number of universities, local governments, and nongovernmental organizations. The consolidation of this model has the support of USAID via the SME Development Program.



USAID
FROM THE AMERICAN PEOPLE

EL SALVADOR

SUCCESS STORY

Tamales that taste like success

USAID supports CONAMYPE in consolidating the CDMYPE model in El Salvador, which is based on the successful experience of the Small Business Development Centers (SBDC) in the United States.



Image of the packaging of the tamales that the company exports, which was created with CDMYPE assistance.

Photo: Courtesy of AGROSEC DE RL

“We’ve had setbacks, but we have overcome them. We have made things ourselves. We’re farmers and through this experience we have become business people. That’s not an easy thing. We are growing and it makes us happy to demonstrate that there is the capacity in the countryside to do thing well. We hope that our children inherit this business.”

– Rufino Rubio, President of Agrosec de R.L.

The Agricultural Association of Sector 5 of Zapotitlán (AGROSEC de R.L.) opened in 2005 selling rice produced by its 29 members. In 2007 the members received support from the International Fund for Agricultural Development (IFAD) to begin cultivating and selling corn and its derivative products. They thus began to make tamales, but they had trouble increasing their profitability and improving their production capacity, since they only sold 2,000 tamales per month. In their effort to overcome these obstacles, in 2012 the association members attended a business network meeting organized by the Center for the Development of the Micro and Small Enterprise (CDMYPE) operated by the José Matías Delgado University. As a result of this encounter, the CDMYPE conducted an assessment that permitted the association to identify the areas that they had to strengthen in order to improve their tamale sales. The CDMYPE proposed a training plan that included means of optimizing performance and the level of sales as well as actions to improve their processing factory.

In 2013, the CDMYPE introduced the producers with the Agency for the Promotion of Exports and Investments in El Salvador (PROESA) and the members of the Association subsequently decided to participate in Exportar Paso a Paso, a program that strengthens the development of new exporters with potential to access international markets. PROESA offered AGROSEC the opportunity to participate in a trade mission to the United States and, to enable them to achieve greater success on the trip, CDMYPE provided them with assistance in improving their image, packaging, labels (under the Food and Drug Administration regulations) and a product catalog in English and Spanish. “We got together with 12 buyers and it made us happy to see their interest in our products. This gave us the confidence that our tamales could enter that market,” said Beatriz López, the General Manager of the company.

Upon returning to El Salvador, the company entered into an agreement with a client to begin exporting to the United States with a container of 140,000 tamales. In this stage, the CDMYPE helped AGROSEC to strengthen its accounting system and complete the forms necessary to export. “Our hope is to send a container every month,” said Beatriz, but achieving this goal requires expanding the factory, for which the CDMYPE financial advisor is helping the firm to manage funds alongside the Development Bank of El Salvador (BANDESAL).

This growth has enabled the cooperative to create new jobs: previously there were 3 part-time employees and now the firm provides permanent employment to 10 women and 5 men. The employees have been trained in best food manufacturing processes. The cooperative represents 300 third-party producers and sells their products in seven different states. “They have been empowered through the advisory services and trainings. This impetus has awoken the interest of all the members, who now involve themselves more in the cooperative’s activities,” said Ronald Soriano, the CDMYPE’s Director.

The consolidation of the CDMYPE model is being supported by USAID as part of the Small Business Network of the Americas framework launched by President Obama, which strives to increase the participation of small businesses in international commerce within the Americas.



SUCCESS STORY

FONDEPRO helps Industria Monerva grow and export

USAID supports FONDEPRO with management tools that make cofinancing more accessible to Salvadoran SMEs.



Photo: Lorena Sánchez

Juan Andrés Molins with MIGASA® product samples

“We are the only textile company in the country that implements best practices in manufacturing. We achieved this with the support of FONDEPRO. We are now going to incorporate this knowledge into cotton production.”

– Juan Andrés Molins, Executive Director of Industrias Monerva

Industrias Monerva is a company that, in addition to making clothes, also makes medical and surgical products under the brand MIGASA® that it sells in the local and Central American markets.

The company was founded in 1983 and has since expanded its markets and diversified its production. The products in MIGASA's line (bandages and gauze compresses, surgical tape, and cotton in the near future) have had the most success and have afforded the company a high level of recognition in local and international markets. This led the company, in 2012, to adopt new technologies to simplify and optimize its production. To achieve this, it needed a packaging machine for gauze compresses to replace long hours of manual labor.

Having identified this need, Industrias Monerva turned to the Productive Development Fund (FONDEPRO) to apply for non-reimbursable co-financing that FONDEPRO awards to SMEs to strengthen their competitiveness and generate economic impact. FONDEPRO accepted the request and this technological leap enabled Industrias Monerva to be more efficient and go from selling 40 boxes of gauze per month to 90. At the same time, it modernized a process that used to require 12 people and now needs only two.

This production increase plus the passage of the new medicine law that places greater demands on companies in the sector, motivated the company to apply for co-financing a second time in order to implement Best Manufacturing Practices in its production process. “Many people think that best practices are just procedures, but they imply much more: guaranteeing a sterile environment. We have built a laboratory to review MIGASA products and have one person dedicated exclusively to quality issues,” said Juan Andrés Molina, the company's Executive Director.

Industrias Monerva has received a number of contributions from FONDEPRO to obtain new technology, evaluate new markets, and other activities that have encouraged the growth that the company has achieved in recent years. At the beginning of 2014, an employee did a market research trip to Mexico to acquire new machinery to enable it to include a new product in the MIGASA line.

Between 2010 and 2013, the company has doubled its earnings and increased sales from \$600,000 to \$1.5 million annually, of which 30% corresponds to exports. “This growth would not have been possible without FONDEPRO's support. Without it, it would have been difficult for us to achieve even half of these initiatives.”

The assistance that the USAID Program for SME Development provides to FONDEPRO aims at improving micro, small and medium companies' access to co-financing funds, advancing their competitiveness, and generating greater economic impact. In Mr. Molin's opinion, the support and assistance from FONDEPRO has improved over time. “There used to be a lot of back and forth and the responses and requirements took a long time. Now communication is more fluid and waiting times are short,” he said.