



*During this reporting period, on request of the Mines and Minerals Department, Government of Punjab, SMEA assisted in the identification of areas where improvements in policy, regulatory, and institutional structures can optimize the development of current and new mines in the province. The mines and minerals department is responsible for the grant, surveys, exploration, and development of mineral resources in addition to the collection of rents, royalties, and fees from the mining concessionaires in the province. Other responsibilities for the department include infrastructure development along with the safety, health, and welfare of mine workers.*

# USAID/PAKISTAN

## SMALL AND MEDIUM ENTERPRISE ACTIVITY

[AID-391-C-17-00003]

### ANNUAL PERFORMANCE REPORT

Period of Performance: 10/01/2021 - 09/30/2022  
Date Report submitted to USAID: 10/30/2022



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**ACRONYMS**

A2F	Access to Finance
ADR	Alternate Dispute Resolution
AMELP	Activity Monitoring, Evaluation and Learning Plan
BEE	Business Enabling Environment
BDS	Business Development Support
BDSP	Business Development Service Provider
BoI	Board of Investment
BRFE	Business Resiliency through Financial Education
CE	Competitiveness Enhancement
CF	Challenge Fund
COVID	Novel Coronavirus Disease
D&B	Duns & Bradstreet
FTE	Full Time Equivalent
FY	Fiscal Year
GB	Gilgit Baltistan
GoGB	Government of Gilgit Baltistan
GoKP	Government of Khyber Pakhtunkhwa
GoPb	Government of Punjab
GoS	Government of Sindh
HACCP	Hazard Analysis and Critical Control Point
IBA	Institute of Business Administration
ICT	Information and Communications Technology
ISO	International Organization for Standardization
KP	Khyber Pakhtunkhwa
KPITB	Khyber Pakhtunkhwa Information Technology Board
LMS	Learning Management System
M&E	Monitoring and Evaluation
MEL	Monitoring Evaluation and Learning
MMD	Mines and Minerals Department
MoC	Ministry of Commerce
MSMEs	Micro, Small, and Medium Enterprises

NMDs	Newly Merged Districts
OEM	Original Equipment Manufacturers
P&D	Planning and Development
PBIT	Punjab Board of Investment and Trade
PKR	Pakistani Rupee
PMC	Punjab Mineral Company
PPP	Public Private Partnership
PUNJMIN	Punjab Mineral Development Corporation
PSI	Private Sector Investment
SBP	State Bank of Pakistan
SECP	Securities & Exchange Commission of Pakistan
SEO	Search Engine Optimization
SIDB	Small Industries Development Board
SMEs	Small and Medium Enterprises
SMEA	Small and Medium Enterprise Activity
SMEDA	Small and Medium Enterprise Development Authority
TDAP	Trade Development Authority of Pakistan
TDPO	Tourism and Development Promotion Organization
USAID	United States Agency for International Development
USD	United States Dollar
WLBs	Women Led Businesses

## 1. ACTIVITY OVERVIEW

<b>Activity Name:</b>	USAID Small and Medium Enterprise Activity (SMEA)
<b>Activity Start Date and End Date:</b>	December 1, 2016 – December 31, 2022
<b>Name of Prime Implementing Partner:</b>	Chemonics International Inc.
<b>[Contract/Agreement] Number:</b>	Contract No. AID-391-C-17-00003
<b>Total Estimate Cost:</b>	USD 34,836,223
<b>Major Counterpart Organizations engaged or supported:</b>	<ul style="list-style-type: none"> <li>• Federal and Provincial Governments and Departments</li> <li>• Small and Medium Enterprise Development Authority</li> <li>• State Bank of Pakistan</li> <li>• Chambers of commerce and industry</li> <li>• Sector Associations</li> <li>• Facebook</li> <li>• National Incubation Centers</li> </ul>
<b>Geographic Coverage (provinces and districts):</b>	Nationwide, Pakistan

## **2. EXECUTIVE SUMMARY**

The U.S. government fiscal year 2022 was the last year of operation for the United States Agency for International Development (USAID) funded Small and Medium Enterprise Activity (SMEA). Building upon successes from the previous years, SMEA continued to implement and simultaneously consolidate programmatic initiatives and targets related to its Business Enabling Environment (BEE), Competitiveness Enhancement (CE), and Challenge Fund (CF) components. This is the last year of the activity's operation, and it was important that all tasks related to the three components are wrapped up before the intended project end date and any new initiatives planned within the year also close before the end of the activity.

This last SMEA Annual Report highlights the overall progress and results achieved, provides an overview of programmatic activities in various regions across SMEA's six targeted sectors and for women-led businesses (WLBs), and explains challenges that the project faced with implementation in this year.

During this reporting period, SMEA assisted a total of 2,097 Small and Medium Enterprises (SMEs), 12% of which were women-led/owned enterprises from various sectors. A total of 67% of the assisted enterprises reported an increase in their sales, with an average increase of 50% (inclusive of exports). 71% of the assisted exporters recorded an increase in their exports by an average of 44%. Partner SMEs generated United States Dollar (USD) 49.84 million in incremental sales attributable to SMEA, including USD 22.47 million in incremental exports. These enterprises also invested USD 19.95 million as their contribution to project-supported initiatives and increased personal equity in their businesses. Furthermore, SMEA-assisted SMEs created 5,098 Full-Time Equivalent (FTE) jobs derived from 14,240 short- and long-term job opportunities created during FY 2022 through SMEA's support. These results from SMEA-assisted SMEs were a significant achievement, especially considering the slowdown in economic activity prevailing in Pakistan's economy due to post COVID-19 and international geopolitical situation.

### **Business Enabling Environment**

Building on the success of the reforms undertaken in the previous year, the BEE component in SMEA's final year of implementation continued to drive initiatives geared towards creating a conducive business environment, keeping in view the changing market dynamics. The BEE component provided assistance, both to the federal as well as provincial governments, for the development of technical interventions in the form of pro-business policy frameworks, regulatory easement, and institutional capacity-building.

When the USAID SMEA commenced in 2017, the primary policy at the time, 'SME Policy', was completely outdated. During the year, the Prime Minister of Pakistan approved the economic parameters of this revised SME Policy, its proposed pillars, and an action plan for its rollout. After the successful rollout of the SME Policy, SMEA engaged with the Small and Medium Enterprise Development Authority (SMEDA) to support the designing of the structure for an SME Fund of Pakistan Rupees (PKR) 30 billion at the federal level. SMEA also finalized the report on a BEE Index that has been developed to predict the support required for or restrictions hampering SMEs' expansion, accessing utilities for starting and running a business, overcoming complex regulatory requirements and barriers to market entry and exit, and opportunities to access private sector investment. Based on literature reviews, stakeholder consultations, and pilot surveys, SMEA supported operationalizing of the SME Fund as well as the BEE Index.

During the year, the Khyber Pakhtunkhwa Information Technology Board (KPITB), Government of Khyber Pakhtunkhwa (GoKP) requested SMEA to review the Khyber Pakhtunkhwa (KP) Digital Policy 2018-23 and suggest improvements in line with the policy's desired outcomes. SMEA finalized a review report and one of SMEA's key recommendations relating to incentivizing digital skills programs for people with disabilities, and marginalized and disadvantaged groups through KPITB's "Khuddar" initiative.

SMEA also completed a review of the proposed Trade and Investment Strategy 2021-23 for the Government of Punjab (GoPb) and presented its recommendations to the Punjab Board of Investment and Trade (PBIT). SMEA also provided technical support to the Mines and Minerals Department (MMD), GoPb, to review its existing rules and regulations and promote investment in the mines and minerals sector.

For the Planning and Development (P&D) Department Government of Sindh (GoS), SMEA compiled a report on ‘Alternate Dispute Resolution (ADR)-based Revised Regulatory Regime for Contract Enforcement and Dispute Resolution’. Keeping in view the importance of the digital space and digital economy, the Government of Sindh requested SMEA to also prepare guidelines and a roadmap for the Sindh Enterprise Development Fund to augment the fund’s institutional capacity to provide access to finance for startups and build their partnerships with incubators and accelerators. SMEA also produced a report on the ‘Domestic Commerce Policy for Sindh’ during the year for the Industries and Commerce Department, GoS. The key findings of the report were also shared with the Chairman, P&D, GoS.

Through SMEA’s ‘Review of Gilgit Baltistan’s (GB) Tourism Policy, Legal Framework and Development of Subsidiary Rules’ intervention, the project also developed a report along with a proposed tourism policy legal framework for the region.

During the year, the BEE Component, through private sector-led interventions, ensured that the business environment was receptive to the needs of the SME sector in Pakistan. As a follow-up of the initial pandemic survey that SMEA conducted from April through July 2020, the BEE Component repeated the survey during this year to reassess i) the impact of COVID-19 on the SME sector, ii) steps taken by businesses to adapt, iii) effectiveness of government support provided during the pandemic, and iv) any further measures required to facilitate the return of businesses to normalcy or success in a new normal. For all other activities, at the federal as well as provincial levels, SMEA continued to take special initiatives to engage the private sector and include its feedback and recommendations while finalizing the policy recommendation and regulatory frameworks.

### **Competitiveness Enhancement**

During FY 2022, the CE Component had planned to support 460 SMEs - 60 through Business Development Service (BDS) cases and 400 through training. This target was conservative due to the lack of ample time in Year 5. However, due to increased demand from SMEs for trainings on Amazon Readiness and Food Safety Standards, an increased number of trainings were planned and executed. The overall target was exceeded and in total 1,608 SMEs were supported by SMEA during this period. The highest number of BDS cases were signed for the light engineering sector in areas of certifications and digital enablement. Across the entire portfolio of sectors, digital enablement which includes website development, social media marketing, and software development, remained one of the most popular services availed.

The component also undertook special capacity-building initiatives this year in entrepreneurship and access to finance. Similarly, the project undertook an exercise to analyze its partner SMEs’ current level of access to formal sources of finance and provided them with capacity-building sessions to help improve their financial worthiness. For this, a reputable firm having vast experience in Access to Finance initiatives i.e., Duns & Bradstreet (D&B) was engaged to first survey 294 beneficiaries from both the CE and CF components. Based on the findings of the survey D&B carried out pre-training workshops for financial service providers followed by SME financing workshops in Lahore, Faisalabad, Islamabad, and Peshawar for 106 SMEs. These sessions were also attended by stakeholders such as SMEDA, Securities & Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP), Pakistan Credit Guarantee Company, and a variety of commercial and microfinance banks that provided details of their products and services to SMEs to help them access finance.

As the project enters its final months for implementation of technical activities, a newly introduced flagship training on ‘Amazon Readiness’ experienced an overwhelming demand and SMEA capitalized on this opportunity and organized several trainings in collaboration with various associations and chambers of commerce and industry. The highest demand for this training came from the light engineering and textile sectors where more than 700 SMEs were trained that were interested in understanding the requirements for selling on Amazon and received training on how the platform works and the end-to-end selling cycle. In addition to this, SMEA’s food safety trainings in KP were very popular as Government authorities continue to expect food-related businesses to be compliant with best practices. SMEA also continued its partnership with Facebook and trained 55 new WLBs through this collaboration.

## **The Challenge Fund**

SMEA awarded 28 new grants (18 SME growth grants, and 10 scale-up grants) during this year. To date, the project has awarded a total of 141 grants (38 Innovation grants, 82 SME growth grants and 21 scale-up grants). During the performance year, SMEA CF grants created 9,660 short- and long-term jobs (2,640.5 FTE), incremental revenue generation of USD 18.5 million (inclusive of USD 8.2 million worth of export revenues) and leveraged USD 18.6 million in Private Sector Investment (PSI), which includes direct grantee contribution and post-grant PSI.

The reporting year was mainly focused on awarding the last round of SME Growth and Scale-Up grants, ensuring its successful implementation and closeout of grants. The request for applications for growth grants Round-5 was launched during the previous reporting period and during the current reporting period 29 SMEs passed through presentations/pitches, were selected for pre-award risk assessments and after due diligence, the grants were awarded to 18 successful SMEs, including 7 women-led businesses. Starting on page 24, we profile each of these impressive SMEs and an overview of their grants.

Furthermore, this year for scale-up grants Round-4, SMEA solicited applications from a restricted pool of 85 existing SMEA grantees, of which 12 top-ranked potential applicants were shortlisted, which after following pitch sessions and the risk assessment process, 10 applicants qualified and were awarded grants.

During the reporting period SMEA closed 44 grants which consisted of 32 SME growth grantees and 12 scale-up grantees who successfully implemented the project activities, completed the milestone deliverables and projects were successfully closed out.

The following sections of the annual performance report provide details on all the activities and initiatives that the project undertook during the year.



### 3. ACTIVITY IMPLEMENTATION PROGRESS

The following section of this report presents key SMEA programmatic activities. These activities fall under the SMEA objectives, as well as the CF:

Objective 1: Improved Business Enabling Environment

Objective 2: Improved Economic Performance of Focus Enterprises

Building on the success of the reforms undertaken in the previous year, SMEA in its final year of implementation continued to drive initiatives geared towards creating a conducive business environment, keeping in view the changing market dynamic. At the federal level, the most notable piece of work i.e., ‘SME Policy 2021’ was officially announced by the Federal Government on December 15, 2021. When SMEA commenced in 2017, the primary SME Policy of the time was obsolete and most importantly the associated regulatory and institutional frameworks were absent. Through BEE’s intervention, a revised comprehensive SME Policy was developed, which would facilitate and incentivize Pakistani SMEs. As a follow-up to the initial pandemic survey that SMEA conducted from April through July 2020, SMEA repeated the survey this year to reassess the impact of COVID-19 on the SME sector. SMEA also concluded its work on the BEE Index during the last year and made a plan to hand over the index to the SMEDA.

At the provincial level, SMEA continued its policy work in all four provinces and the GB region. Many of SMEA’s key recommendations relating to policy formulation and reviews at the provincial levels will also have far-reaching impacts.

#### **Objective 1: Improved Business Enabling Environment**

##### ***1.1: Improved GOP ability to develop and implement reforms of policies, laws, and regulations***

#### **BEE Initiatives at the Federal Level**

##### Finalization of the SME Policy

When the USAID SMEA commenced its BEE interventions in 2017, the primary ‘SME Policy’ of Pakistan in effect at the time was failing to keep up with the demands of the time and its associated regulatory and institutional frameworks were non-existent. Through SMEA interventions, a revised, up-to-date, and comprehensive SME Policy was developed, which would facilitate and incentivize Pakistani SMEs in accordance with international standards. Between 2019 and 2021, while the work on revising the SME Policy was underway, SMEA assisted SMEDA in a series of meetings with relevant Government bodies, including, the Public Procurement Regulatory Authority, SBP, Board of Investment (BoI), and Ministry of Industries and Production to stay on board and eventually take ownership of this new policy. Many presentations were also made to the Prime Minister of Pakistan by SMEA on the direction taken for the new policy. After much deliberation, on December 15<sup>th</sup>, 2021, the Minister for Industries and Production, Mr. Makhdoom Khusro Bukhtiar, officially approved the new SME Policy. Some of the key features of the new policy include a revised definition and a registration portal for SMEs, access to finance schemes, regulatory guillotine, and quota for SMEs in public procurement. Concurrently, the BEE team made considerable progress in developing a BEE Index which will facilitate investors in making informed decisions from the ease of doing business perspective. n.

##### Post-Pandemic Survey of SMEs to Gauge their Health

During the year, SMEA repeated a survey that it had carried out in the early stages of the COVID pandemic to reassess how businesses and the government have responded to the challenges posed by the pandemic and what further steps were required to facilitate businesses’ return to normalcy. SMEA shared a comprehensive questionnaire with more than 4,000 SMEs out of which 367 enterprises responded. The highest number of responses came from the information and communications technology (ICT) sector followed by textile and WLBs.

In terms of operational status, workforce, and access to new markets, the ICT sector outperformed other sectors by a considerable margin whereas the hospitality sector was most affected by the pandemic. Supply chain, changes in operational costs, and demand retraction were highlighted as the top three concerns for SMEs during the pandemic. Regarding government schemes to support SMEs, the ‘deferred utility payments’ was most popular, especially among the light engineering and textile sectors. A cross-cutting issue identified was the lack of financial support during the pandemic. Most of the respondents emphasized that not only was there a lack of awareness about various government initiatives but the documentary requirements and limited handholding facilities deterred businesses from accessing finance through these schemes. Businesses that are export-oriented and those within the tourism and hospitality sectors cited the need for customized support. Overall, the survey revealed that the pandemic significantly reduced the demand for the products and services of SMEs. A significant proportion of such enterprises experienced heavy losses in revenue, and many are out of business due to confinement measures applied by authorities. Apart from sectoral characteristics, several factors explain the vulnerability of SMEs such as a limited capacity to cope with abrupt economic shocks.

### Market Intelligence Study on the Impact of COVID-19

To better understand the prevailing and anticipated changes for the SMEs due to COVID-19, a market intelligence study was carried out by SMEA to assess the local and international demand contraction for goods and services and to map any opportunities emerging for SMEs from export and domestic markets. The market intelligence study presents findings and overall trends in four sectors that were shortlisted to be part of this study including textile, ICT, light engineering, and agribusiness. The study explored the impact of COVID-19 on SMEs operating in these sectors and recommendations to facilitate growth, including policy and regulatory measures. The analysis conducted for this study was informed by extensive literature review, stakeholder consultations and research. Some of the key propositions stemming from the report relating to the textile sector include providing BDS and technical training for handling synthetic material. For the ICT sector, the report suggests that policy development is required for segments such as edtech, healthtech, agtech, etc., and initiatives should be taken to inform entrepreneurs about the requirement of conducting business on Amazon and Facebook. For the light engineering sector, recommendations have been made to augment the construction, auto parts, agriculture tools, and biomedical equipment sub-sectors. Finally, for the agribusiness sector, the report proposes that the private sector should be supported to set up accreditation labs for testing and certification and support should be provided to the cold storage logistics sector. Key findings and a complete report were shared with the Ministry of Commerce (MoC).

### BEE Index for SMEs in Pakistan

SMEA developed and piloted a customized BEE Index for SMEs in Pakistan during this year. The BEE Index was developed to predict the support for or restrictions hampering SMEs’ expansion, accessing utilities for starting and running a business, overcoming complex regulatory requirements and barriers to market entry and exit, and opportunities to access private sector investment. SMEA produced a report that analyzes existing similar global indices developed by different humanitarian organizations and international financial institutions to gauge the business environment in a country including World Economic Forum’s Global Competitiveness Index and World Bank’s Doing Business and Enterprise Surveys. The report also provided insights that helped in developing a methodology, defining geographical scope, and deducing and analyzing key findings for a pilot SME survey. The analysis of the survey data suggested that there are two major factors that SME respondents perceived to be important with regard to a business-enabling environment. The two factors are (a) a supportive ecosystem, and (b) regulatory costs and taxes. The results of the survey indicated that Sialkot stands out among the golden triangle of Punjab as the city with the highest reported support for business expansion and the lowest reported barriers to business efficiency. In Gujranwala infrastructure is relatively more conducive. In Gujrat, barriers to funding and expanding the business are the lowest.

This BEE Index will be useful to gauge the impact of various policies, legislation, and initiatives on the overall environment for SMEs, disaggregated by provinces and cities. A future application of the index could be to assess progress on the key performance indicators set in the SME Policy. For the sustainability

of the index, SMEDA has expressed its interest in housing the index. To serve this purpose, a meeting will be held with SMEDA to brief them about the index and its utilization.

### Development of a Business Plan for Operationalizing the SME Fund

One key proposal of the SME Policy 2021 was the creation of an SME Fund to financially support initiatives laid down under the policy. To finalize the structure of the fund, SMEDA requested SMEA to provide technical assistance for development of a comprehensive business plan for operationalizing this fund. During the year, based on the literature reviewed, and stakeholder consultations, keeping in view international best practices, SMEA developed a report on operationalizing of the fund. The report contains specific proposals and recommendations for structuring and operationalizing the fund as contemplated under the SME Policy 2021, read with the SMEDA Ordinance. As for the fund's legal structure, two options have been proposed. The first option in line with SMEDA's preference is that the fund should be structured as a non-banking financial company, which would allow it to finance SMEDA's operational costs through dividends. SMEA suggests that the fund is registered under section 42 of the SECP which deals with not-for-profit companies. Whether structured as an NBFC or a section 42 company, the fund will have an independent board of directors where the majority shall be from the private sector in accordance with the Public Sector Companies (Corporate Governance) Rules, 2013, and the criterion prescribed under section 42.

For SME BDS activities to be undertaken by the fund, it has been suggested that clusters with potential for value-addition, employment generation, import substitution, and export should be identified through a data-driven approach, focusing primarily on the manufacturing sector. It has been suggested that the utilization of financing through existing schemes should be improved as they covered a range of SME needs but their uptake has been weak. It was recommended that SMEDA should work with venture capital firms, as anchor/sponsor investors to establish focused equity/debt funds. In addition, limited partners can be engaged to help increase scale and amplify impact. Matters relating to the fund's mandate, governance structure, and areas of focus were also addressed. As for the asset allocation, SMEA recommended that if the funds are released before framing the rules of investment, the allocation shall purely be in the government securities. As for the next steps, final report will be peer-reviewed by a technical expert to ensure that its structure is in line with the initial concept note.

## **BEE Initiatives in Sindh**

### Sindh Domestic Commerce Policy

Industries and Commerce Department, GoS engaged SMEA to carry out a review of the policies and practices related to various sectors in regard to domestic commerce in Sindh and propose a holistic domestic commerce policy for GoS. This policy will in turn inform different sector-level strategies for key sectors of the economy at the provincial level. The need for such a policy became even more important in the backdrop of the COVID-19 pandemic.

During this year, the final draft of this policy was prepared by SMEA after making a comprehensive analysis of the situation of trade and commerce in the province, available literature, consultations with the public and private stakeholders, and a comparison with international best practices. The draft policy covered the methodology adopted for undertaking this assignment, the identification of challenges, the pillars of the draft policy, and suggested reforms and recommendations. Specific recommendations concerning the two prioritized sectors, i.e., agriculture and ICT, based on a sectoral analysis were also included. The draft also discussed the road map for the implementation of the required actions and interventions.

### Revisions in ADR-based Regulatory Regime for Contract Enforcement and Dispute Resolution

A key feature of a conducive business environment is its ability to make and enforce contracts and resolve disputes. Good enforcement procedures optimize predictability in commercial relations and reduce uncertainty by assuring businesses that their contractual rights will be upheld promptly by local courts. With respect to dispute resolution, SMEA's internal assessment of the legal environment of Sindh revealed

an extensive judicial backlog and absence of a robust framework for settling disputes. SMEA reviewed the current state of the ADR system of GoS, keeping in view ‘The Punjab Alternate Dispute Resolution Act 2019’ and leveraging the knowledge created by SMEA while developing an ADR framework for the Newly Merged Districts (NMDs) in KP. Given the complexity of the socio-economic factors and political economy of Sindh, it was proposed that that province should have a full-fledged forward-looking ADR law. This law will cover ADR regulations, capacity development requirements, standardization, process flow, parameters of conduct, and benchmarks of service provision in line with the latest international practices. Moreover, it was suggested that the GoS should review and adapt the ADR law developed by SMEA for NMDs, i.e. The Draft Merged Districts Alternative Dispute Resolution Act 2020, and develop linkages within existing legal infrastructure. A final report was submitted to the Planning and Development Department, GoS.

## **BEE Initiatives in Punjab**

### Strengthening Punjab's Mineral Sector

On request of the MMD, GoPb, SMEA assisted in the identification of areas where improvements in policy, regulatory, and institutional structures can optimize the development of current and new mines in the province. The intervention commenced with the development of a short position paper, in which Punjab governance issues were identified based on consultations with government officials, license holders, academia, and other industry experts. Subsequently, the issues were further substantiated and other matters of concern within the governance system were explored in a roundtable dialogue held on July 6, 2022. Based on the input received, SMEA drafted an ‘options and recommendations paper’ that discusses a consolidated list of issues, resolving which can potentially lead to strengthening the sector in the province. These include the development of a mineral development policy, establishment of an inter-governmental mining planning committee, availability of reliable geodata, development of regulations for the auction processes, clearly laid out eligibility criteria for bidders; the mechanism for regulatory oversight, the role of government, fiscal regimes, and mineral agreements. The paper recommends that a Geodata Management Policy should be published with clear geodata management rules. For an auction to the highest bidder, an announcement for the auction should be published with clearly laid out time-based quarrying requirements. For ensuring the eligibility of bidders, license requirements should be strengthened and oversight of the approvals by the mines’ committee should be streamlined. It is proposed that the policy should shift risk to investors, and license requirements should be drafted to address all possible issues. Key findings of the position paper were presented to the department and other public sector stakeholders on August 29, 2022.

### Institutional Support to the Punjab Board of Investment and Trade

In 2021, based on a request from the CEO of the PBIT, SMEA assisted PBIT to review the draft ‘Investment and Trade Promotion Strategy’ and enhance it further. SMEA completed its review and submitted a report to PBIT on October 4, 2021. The report proposed several actions and initiatives to be incorporated in the proposed strategy to address the institutional and implementation sides which were found to be the weaker parts in the overall commerce and investment value chains. The analysis suggested putting greater emphasis on strengthening institutions related to trade and investment activities in the province, mainly concerning human resource development, resource utilization, building investment portfolios in key areas, focusing on investors’ aftercare, and expanding the scope of investment activities to include trade-related investment. The analysis also suggested adopting a narrative of an investment-friendly climate through institutional support and effective coordination between the government and private sector and creating synergies and coherence between various stakeholders.

## **BEE Initiatives in KP**

### Review of KP Digital Policy 2018-23

The KP Government envisioned a systematic digital transformation in the province by leveraging ICT for job creation, connectivity, empowerment, and inclusive economic growth under its Digital Policy 2018. The government had set a target to convert 50 percent of all conventional transactions into digital

transactions and augment digital skills to facilitate the freelancing sector of the province by 2023. The four-pillared KP Digital strategy envisions digitization of all SMEs and industries by 2023 and increasing the ICT product exports/revenue by 100 percent along with creating 70,000 jobs by 2023. The KPITB, cognizant of the fact that the Digital Policy 2018 needed a review to align it with the new market realities amid COVID-19 crisis, merger of erstwhile Federally Administered Tribal Areas with KP, and digital innovation taking place globally, requested SMEA for a review of the policy and suggest recommendations for improvement, with a special focus on SMEs. After a thorough analysis of the KP Digital Policy 2018-2023 and based on the literature review, comparison with other provincial and federal digital policies, situational and gap analysis, key informant interviews, and focus group discussions with the relevant stakeholders, SMEA prepared a report. The report proposes cross-sectorial reforms as well as recommendations for digital policy. The report also presented a comparative analysis of the different digital policies that have been formulated by the other provincial and federal governments. Details and findings from the discussions held with the relevant public-private stakeholders were also part of the report. Finally, the report makes a set of proposals including all government departments adopting cloud computing as the preferred ICT deployment strategy for administrative use and delivery of government online services, allocation of a one-liner ICT budget for each department, and development of interfaces in local and regional languages.

## **BEE Activities with the Gilgit-Baltistan Government**

### Review of Gilgit Baltistan Tourism Policy, Legal Framework and Development of Subsidiary Rules

The Government of Gilgit-Baltistan (GoGB) requested SMEA's assistance to review the GB Tourism Policy 2017 and its legal framework and help to develop subsidiary rules to achieve the policy's vision through strong public-private partnerships, improved institutional capacity, and adequate resource mobilization. The review also required an assessment of the newly promulgated laws pertaining to the sector and give recommendations to put in place a robust legal framework for the sustainable growth of tourism in the region. Responding to the GoGB, SMEA arranged a series of consultative meetings with different government functionaries, academia, and relevant private sector stakeholders to solicit their views. A detailed report was developed after reviewing literature relating to the activity, keeping in view best international practices.

In the final report, a robust policy framework was proposed together with an improved and empowered governance and institutional set-up and a clear legal and regulatory framework to define the jurisdiction of laws governing the implementation of the policy. To support private sector led growth it was suggested that the government should develop adequate capacity to promote private investment in the tourism sector, through setting up an independent Tourism and Development Promotion Organization (TDPO) and Destination Management Organizations at the local level.

The report proposes the TDPO be the interface with the private sector as well as for the development, marketing, and branding of the region. The report also recommended the TDPO engages local academic institutions for skills development. Given the nature of the tourism sector, SMEA proposed to have a two-pronged approach for private sector participation; first, to promote Public Private Partnership (PPP) projects and second, develop an investment policy or an incentive package to promote purely private investment. Issues limiting private investment were identified and include exorbitant real estate costs discouraging new ventures, frequent changes in tax policy, high cost of doing business with excessive regulations, poor law and order situation; limited commercial financing, and ineffective ADR platforms. The need for GoGB to actively engage with the federal government, provincial governments, and international donors to pool resources and expertise was also highlighted.

### ***1.2: Strengthening Private Sector and Civil Society Engagement***

#### Consultation with Private Sector Stakeholders for Review of GB Tourism Policy

As part of the review of GB Tourism Policy, consultations were done with various relevant stakeholders from the private sector. Based on these consultations, it was learned that the sector gets less than one percent of the annual budget and it was recommended that the government should declare and develop tourism as

a category-A industry. Category A designates that this industry is at the top of the Government's list of priorities in terms of development of the region.

It was also learned that as per existing registration procedures, SMEs in the hospitality business must seek a no objection certificate from the Tourism Department, Environmental Protection Agency, Disaster Management Authority, and District Council of GB. After receiving a no objection certificate, a license is to be issued by the District Commissioner. Private sector stakeholders proposed that a one-window facility should be introduced for the convenience of entrepreneurs, which will ensure greater ease of doing business in the region. Challenges related to the availability of skilled human resource for the tourism sector were also identified and it was suggested that education and training institutions in GB offering tourism and hospitality-related courses should include field training to enhance students' practical knowledge. Accessibility was also identified as a major issue. Private sector representatives highlighted that there are two main routes connecting GB with rest of the country. However, the dismal road conditions and some disaster-prone locations remain major impediments. The GoGB must provide easy and convenient access for tourists through better roads and site infrastructure.

### Roundtable Discussion - Strengthening Punjab's Mineral Sector

Following the submission of the short position paper on strengthening Punjab's mineral sector, a roundtable discussion was held on July 6, 2022, attended by relevant government officials, private sector stakeholders, academia, and other industry experts. In response to the concern about the delay in the implementation of the Punjab Mineral Policy 2013, SMEA explained that this is due to a lack of coordination between departments. The need for better coordination between federal and provincial governments was underscored as an investor looks at the country's profile rather than individual provinces. The unavailability of geodata for the public was highlighted as a major issue, and digitization was identified as an ideal solution. Examples of Canada, Australia, and the US, where readily available geodata has led to attracting quality investors were referenced. The experience of some countries providing geodata for a specific region on payment of a certain fee was also shared. SMEA highlighted the need for an ADR mechanism for the sector and another options and recommendations paper to analyze this. Deliberations were made on other matters of relevance including the need to regularly reassess regulations in line with international best practices, building the capacity of relevant institutions, and mitigation of possible damages to the soil, water, and workers.

### Dialogue - Key Findings of Options and Recommendations Paper on Punjab's Minerals Governance

On August 29, 2022, SMEA and relevant government officials from Punjab held a virtual meeting to discuss the key findings of the options and recommendations paper on Punjab's mineral governance. MMD, GoPb highlighted that the department had undertaken the initiative of developing a Mineral Cadastral System, which includes all mining concessions granted under large-scale and small-scale mining. The system also includes geographical locations of the mining concessions, geological maps, and details of the production data. SMEA commended this initiative but explained that the cadastral system and the geological survey should be separated, as while the cadastral system is an excellent means for displaying license areas, up-to-date reporting, and fiscal and geological information, the geological survey complements the cadastral system through extensive reviewal and analysis of the data. On MMD, GoPb's query about the global trends for sharing geodata and marketing, SMEA explained that there should be a strong regulatory framework governing geodata and it should be bifurcated into separate segments based on whether it is public or not. Additionally, when private operators are involved, this can further convolute matters and it is the task of relevant departments to take an informed decision on how much information should be shared. The need to clearly bifurcate the mandates of the Punjab Mineral Development Corporation (PUNJMIN) and Punjab Mineral Company (PMC) and reassessment of their roles was also identified. Moreover, PUNJMIN's ability to optimize revenue, protect the environment, and improve the quality of life for mining workers was discussed. It was also highlighted that PMC requires clarity on its operations and governance mechanisms.

## Seminar to Identify Options for Sustainability of BEE Index

SMEA held a seminar on September 28, 2022 with representatives from relevant entities to identify the potential owner to take over the index for availability and expansion beyond the life of SMEA. The importance of the BEE Index in demonstrating tangible outcomes and translating the requirements of the business environment into policy actions was highlighted. Representation of the manufacturing sector during the development of the BEE Index also came under discussion. Participants agreed that more needs to be done to reflect the issues related to access to finance. Concerns about the frequency of updates in the index and the increase in sample size over the coming years were raised. SMEA explained that the primary objective of the BEE Index is to improve interprovincial competitiveness as this would automatically feed into improving Pakistan's ranking in the global indices. As a next step, SMEA will be holding further consultations with relevant counterparts to chalk out a strategy to pass on the ownership of the BEE Index.

## Stakeholder Consultations on BEE Index

SMEA held a meeting on August 5, 2022 with the Industries, Commerce, Investments, and Skills Development Department, GoPb to discuss the BEE Index for SMEs and incorporate inputs for the pilot SME survey. A detailed assessment of how the targets set by SME Policy can be monitored through the index was made. Analysis of Punjab's golden triangle of industrial cities, i.e., Gujrat, Gujranwala, & Sialkot, in light of the pilot survey was appreciated. The need for an in-depth study of the skills of human resources available in each city was highlighted and a need for an assessment of women-owned businesses and the female labor force was underscored. The impact of improved systems for litigation in the form of ADR, the role of tax ombudsmen, and digitization as the one-window solution also came under discussion.

## Dovernance

On August 29, 2022, SMEA and relevant government officials from Punjab held a virtual meeting to discuss the key findings of the  
6th SME Core Group Meeting

On October 6, 2021, the 6th SME Core Group meeting was held to discuss the key findings stemming from the Market Intelligence Study and gather the core group members' feedback on the proposals that were made as part of this study. SMEA made a presentation covering objectives of the study, methodology adopted, new opportunities for businesses to leverage from along with propositions designed to capture the targeted domestic and foreign markets within the identified sectors. Representatives from textile, hospitality, and women-led businesses and commercial banks discussed regulatory structures and access to finance issues for SMEs during the discussion with a special focus on challenges posed by COVID-19.

## 7th SME Core Group Meeting

On March 16, 2021, SMEA organized the 7th SME Core Group meeting to discuss the key findings stemming from the 'Review of the Gilgit-Baltistan Tourism Policy, Legal Framework, and Development of Subsidiary Rules' and solicited feedback on the proposals that were made part of the study. Discussing SMEA's key proposals, SME Core group members highlighted the possible role of the GB government for being responsible to provide the overall legal and regulatory framework and required infrastructure. Role of businesses affiliated with hotel and restaurant management and tour operators was also underscored. Access to Gilgit Baltistan was identified as one of the major issues. It was recommended that the government should relax procedures for getting permits and licenses for businesses and to promote ease of doing business in the region.

## Objective 2: Improved Economic Performance of Focus Enterprises

In Year 5, SMEA under its CE Component had planned to support 460 SMEs - 60 through BDS cases and 400 through trainings. Due to the lack of ample time in Year 5, SMEA set a conservative target for support. However, due to increased demand from SMEs for different training programs, increased number of trainings were planned. The overall SME target was exceeded, as SMEA supported 1,608 SMEs during the year. Table 1 provides a summary of SMEs assisted by the CE Component during this reporting period.

*Table 1: Summary of SMEs assisted by SMEA's CE Component during the year*

No.	Sector	SMEs supported this year		Targets for Year	
		BDS Cases	MSMEs Trained	BDS Cases	MSMEs Trained
1	Hospitality	05	300	10	75
2	ICT	14	123	10	60
3	Agri-business and processing	13	141	10	65
4	Textile	06	289	10	55
5	Light engineering	08	482	10	65
6	Logistics	02	37	0	10
7	Women-led businesses	08	180	10	70
<b>Total</b>		<b>56</b>	<b>1,552</b>	<b>60</b>	<b>400</b>

SMEA continued to extend cost-share support to SMEs in acquiring BDS support through the activity's registered pool of Business Development Service Providers (BDSPs). Approaching the closure of the project, SMEA shifted its focus towards issuing micro BDS cases more frequently where the service cost is significantly lower, and the time of implementation falls within the following quarter. The regular BDS cases were also issued keeping the same timelines in consideration. Moreover, the SMEA started working on a BDS analysis and an exit strategy activity under CE component.

In addition to the direct BDS support the project continued to implement the digitization of training content activity. The activity was launched with the objective of digitizing four of the most popular training offerings conducted by the project to allow more SMEs to benefit in future. This initiative is especially important given the increased demand for digitized trainings during the COVID-19 pandemic where gatherings were restricted. The objective was to digitize the training content for digital marketing and advertising, hotel management practices for improved customer satisfaction and retention, business management for women-led businesses, and financial accounting and bookkeeping. SMEA successfully digitized all four training programs and also developed a learning management system (LMS) to make the training interactive by allowing different games and activities for the trainees to complete. With the completion of this activity, the project handed over the designed LMS to SMEDA as a post-project legacy. SMEDA showed great interest to adopt this LMS and further using it by integrating it with their existing platforms thus allowing SMEA to have an indirect and sustainable impact beyond the life of the activity.

Furthermore, SMEA successfully completed the handover workshop with SMEDA to take over the documentation and knowledge related to the BDS program. This workshop was designed to build the capacity of SMEDA's staff working on their BDS program so that they can learn from SMEA's experience and replicate the success.

As the project was in its final phases, this year was about closing existing contracts. With this in perspective, the project initiated and approved some BDS cases with short-term closeouts. The project also focused on cost share training and through one such arrangement conducted the first ever on-site training for Food Safety Systems Certification 22000. During the third quarter of Year 5, the project successfully closed all ongoing cases and training programs.

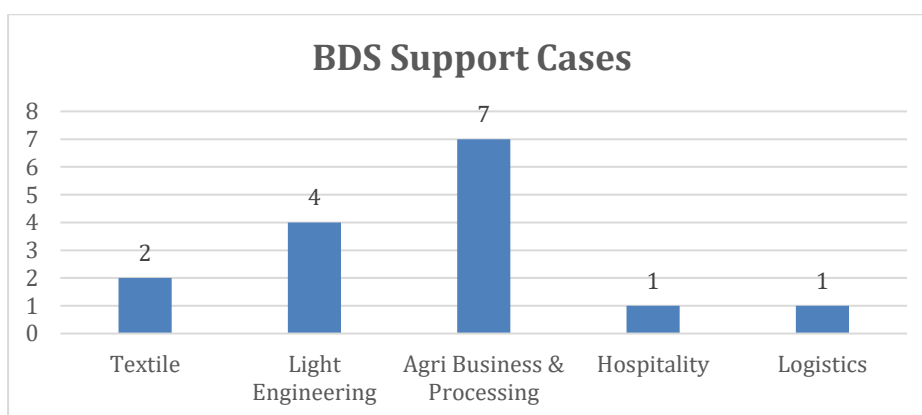


During the reporting period, the project has successfully started to conduct an analysis of the BDS program and prepare an exit strategy. A final draft of the strategy has been prepared and a dissemination event is planned to be held before the project closeout. The purpose of this activity was to develop the final exit strategy document after analyzing the BDS work and training initiatives completed by CE component.

### 2.1: Improved economic performance in select sectors

During the last year of the project, SMEA registered an increased demand for quality and compliance certifications from across the majority of SMEA-approved sectors. To cater to this demand, SMEA extended BDS support to 15 new SMEs from the textile, light engineering, hospitality, logistics, and agribusiness and processing sectors. These SMEs are situated in various cities of Punjab and Sindh. The SMEs availed quality and compliance certifications in the form of International Organization for Standardization (ISO) 9001, ISO 22000, ISO 14001, ISO 45001, Hazard Analysis Critical Control Points (HACCP), and HALAL certification. Table 2 provides a summary of SMEs assisted by SMEA with BDS support during this reporting period.

Figure 1: Summary of SMEA’s BDS support cases during the year



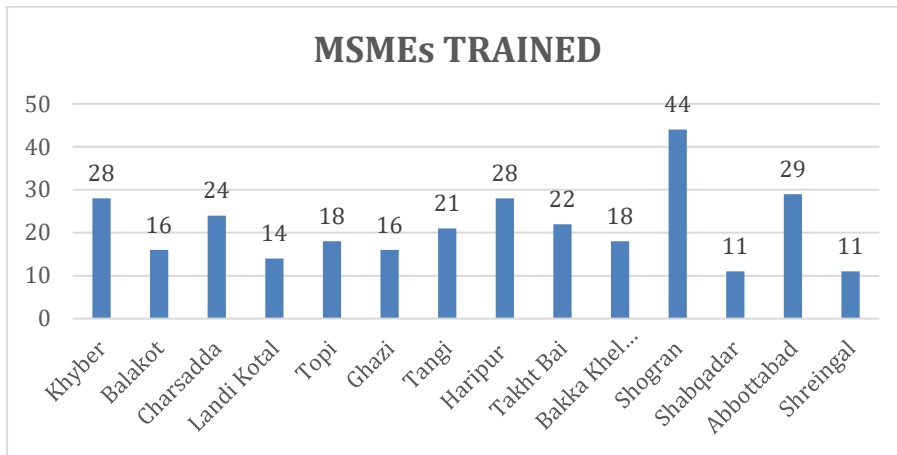
In addition to this, SMEA provided BDS support to 13 SMEs of hospitality, ICT, and agribusiness and processing sectors in the form of extensive workshops on cost-share basis. The majority of these SMEs are based in Punjab while one is from Sindh. The hospitality sector, in collaboration with FoodPanda, organized a three-day training for home-based food businesses. The training named, ‘Person in Charge – Certified Culinary Expert’ covered modules on cooking, baking, kitchen management, menu designing, food safety, etc. Simultaneously, in the agribusiness and processing sector, SMEA rendered a two-day training on Food Safety Systems Certification 22000. This training engaged the workforce of agribusiness and processing SMEs to learn and implement the international standards of food safety and compliance in their operations. Both training courses enabled the participating SMEs to improve their internal business management processes. As an impact, businesses anticipate at least a 5 percent increase in their sales.

#### Training for SMEs

During the current year, to increase the knowledge and to inculcate the basic principles for maintaining health, hygiene and safety during the handling of food at hotels, restaurants, cafes, and bakeries, SMEA in collaboration with local food authorities also initiated the fifth round of Food Safety (Level 1) training for SMEs working in the hospitality sector in Khyber, Balakot, Topi, Haripur, Shogran, Abbottabad, Shreingal, Charsadda, Ghazi, Takht Bai, Shabqadar, Landi Kotal, Tangi, and Bakka Khel. Since the emergence of COVID-19, there has been an increased focus on proper food handling and hygiene to control the spread of communicable diseases through food. A total of 602 individuals representing 300 SMEs attended the trainings, mostly food handlers working in bakeries, restaurants, and hotels. The participants were trained on procedures and best practices related to cleanliness, disinfection, food poisoning prevention, and waste management. Besides ensuring food hygiene and safety, these trainings help increase compliance with the

food authorities' rules and improve customer's confidence which lead to an increase in business growth. Table 3 shows the overview of SMEs trained within the hospitality sector.

Figure 2: Summary of SMEA's SMEs training cases during the year

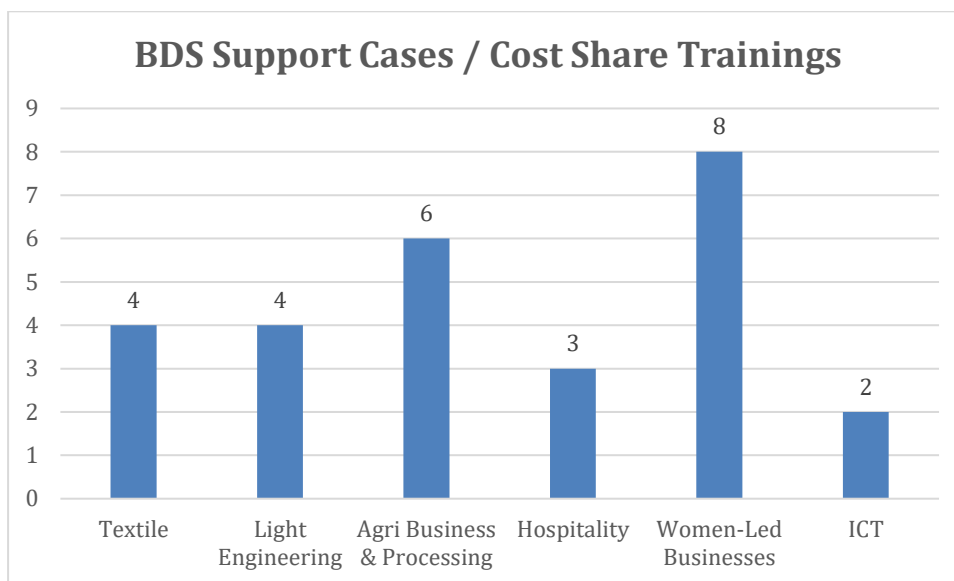


Lastly, under the agribusiness and processing sector, the project conducted Food Safety Management and Halal training three times. Through these trainings, SMEA successfully trained 63 participants representing 59 SMEs. The participating SMEs for this training belonged to multiple cities across Pakistan but majorly from Punjab covering areas of Sahiwal and Faisalabad. Keeping in context the dynamics of both sectors, both training courses covered basic principles of food handling and hygiene. This training has helped the participating SMEs to learn and adopt the best practices to offer quality products and services that should generate more sales in the long run.

## 2.2: Improved technological readiness and innovation

Supporting innovation and technological development along with digitization has been one of the hallmarks of SMEA's support to SMEs. The adoption of new technology has helped SMEs to become more sustainable and improve their daily operations leading to greater efficiency and increased revenues. In this regard, SMEA provided extensive BDS support to 27 SMEs belonging to ICT, hospitality, agribusiness and processing, textile, women-led businesses, and light engineering sectors. These SMEs were geographically concentrated in Sindh, KP, and Punjab (Peshawar, Faisalabad, Sialkot, Lahore, and Karachi) and were supported for acquiring BDS services for website design and development, graphic designing, search engine optimization (SEO), social media management, digital marketing, e-commerce stores, and photography services for e-commerce. The importance of these services has been growing rapidly since the pandemic began and SMEs have become more dependent upon technology and digital channels for marketing. This new trend of going digital helps them in growing their user base and target specific audiences that would be more inclined toward the products and services offered by the SMEs. These BDS have helped SMEs to become more efficient, adopt new tools and technologies, and improve marketing strategies and customer support. As a result, SMEA is expecting an average increase of 10 to 12 percent in revenues and 2 to 3 new jobs (during the first year of post-assistance completion) for every SME supported. Table 4 below shows a summary of SMEA's support cases during the year for improved technological readiness and innovation

Figure 3: Summary of SMEA's support cases during the year for improved technological readiness and innovation



Moreover, 15 SMEs from the ICT, logistics, WLBs and hospitality were also supported through a two-day, extensive digital media marketing training. The training elaborated on detailed modules on various business models, virtual value chains, social innovation and marketing strategies which can contribute to an improved economic performance of the SME in terms of technological readiness and innovation.

In addition to the above-mentioned BDS cases and cost-share training support, SMEA also organized a one-day, free-of-cost digital media marketing and advertising training. This training was attended by a total of 112 SMEs from Lahore, Karachi, Daroghawala, and Daska. Participants learned about the fundamentals of digital marketing, different media on which digital marketing is conducted, and how a marketing strategy focusing on digital marketing can help them to target the right customer for their business. The trainer also conducted SEO audits of various popular websites and for the websites of the participants in attendance to give them an idea about how SEO is done and what are the important aspects to keep in mind when designing a website.

Furthermore, SMEA also rendered small-scale BDS support in the form of cost-share training on digital media marketing. Under this initiative, SMEA supported 12 new SMEs in hospitality, ICT, agribusiness and processing, textile, and WLBs. All of these SMEs are based in Lahore, Punjab. The training was spread over two days and delivered by SMEA's partner BDSP, Imperial Crown Communications. The training focused on the principles of digital marketing strategies, digital tools for business operations, and digital financial services as well as cloud-based services. As a result of this BDS support, the participating SMEs are better able to actively pursue digital media channels to expand their businesses. An enhanced digital presence directed towards the right target audience will increase the chances of conversion of leads into sales. Consequently, SMEA expects an increase of at least 10 percent in sales revenue (during the first year of post-assistance completion) of the participating businesses. As sales increase, additional resources will be required thus creating one to two new jobs per SME.

### 2.3: Increased Access to Markets

During this year, one of the most significant initiatives was SMEA's newly introduced access to market training. In light of Pakistan's addition to the list of approved Amazon seller countries, SMEA initiated and completed seven rounds of training on Amazon readiness and selling at different cities. These rounds

consisted of 22 trainings which were conducted in collaboration with different chambers of commerce and associations. A total of 1,015 participants representing 894 SMEs from light engineering, ICT, and textile sectors attended these trainings. The associated bodies included Sialkot Chamber of Commerce and Industry, Pakistan Cutlery and Stainless-steel Utensils Manufacturers and Exporters Association, Gujranwala Chamber of Commerce and Industry, Gujrat Chamber of Commerce and Industry, Karachi Chamber of Commerce and Industry, The Hunar Foundation, Pakistan Association of Automotive Parts & Accessories Manufacturers, Pakistan Hosiery Manufacturers & Exporters Association, Pakistan Readymade Garments Manufacturers and Exporters Association, Lahore Chamber of Commerce and Industries, Surgical Instrument Manufacturers Association of Pakistan, and Islampur Cottage Industries Association from Swat. SMEA is the first donor-funded development project to organize such training on Amazon readiness in Pakistan.

The objective of the training was to capitalize on Pakistan’s addition to Amazon’s list of seller countries and help SMEs understand the registration requirements of the global platform as well as how to sell their products through Amazon. The training has been designed to provide details on how to register on Amazon’s platform, the basics of how the platform works, creating product listings, packaging, logistics, payments, and marketing. This training initiative will enable the participating SMEs to target international customers and give a tremendous boost to their sales.

Moreover, SMEA, in collaboration with the National Technology Park and Incubation Center, University of Karachi, organized an online training on Amazon readiness and selling. A total of 18 SMEs from various sectors attended the training which essentially covered modules on the registration of a business on Amazon, packaging, payment methods, marketing, and the logistics involved in managing an online business through Amazon’s platform.

#### **2.4: Increased access to finance**

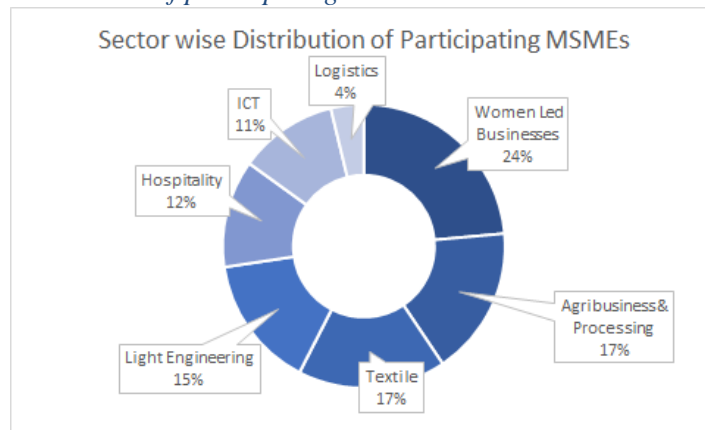
In addition to BDS support, SMEA also aims to improve the financial worthiness and uptake of formal sources of finance for SMEs. The project has implemented a capacity-building program for SMEs to improve their financial worthiness and knowledge base and to improve accessibility to financial products offered by various financial service providers. Last year, SMEA carried out SME financing workshops in Lahore, Faisalabad, Islamabad, and Peshawar where 106 SMEs from all SMEA-supported sectors participated. During the first quarter of this year, SMEA successfully completed and closed the activity under the access to finance objective with the submission and subsequent approval of the final deliverable. The final deliverable included a detailed report on the execution of the entire activity with analysis based on the data collected throughout the activity. In addition, SMEA conducted a brief survey with 106 SMEs trained through the activity, pertaining to the participants and their communication with different financial institutes to acquire any type of financial product. Table 5 presents a summary of the participation of micro, small, and medium enterprises (MSMEs) in the workshops for access to finance.

*Table 2: Summary of participation of MSMEs in the workshops for increased access to finance*

Sectors	No. of MSMEs trained	No. Of unique MSME inducted
<b>Women Led Businesses</b>	25	9
<b>Agribusiness &amp; Processing</b>	18	6
<b>Textile</b>	18	10
<b>Light Engineering</b>	16	8
<b>Hospitality</b>	13	5
<b>ICT</b>	12	6
<b>Logistics</b>	4	3
<b>Total MSMEs</b>	<b>106</b>	<b>47</b>

The activity saw participation from all sectors with a large number of WLBs attending the trainings comprising 24 percent of the overall audience. The sector-wise distribution can be seen in the chart below.

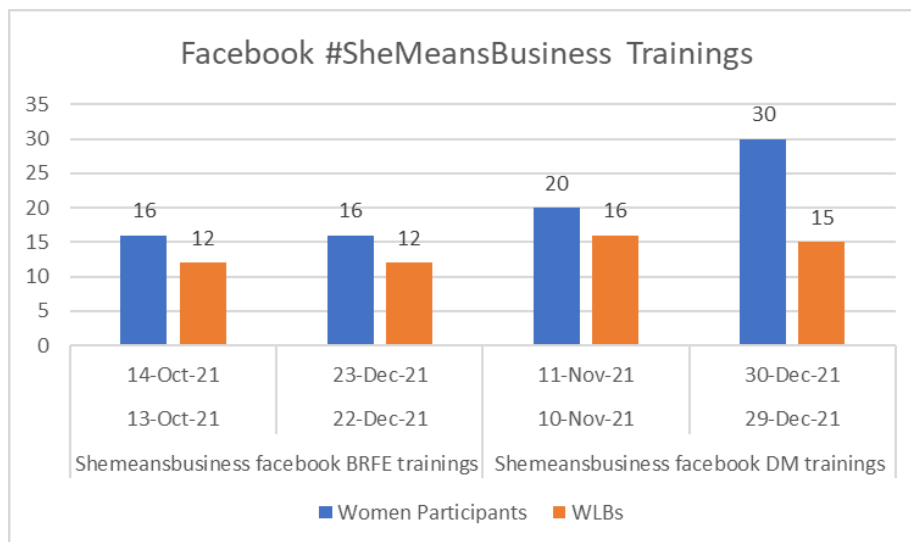
Figure 04: Sector wise distribution of participating MSMEs



### 2.5: Women entrepreneurs run profitable SMEs

During Year 5, the project focused on onboarding more SMEs through organizing the digital marketing and advertising as well as Business Resilience and Financial Education (BRFE) training in partnership with Facebook through #SheMeansBusiness initiative. The project focused on inducting unique SMEs to maximize outreach. 82 women entrepreneurs attended the training representing 55 WLBs during the quarter through four rounds of training. The project conducted two trainings on digital marketing to help WLBs learn and effectively use digital media marketing to upscale their businesses and increase sales. The two BRFE training helped WLBs to realize their financial goals appropriately. For this training, SMEA also partnered with Happiness Bazaar, Winter fete Islamabad, and Dir-Action to get the maximum SMEs. These organizations reached out to SMEA and after having meetings and seeing the potential SMEA decided to collaborate with them to reach out to more SMEs under this initiative. The following table provides an overview of ‘SheMeansBusiness’ training.

Figure 5: Summary of participation of MSMEs in the workshops for the SheMeansBusiness initiative



Based on the request and demand from the Women Chamber of Commerce Faisalabad, the project conducted an in person digital marketing and advertising training exclusively for WLBs. The participants were brought up to speed with the growing trends, tools, and tricks for the effective use of digital marketing and different social media advertising options and how to get the best out of social media marketing through multiple platforms to help a business reach its maximum potential. The participants made the session more interactive by asking questions relevant to their businesses, current business circumstances, and other

business-specific needs. The chamber expressed their gratitude for the initiative and applauded the efforts of USAID SMEA for organizing such effective and potentially impactful training. WLBs who attended the session also expressed interest in receiving further assistance from the project through BDS or any other training initiatives.

During the final year, SMEA received a request from the Trade Development Authority of Pakistan (TDAP) to conduct digital media marketing and advertising training for female entrepreneurs registered during one of their WEXNET event in Lahore. WEXNET was an event organized by TDAP with the aim of providing women entrepreneurs with exciting and unique opportunities to showcase their products, develop network linkages and build their capacity for entrepreneurship. In response to this request, SMEA organized digital marketing and advertising training in Lahore through a consultant. The training was well attended by 46 participants represented by 46 SMEs. The agenda of the training was to inculcate the fundamental principles of marketing covering modules on the effective usage of online marketing tools and techniques. The training helped the participating SMEs learn and implement these key concepts in their respective businesses leading to the adoption of new technology. As a result of this BDS support, the businesses expect to have an increase of up to 15 percent in their sales with the recruitment of one to two resources each. The launch of digital platforms for some of these SMEs will create opportunities for growth in existing and new markets by adopting new technology.

Moreover, in collaboration with Bank Alfalah, SMEA organized an awareness session for its women-led beneficiaries. The purpose of the session was to facilitate women entrepreneurs in acquiring SME loan financing schemes which had recently been introduced by Bank Alfalah in line with the policy of SBP on 'Banking on Equality'. A total of seven women-led beneficiaries who are running profitable businesses attended the session and were able to have direct detailed discussions with bank representatives on financial products/services offered in the market which they can conveniently avail.

## The Challenge Fund

During this reporting period, SMEA awarded 28 new grants (18 SMEA growth grants, and 10 Scale-Up grants). Table 7 provides a summary of the total number of CF grants awarded and the associated obligated and disbursed amounts. Based on promising projections from the 141 grants awarded, SMEA is on track for creating 20,000 jobs, revenue generation of USD 116 million, USD 21 million in direct PSI, which includes direct grantee contribution and post-grant PSI, and exports worth USD 5.3 million, with direct benefits to more than 6,500 SMEs over the CF's five years of operation.

*Table 7: Summary of the total number of CF grants awarded and associated obligated amounts*

Type of grant	Total no. Awarded	Total obligation USD	Total disbursement USD (As of 7/31/22)	Spend rate in % (As of 07/31/22)
<b>SME growth grants (Rounds 1, 2, 3, 4 &amp; 5)</b>	82	3,280,674	3,120,412	99
<b>Innovation grants (Rounds 1, 2 &amp; 3)</b>	38	1,393,936	1,309,389	98
<b>Scale-up Grants (Rounds 1, 2, 3, &amp; 4)</b>	21	2,918,803	2,872,930	99
<b>Total</b>	141	7,593,413	7,304,039	99

*\* SMEA calculates the USD value for each grant using the standard exchange rate in effect at the time of award.*

## Growth Grants

During the performance period, SMEA carried out pre-award risk assessments for 23 potential SME Growth grantees whereas the pre-award risk assessments for 6 potential SME Growth grantees were conducted last year. These pre-award risk assessments included a detailed assessment and review of applicant organizational policies, practices, and work on the detailed budget in line with comments received from technical evaluators and feedback from the judges from the oral presentations.

After completing the risk assessments, SMEA submitted details of 17 potential grantees to the Pakistan vetting support portal for USAID's vetting clearance. Two potential grantees were below the vetting threshold. Following vetting clearance, the project submitted 19 grant packages to USAID and received approval for 18 grants. These grantees started their project implementation during the performance period. Table 8 below provides a brief overview of the awarded grants.

*Table 8: Details of SME growth grants awarded during the reporting period*

Sr. No	Grantee	Sector	Grant Overview
1	Dar Traders	Light Engineering	Dar Traders has been in business since 2003 for manufacturing of beauty care instruments including nail and cuticle scissors, tweezers, foot files, nail files, nail clippers, barber scissors, etc. Based in Sialkot, Dar Traders manufactures and supplies stainless steel/carbon steel manicure and pedicure instruments to more than 350 retailers all over Pakistan under the brand name 'Dar Expo'. Through a growth grant, Dar Traders aims to procure and install the latest scissors grinding machines and a scissors blade straightening machine. The grinding machines will grind the inside and outside of the scissor blades with even precision and consistent quality, while the scissors blade straightening machine will straighten the de-shaped/bent scissors.
2.	Jazaa Chemie	Logistics	Jazaa Chemie is a budding enterprise based in Gujranwala, Punjab providing new and innovative packaging solutions

			to several industries such as agribusiness & processing, textile, and chemicals. Jazaa Chemie is known for its flagship product 'DryON' which is a useful comprehensive moisture absorbent import substitution solution. Through the grant, Jazaa Chemie plans to procure an advanced packaging machine, a vacuum sealing machine, and a power generator to enable uninterrupted production.
3.	GreenWend Energy Pvt. Ltd.	Light Engineering	GreenWend Energy Pvt. Ltd. is a light engineering services company based in Peshawar and specializes in designing, procurement, installation commissioning, operationalization, and maintenance of solar PV (photovoltaic) systems for domestic and commercial solar systems. The enterprise also provides facilitation on net-metering services to clients across Pakistan. Through the growth grant, the grantee aspires to procure the latest hydraulic metal cutting machine and bending machine while the enterprise will contribute to the procurement and installation of allied machines essential to manufacture steel structures and cabinets for solar systems along with an aggressive social media marketing campaign.
4.	Wahdat Dairy Farm	Agribusiness & Processing (Off Farm)	Wahdat Dairy Farm, an Islamabad-based enterprise specializes in modern integrated dairy farming, corn silage production, and pulp product manufacturing. Wahdat Dairy produces pulp products such as egg trays for prominent egg producers of the country, inclusive of SB Eggs and Horizon Farms. The enterprise is also self-sustained as an egg producer, supporting the demand end of their associated concern namely Wahdat Poultry Farm Pvt. Ltd. The enterprise recycles the sugar-cane juice wastage 'bagasse' and molds it into usable egg trays. Through the grant funds, the grantee plans to expand the production value chain, by importing the latest pulp molding machines, dryers, and hot press machines.
5.	Check-Box Media Pvt. Ltd.	Women-led Business/ ICT	Check-Box Media, a woman-owned business based in Lahore, is a bespoke strategic communication and content marketing company. It specializes in the provisioning of data-driven, digital communications content solutions that allow businesses in Pakistan, specifically women-led businesses, to be able to create content easily and better utilize the online space to build their brand. As part of Check-Box Media's commitment to corporate social responsibility the enterprise launched 'Empower', a program focused on creating ease of doing business for start-ups and female entrepreneurs across Pakistan. The grantee aims to capture a larger market demand via upgrading editing equipment which will help cut its turnaround time by 25 – 30 percent - allowing it to cater to more customers. The grant fund will also be used to bring in additional resources required to manage the expansion.
6.	Elcon Technologies	Light Engineering	Elcon Technologies is a Lahore-based light engineering concern, engaged in the business of manufacturing power distribution equipment, primarily in three main categories i.e., transformers, switch gear & energy meters. The enterprise is registered as a prequalified supplier with Lahore Electric Supply Company and is also registered with Water & Power Development Authority - WAPDA. The grantee also supplies various parts and products to other Original Equipment Manufacturers (OEMs). Through a growth grant, the grantee plans to procure two automatic lathe/turning machines for a new product line of terminal blocks for energy meter manufacturers in Pakistan.



7.	Master Engineering Company	Light Engineering	Master Engineering Company is an ISO 9001:2000 certified OEM company, engaged in trading of locally manufactured light vehicles' parts inter alia 2/3 wheelers and tractors. It also facilitates the forging, machining, and heat treatment of various parts and the assembling of 70cc/100cc motorcycles, 100cc motorcycle rickshaws, 100cc/150cc/200cc cargo loaders with the brand name 'LEADER'. Master Engineering facilitates the hot forging of carbon and alloy steel components of blank, weigh capacity ranging up to 20kg, and provides complete machining facilities including grinding, boring, milling, shaping, surface coating phosphate, and painting. The grantee aims to procure a paint shop baking oven along with a frame and fixture unit through grant funds.
8.	Earth Gold Pvt. Ltd.	Agribusiness & Processing (Off Farm)	Earth Gold Pvt. Ltd. is a corporate farming concern with a concept to promote 100 percent organic farming by using liquid fish fertilizer and compost certified by the Control Union, the Netherlands, and to produce certified products by food grade certification machinery and equipment with the latest technology. By utilizing grant funds, EGPL plans to adopt cryogenic grinding with stainless steel setup for cold grinding along with the associated setup.
9	Butt Footwear	Textile	Butt Footwear has been the manufacturer & exporter of quality race-wear motorsport products since 2006. Butt Footwear is a certified member of Sports Foundation Inc. - an international standard for motorsports safety. Butt Footwear runs a manufacturing setup in Sialkot, Pakistan. The prominent export-oriented products of Butt Footwear are racing protective gears inclusive of suits, shoes, gloves, balaclavas, and underclothing based on international customer's design and demand. Through grant funds, Butt Footwear aspires to procure and commission a modern sublimation printing machine along with heat transfer press.
10	Hobnob Bakeries	Women-Led Business/Hospitality	Hobnob was established in 1999 with the aim to revolutionize the concept of baking while establishing a bakery chain across Karachi. It introduced a culture of innovation in varieties of products and provided easy access with branches in every neighborhood across the city. Over the last 20 years, Hobnob has expanded to become the largest bakery retail network in the city and is still growing with the passage of time. Hobnob has 21 retail points in various locations in the city. Through the grant, Hobnob aims to procure the latest commercial-scale ovens, double-door freezers, and refrigerators. The grant funds will also be utilized for website improvement and marketing activities using social media handles.
11	The Artisan Cheese Factory	Women-led Business/Agribusiness & Processing (Off Farm)	The Artisan Cheese Factory is a woman-led and woman-managed enterprise based in Lahore. The founder and CEO struggled for 8 years to learn and perfect the art of cheese making. Her passion helped her overcome one barrier after another. Her daughter along with her team has been her support to handle marketing and related functions of the business. Its unique capability is the art of natural cheese making. Through the grant funds, The Artisan Cheese Factory will be able to procure a cheese cooking kettle of 100 kg capacity, a steam generator, a vat with 1,000 liters capacity, a milk reception unit, establish a cold storage room, milk chiller, and a brining chiller.
12	Haseeb Farming	Agribusiness & Processing (Off Farm)	Established in 2017 in Lodhran, Punjab, Pakistan, Haseeb Farming is a progressive enterprise developing and contributing to agribusiness and processing sector in

			wheat/corn silage livestock production, meat, and dairy value chain through its livestock farming. Haseeb Farming produces silage through its own corn yield using conventional methods that cater to in-house demand for its owned cattle farm. Through the grant funds, Haseeb Farming will procure the latest silage bailer and chopper machines and will also increase its outreach through conventional marketing campaigns.
13	Research for Enterprise Development (SMC-Pvt) Ltd	Women-led Business	Research for Enterprise Development is a woman-led enterprise based in Rawalpindi, led by a technically qualified and passionate woman entrepreneur. She started the practice of poultry at home through the years and kept that practice alive and gradually decided to turn her household hobby into a commercial business. Through the grant funds, RED aims to procure the five latest incubator machines and do a comprehensive marketing campaign along with attractive packaging.
14	A. N. Engineering Industries	Light Engineering	A.N. Engineering Industries is a Lahore-based enterprise focused on the light engineering sector. It is known as a pioneer in the manufacturing of engine valve guides in Pakistan since 1944 with a mission to provide unique and innovative quality casting and machining products for the users of the engineering and auto parts sector which meet and exceed customer expectations through an environment of learning and participation. The company's major clientele portfolio includes Atlas Honda, Millat Tractors (Massey Ferguson), and Al-Ghazi Tractors. Through the grant funds, A.N Engineering Industries will procure and commission a state-of-the-art automatic molding plant to meet the captive market demand for quality camshafts. A.N Engineering Industries will contribute partially towards the cost of the machine, its allied costs, and a modern reclamation line comprising multiple machines utilized to reduce the wastage.
15	Terry Tex International	Women-led Business/Textile	Terry Tex International is a woman-led textile enterprise, located in the industrial hub of the city, the Korangi Industrial Area Karachi-based enterprise is primarily engaged in the business of terry products, manufacturing and export of towels, bath accessories, and allied items, and holds a production capacity of 50,000 kg of terry-related articles per month. The product line includes different qualities such as combed, carded, power loom, and shuttleless, with different techniques such as dobby towels, jacquard towels, embroidery towels, institutional towels, plain dyed towels, and kitchen towels. Through the grant, Terry Tex International plans to upgrade the production facility by procuring an auto-length hemming machine to launch its presence on Amazon to capitalize on the opportunity.
16	Galaxy Polymer Engineering Pvt. Ltd.	Light Engineering	Galaxy Polymer Engineering Pvt. Ltd. is an ISO 9001:2015 certified manufacturing company, engaged in the business of manufacturing plastic parts and lamp assemblies since 1988. The Karachi-based manufacturer specializes in the injection molding of plastic materials, especially for the OEM of automobile plastic parts and lamp assemblies, appliance parts, industrial parts, tractors, home appliances, and other industries. Through the grant, Galaxy Polymer Engineering aims to procure and install the latest injection molding machine having a production capacity of up to 400 tons.

17	Oceanic Cruise Pvt. Ltd.	Women-led Business/ Hospitality	Oceanic Cruise Pvt Ltd was founded in 2017 as a beach/cruise event company with an aim to contribute to maritime tourism by activating tourism and leisure activities along the 1100 KM long coastline of Pakistan. The company started off with one boat with an onboard capacity of 40-50 guests max on one sea trip. Through the grant funds combined with grantees' contribution, Oceanic Cruise aspires to operationalize the additional boat with adequate facilities such as well-trained staff, ICT supplies, and the development of a modern booking management system powered with call center tracking application, safety equipment, essential machines for boats, and allied amenities. Furthermore, the grant would enable Oceanic Cruise to increase its outreach through social media marketing to ensure smooth customer engagement.
18	Super Bird Pvt. Ltd.	Women-led Business/ Agribusiness & Processing (Off Farm)	Super Bird Pvt. Ltd. is an established player in the layer industry of Pakistan. The enterprise specializes in the production and trading of shell eggs and egg products. Based in Lahore, it is an ISO 9001:2015, ISO 22000:2005, and Halal Certified poultry farm. It produces three categories of white 'table' shell eggs namely Super Bird Egg. Through grant funds, Super Bird aims to procure and install the latest egg processing machine with a processing capacity of 20,000-30,000 eggs per hour.

During the reporting period, 36 grantees from this and the previous rounds of growth grants successfully completed their activities under the growth grant program and were formally closed after verifications and final payments. With this, the growth grants program was closed with a 99 percent disbursement rate.

### Innovation Grants

In this reporting period, one grantee of the innovation grant program i.e., PayPro Pvt. Ltd. completed its activities. With this, the innovation grants program was closed with a 98 percent disbursement rate.

### Scale-Up Grants

During the reporting period, SMEA organized a final pitch session for potential scale-up grantees, where applicants were provided an opportunity to present their business ideas and provide clarity on questions from evaluators. Following the pitch sessions, SMEA carried out pre-award risk assessments for 12 shortlisted potential grantees and subsequently submitted 10 grant packages to USAID and received approvals for the same. Table 9 provides a brief overview of these grants.

*Table 9: Details of scale-up grants awarded during the reporting period*

Sr. No	Grantee	Sector	Grant Overview
1	ASL ACE Star Logistics Pvt. Ltd.	Logistics	A Karachi-based end-to-end logistics and supply chain management company with an operational presence at Hub Industrial and Trading Estate, Hub, Baluchistan, ASL ACE Star Logistics Pvt. Ltd. is engaged in the business of dry and temperature-controlled warehousing and transportation services both in containerized and flatbed forms, worldwide freight forwarding including customs clearances and other allied logistics and supply chain management services for various corporate clients. Through the scale-up grant, ASL plans on equipping the existing facility at Hub, Baluchistan with sub-zero, freezer facilities which will allow ASL to enter the fresh produce market of various fruits and vegetables. ASL plan to build a state-of-the-art 400-ton cold storage facility for the storage of fresh fruits and vegetables.

2	Mechanical Design Realm	Light Engineering	Mechanical Design Realm is a small and medium enterprise contributing to Pakistan's light engineering sector since 2004 with a specialization in high-precision machining & production tooling (mold & die making) engineering. It has grown into a professional mold manufacturer unit providing mold development to various industries namely pipe fittings, electronics, defense, consumer, medical & packaging. It is equipped with a qualified design department (Computer Aided Design and Manufacturing and Engineering CAD/CAM/ CAE), high-speed precision CNC machining, manual machining, injection molding setup & quality inspection center. Through the scale-up grant, the enterprise aspires to procure two additional CNC vertical machining centers. This will enhance its revenue, profit, and employment by almost 100 percent.
3	Royal Dairies & Food Products	Agribusiness & Processing (Off Farm)	Royal Dairies & Food Products is a women-owned dairy processing enterprise based in Peshawar, KP, established about 20 years ago and specializes in various dairy items such as yogurt, cheese, plain butter, clarified butter (ghee), processed milk in food-grade pouches, halwa, flavored milk and yogurt kheer, ice-lollies and ice-cream. Royal Dairies & Food Products intends to further upgrade and expand its facility by the addition of new equipment and machinery for ice cream making, yogurt making, and cheese making along with cold chain and storage facilities through the grant funds.
4	Aayz International	Light Engineering	Aayz International started operations in 1974 with a specialization in composite technology along-with resourcing necessary materials, related machines, and tools for the production and testing of multiple ranges of sports products especially in field hockey sticks, paddle rackets, carbon fiber-reinforced thermo-plastic laminates and shin guards utilizing its current production capacity in composite lay-up method, pre-impregnated composites, 'product, mold and graphic design', 'compression, vacuum and blow molding', in-house screen printing, international raw material sourcing and 'testing and compliance'. Through this scale-up grant, the enterprise plans to have in-house machines and production tools to further reform technology through establishing units for consolidation, cutting & shaping, and bending & forming, and with an initial launch of football shin guards.
5	Fresh To Go	Hospitality/ Agribusiness & Processing (Off Farm)	Fresh To Go specializes in the trading of premium quality fresh fruits and vegetables to various eateries in Karachi, pre-cut vacuum-packed veggies to top brands in Karachi along with the provision of potato skins and potato wedges to Dominos, Broadway, Subway, and Burger Lab. They serve their customers chopped, diced, sliced, and julienne vegetables as per their size, shape, and quality requirements. Through the support of a scale-up grant, Fresh To Go aims to expand its outreach and establish its service base in Lahore to cater to the Punjab region. Delivering pre-cut veggies and fruits to its maintained clientele in Punjab apart, the scale-up grant will also enable it to tap into the frozen potato fries' market. The enterprise foresees a huge demand for potato fries in the market and to execute its implementation for such an import substitution product the grant support will provide it with latest machines, along with needful upgradations in Karachi as well to increase the shelf life of the products through

			latest blast chiller in Karachi commissary, which can maintain temperature of as low as -40 degree centigrade.
6	Conatural Beauty Pvt Ltd	Women-led Business	Conatural Beauty Pvt Ltd is a women-owned, and woman-led business, engaged in the manufacturing, and retailing of natural and organic skin and hair products in Pakistan. Conatural is a pioneer in Pakistan to use ingredients that are natural, organic, and wildcrafted, along with pure therapeutic grade essential oils in its products, competing, and usually beating, the substitute chemical-based products in this run. The enterprise aspires to use the scaleup funds to procure and install state-of-the-art automatic filling machines to scale-up the current production of all the products, including mass market (smaller) variants along with a comprehensive social media campaign.
7	Affordable.pk Pvt. Ltd.	Women-led Business/ ICT	Affordable.pk is a woman-led start-up, which has created an online marketplace for Pakistani garments and fashion accessories. Through the SMEA grant, Affordable.pk redesigned its web portal, for successful global online shopping portals and in turn strengthen exports of Pakistani brands and handy crafts. The enterprise plans to design and develop a high-tech and user-friendly drop shipping application through ICT development to build on cutting-edge programming language namely 'Python' and will initially launch it for USA region, and then introduce it globally, embedded with a comprehensive social media marketing campaign. The enterprise also plans to introduce additional line items like sports goods, surgical, cosmetics tools & accessories, and home and living appliances to the existing product line.
8	Colors Pakistan	Women-led Business/ Textile	Colors Pakistan is a woman-led business owned by a textile designer that provides cut-make-trim garment production solutions by outsourcing several processes in the value chain such as sourcing fabric, printing, embroidery, and other minor value additions. It stitches and finishes products in-house. Through the SMEA grant, Colors Pakistan increased its production capacity and efficiency by procuring 40 latest auto-trim stitching machines, a steam press, a boiler unit, and a special ironing table. Colors Pakistan is operating in domestic markets as a label supplier and offers a wide array of garments in men, women, and kid's segments, supplying to various renowned textile brands such as Gul Ahmed, Khaadi, Sapphire, Al Karam, Sana Safinaz. Through the scale-up grant, Colors Pakistan intends to further increase its production capacity and plans to procure 200 new sewing machines, twelve press tables along with a boiler, and some additional allied specialized machines.
9	Zabiha Halal Industries Pvt Ltd	Women-led Business/ICT	Zabiha Halal Meat Industries Pvt. Ltd. was founded by a passionate veterinary doctor who has extensive experience in the development of small and medium-scale meat processing units for red meat and poultry. The business was started in 2011 with an investment of PKR 35,000 only with a vision to become Pakistan's first backward integrated meat processor with a prime focus on the domestic meat market of PKR 1.7 trillion and a population of 220 million. Today Zabiha Halal Meat has an estimated 40 percent share in international modern trade including Metro Cash and Carry, Carrefour, Spar; and a three percent share in local modern trade including Imtiaz, Alfatah Stores, Jalal Sons, Green Valley (local retail chains); and 80 percent share in e-commerce. The scale-up grant from SMEA helped

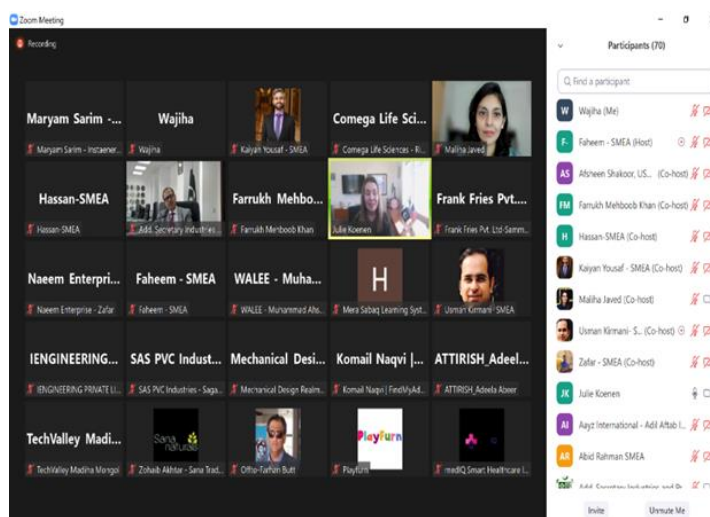
			Zabiha Halal Meat procure a modern chilling and freezing unit that is used to store their products at optimum temperature hence increasing the shelf life of the products for several months. Meat-cutting machines were also procured which increased the production capacity from 3000 Kgs per day to 8000 Kgs per day.
10	Kohenoor International	Agribusiness & Processing (Off Farm)	Kohenoor International is an agri-business and processing registered business established in 1957, working with seeds research and development, seeds processing, seeds marketing, and exports. The company is export-oriented and exports seeds to more than 52 countries. Kohenoor International is working with the world's top leading seed companies that are very well-known in the forage seeds industry. The scale-up grant from SMEA helped the business procure a color sorting machine which increased its production capacity by 25 percent. Through scale-up grant, the SME aspires to procure color sorting machines that will increase their production capacity by 25 percent. The reduction rate of the SME will be significantly lowered for the orders that get rejected internationally due to the mixing of unwanted seeds.

During the reporting period, 12 grantees completed their grant activities and were formally closed after verification of deliverables and processing of final payments. The scale-up grant program has an overall spend rate of 99 percent.

- One Innovation grant closed during implementation at 50 percent spend rate, and as a result, the disbursement rate of Innovation Grants is 98 percent instead of 100 percent.
- [ii] The reason of 99 percent spend rate for both SME Growth Grants and Scale-Up Grants is due to exchange rate gains whereas the spend rate is 100 percent as per the calculations done in Pakistani rupees.

### Grants Closeouts Event

As part of the global entrepreneurship week celebrations in November 2021, SMEA organized a virtual grant closeout ceremony to recognize the achievements of 59 Pakistani SMEs who received grants from the activity to expand their businesses and create innovative, sustainable, and scalable solutions to address challenges faced by Pakistani SMEs. During the event, 7 featured entrepreneurs spoke about their innovative work and the impact that their solutions are creating. Julie Koenen, USAID Mission Director, and Usman Chachar, Additional Secretary, Ministry of Industries and Production, Government of Pakistan also spoke at the event.



SMEA organized a virtual grant closeout event in November 2022 to recognize the achievements of 59 Pakistani entrepreneurs.

## Limited screening of Burka Avenger Animation Movie at US Embassy

In May 2022, USAID organized a limited screening of 'Burka Avenger', an animation movie which is currently under production through a grant awarded by the USAID SMEA. 'Burka Avenger', is a story of Pakistani female superhero that addresses extremism, promotes gender equity, and female empowerment. This movie is based on a full-length animated Burka Avenger TV series (52 episodes) that Unicorn Black had produced earlier and has won several awards including an international Emmy Award nomination in 2014, 73rd Peabody Award, International Gender Equity Prize, and received over 200 million YouTube views. With SMEA grant, Unicorn Black has been able to use cutting-edge technologies for the first time in Pakistan, allowing for the film to be produced more cost-effectively. This grant is also expected to create more than 250 highly skilled jobs and generate USD 60-65 million in revenue in the first two years of release. The global release of this animation movie will also help open avenues for the untapped sector of local animation and will be a stepping stone for Pakistan to become an international destination for animation.



Pop star and CEO of Unicorn Black, a SMEA grantee, speaking about his animated film 'Burka Avenger' at a SMEA event.

## Entrepreneurs' Lunch

In September 2022, USAID SMEA and USAID Investment Promotion Activity hosted a lunch for the project's beneficiaries. The lunch was attended by entrepreneurs belonging to different sectors ranging from organic beauty products and high-end retail furniture manufacturers to independent legal practitioners and telehealth providers. The purpose of the lunch was to recognize and celebrate the successes of Pakistani entrepreneurs that have received support from USAID and discuss key challenges, potential bilateral trade, and foreign investment opportunities. USAID Deputy Assistant Administrator, Maria Longi highlighted the importance of entrepreneurs, private sector, and government and how the right talent can unleash a digital revolution in a country. The participants shared their entrepreneurial journeys, experiences, and the type of challenges faced and how the support helped them grow. The lunch also provided an opportunity to hear directly from the entrepreneurs about their roles in creating opportunities for Pakistanis, including women and youth, and how their work has supported Pakistan's economic growth and development.



Maria Longi, USAID's Deputy Assistant Administrator met with Pakistani entrepreneurs at a roundtable discussion organized by the SMEA and USAID Investment Promotion Activity in Islamabad.

## 4. IMPLEMENTATION CHALLENGES

During this reporting period, SMEA faced a variety of challenges that effected program implementation. These mostly included foreign exchange (forex) fluctuations, recruitment of consultants, COVID-19 related travel restrictions, delays with grantees receiving equipment on time due to reduced transport services from abroad and supply chain disruptions, budget reductions, and unavailability of government counterparts who were occupied with COVID-related issues. The following table provides details of these challenges and the actions taken by SMEA to overcome them.

Implementation Challenge	Summary of issue and its impact on interventions	Actions taken during reporting period	Current Status	Actions planned	Responsible Party
<b>New Challenge during the Year</b>					
COVID-19 (New Wave in China)	The latest wave of Covid -19 led to business and port lockdowns in China which created delays in the development and delivery of items/machines.	The grantee coordinated closely with the Chinese vendor and made efforts to receive the items/machines at the earliest.	One of the grantees was affected.	The team provided a no-cost time extension to the grantee as a mitigation to allow some additional time for grantee to manage the delay and revised timelines were achieved.	Grantee/ SMEA CF
Increase in shipment/ transportation costs	With an ease in COVID-related lockdowns, high demand for goods and increasing fuel prices, national and international logistic companies are charging much higher shipping/transportation costs.	The grantees bore the increased shipment costs through their own contributions and SMEA gave no cost extensions in grant agreements to the affected grantees to overcome this shipment delay issue	The grantees managed the additional costs.	Rigorous follow-up and coordination with the grantees on a regular basis were done and revised timelines were achieved.	SMEA CF
Shortage of semi-conductors/microchips	The global shortage of semi-conductors/microchips affected the grantees that intended to import machines.	No cost extensions in grant agreements were granted to the affected grantees to overcome these challenges	Grantees successfully completed the milestones.	Rigorous follow-up and coordination with the grantees on a regular basis were done and revised timelines were achieved.	SMEA CF



Saturation reached for new eligible WLBs	As the project enters its 5th year, the WLB component has trained 1,125 unique women-led businesses and extended business development support to 61 SMEs, some of which have received support multiple times, and trainings on more than one business area. Outreach efforts to access these SMEs included building relationships with organizations involved in developing entrepreneurship capabilities of women and SME communities around the country, speaking to businesses through their online social media pages, and marketing efforts through various medium. As most of the BDS activities require businesses to be registered and operational for a minimum duration, it is natural that SMEA's efforts to tap into fresh and unique SMEs that qualify for support do not render the same efforts as they did in the early years of project. SMEA's program is quite popular in general, however, and the offerings have been shared with eligible parties too often, and it has become challenging to find new SMEs to target and support. Moreover, travel restrictions due to COVID has also adversely affected outreach efforts.	The project tried to tackle this challenge by softening the eligibility criteria for 2-day short-duration training to tap into unregistered, home-based businesses and introduce offerings of smaller ticket sizes for increased accessibility. In addition, the sector's existing SME pool was provided with promotional material for further dissemination and reference and encouraged to advocate for the program and bring in more SMEs.	Ongoing	Diversifying outreach through partners and existing beneficiaries	WLB team of SMEA CE
Development of a business plan for operationalizing SME Fund	Extensive delays were encountered in the submission of the final report. Additionally, it did not reflect the structure that was envisioned as per the concept note	It was internally agreed that an STTA is required for peer reviewing the final report and realigning its structure as per the concept note	The arrangement is being made for bringing on board a new consultant.	New STTA will be brought on board to revise the final report before submission to SMEDA.	SMEA BEE
<b>Ongoing Challenge from the Previous Year</b>					
Forex Surge	During this reporting period, a significant surge in the US Dollar/PKR exchange rate was witnessed. The sudden	As per the grant agreement, it is binding on grantees to bear any	The grantees managed the additional costs.	SMEA provided additional grant funds	SMEA CF

	hike in forex has put a lot of stress on the active CF grantees to manage the unexpected increase in the cost of machines being imported as part of the grant implementation.	additional cost such as forex fluctuations. However, the team closely monitored the situation to compensate the grantees.		to respective grantees (10 Scale-up Grants and 23 SME Growth Grants) by increasing 10% in grant budget to compensate the grantees for the impact of forex adjustments.	
Delays in import of machines by grantees	Delays are caused due to vessel shortages, increases in prices of machines and shipment costs, shortage of semiconductors/microchips, and delays from vendors due to covid related restrictions in their respective areas.	No cost extensions in grant agreements are granted to the affected grantees to overcome these challenges.	Grantees progressed well and achieved the milestones.	Rigorous follow-up and coordination with the grantees on a regular basis were done and revised timelines were achieved.	SMEA CF
Closure of Tourism Sector	The sub-component of Hospitality, the tourism sector faced another year of declining growth owing to COVID-19. The tourism sector of Pakistan is majorly concentrated in the North of Pakistan which remains closed throughout October – March due to extreme weather conditions. The limited number of months from April – September during which the sector is operational remained closed partially or completely due to COVID-19 restrictions by the Government. Moreover, the Government made it mandatory for a business to have all its employees vaccinated. Even though the vaccine roll-out began in Pakistan in the year 2021, the process has remained quite slow. As a result, the majority of the tourism SMEs faced heavy losses while some of them	In order to cope with this, SMEA acquired the services of two consultants, one local and another international, for the development of an Economic Revival Plan which contains input from all Hospitality sector stakeholders. This plan furnishes recommendations and strategies for these SMEs which shall equip them to show progress in the upcoming year.	Ongoing	Share the final plan with all public and private stakeholders for their use.	SMEA CE and BEE

	completely went out of business.				
<b>Resolved Challenges that were Reported Previously</b>					
Challenges in conducting Access to SME Financing trainings	The project had planned multiple workshops on Access to SME Financing in Lahore, Faisalabad, Peshawar, and Islamabad during this quarter. However, due to the rise in COVID 19 (third wave) infections and the subsequent restrictions imposed by the government against travel, events and public gatherings, the project had to postpone this activity.	The trainings were conducted after the lockdown restrictions were lifted.	Resolved		Subcontractor and CE Component
Challenges in organizing Entrepreneurship Development Trainings in Balochistan.	With the overarching objective of increasing the entrepreneurial capacity and overall performance of the SMEs in Balochistan, SMEA along with its subcontractor, Institute of Business Administration (IBA) Aman Center for Entrepreneurial Development planned three-day training events in different districts of Balochistan. The trainings had to be delayed for a while given the restrictions to travel and restrictions imposed by the Government due to the third wave of COVID-19.	The first round of trainings was organized in Quetta, Loralai, and Sibi in June 2021, and the second round has been planned for implementation at the start of Q4.	Resolved	None Required	Subcontractor and CE Component
Challenges in conducting IT trainings for skill development	The project had planned on organizing technical IT trainings for .NET and MEAN Stack, but COVID-19 related government restrictions and lockdowns for most of the quarter prevented physical gatherings which meant that these trainings could not be held.	The project considered conducting these trainings online but decided against it as these trainings are technical in nature and are best delivered physically with all participants.	The trainings were conducted in the quarter and some were dropped altogether due to lack of funds.	None Required	Subcontractor and CE Component

## 5. ACTIVITY MONITORING, EVALUATION AND LEARNING PLAN (AMELP) UPDATES

During this reporting year, SMEA achieved significant results through outreach to new SMEs, initiation of grant cycles, and work with the government on policy change. SMEA's Monitoring, Evaluation, and Learning (MEL) team continued to support the program teams in capturing the results, tracking the work plan targets, and ensuring the quality of delivery. The MEL team collected indicator data through field visits and online quarterly surveys to reach out to a maximum number of SMEs to document their progress.

### A. Monitoring

#### Performance Monitoring

SMEA has established a comprehensive MEL system to report high quality performance data by using standardized monitoring and evaluation (M&E) approaches. The approved Activity Monitoring and Evaluation Plan provides a well-defined results framework which captures the entire programmatic activities with output and outcome level results. The results framework is also aligned with USAID's Country Development Cooperation Strategy for synchronized reporting on standardized performance indicators used by USAID's implementing partners. To ensure high-quality data reporting, standardized tools and templates have been designed and control mechanisms are put in place for consistent reporting. Another important aspect of SMEA's MEL approach is to collect gender-disaggregated data where possible.

During the last year of implementation, the focus of M&E remained on capturing results from the new grantees who have received grant support during the current and the previous year. However, progress data questionnaire was sent to all grantees. Progress data on sales, jobs, and private investment was reported by more than 300 SMEs during the year. As per the strategy, only those SMEs which received substantial support from SMEA were selected for reporting higher-level indicators, and the results could be attributable to USAID. Quarterly telephonic surveys were conducted and during the year more than 1,500 SMEs who had received different trainings during the year provided their feedback on the quality of technical support, trainings, and implementation challenges. These surveys collected data on output level performance indicators e.g., effective utilization of technologies management practices because of increased knowledge and skills, access to new markets, customer retention, and increase in their outreach to formal financial services available in the market.

Improvement in the development outcomes is not entirely attributable to a single project intervention as there are many other factors involved that also contribute to firm-level improvements. The MEL team remained cautious while collecting and reporting indicator data to USAID and significant limitations have been documented while presenting results. In addition to data limitations, there were significant challenges posed during the post COVID-19 period both on the overall business environment in the country and on SMEA's ability to implement the program and collect data from SMEs. Special emphasis was laid on monitoring the grants program. A dedicated and independent post-award grants management team diligently monitored all grantees and applied due diligence measures while approving all milestone payments, ensured completed compliance with USAID policies and procedures, and ensured data quality assurance mechanism before reporting on indicators. The M&E team also applied their own verification processes to minimize the implementation risks.

Overall, SMEs reported a 50 percent increase in incremental sales (USD 49.84 million) including a 71 percent increase in exports (USD 22.47 million). Furthermore, these SMEs reported contributing USD 19.95 million to PSI and creating 14,240 new job opportunities which resulted in 5,098 new FTE jobs because of the interventions. 33 different policy reforms and improved procedures which were facilitated by SMEA during the project life cumulatively moved twenty (20) stages further in their implementation during the year. With support from SMEA, 70 SMEs reported accessing a financial service/loan/lease from financial institutions because of access to finance (A2F) intervention by SMEA.

A total of 2,097 SMEs, 12 percent of them women owned or led, benefitted from the business development support of SMEA this past year. This number of SMEs reported during the year included 350 SMEs that benefitted directly from the digital platforms developed through SMEA's support and generated sales through these shared market platforms.

### Context Monitoring

SMEA has identified three context indicators in the AMELP document. The frequency of reporting is on an annual basis; however, SMEA monitored and reported context indicator reporting to USAID on quarterly basis. SMEA continuously monitors changes in context indicators. With the depreciation of the Pakistani rupee and rising food prices, significant challenges have been posed for the government to stabilize the economic indicators and growth momentum. The rupee devaluation, increase in oil and food prices significantly reduced the purchasing power of Pakistan. The supply chain disruptions, increase in cargo charges also curtailed business activity.

The first context indicator reflecting on the overall business environment in the country is GDP growth. The expected GDP growth is below 3 percent. Pakistan's government set a 4.8 percent GDP growth target for the financial year starting on July 1, 2021, as the country recovered from the worst of the coronavirus pandemic. For the year ended on June 30, 2021. However, due to increase in oil prices, balance of payment and slow export growth issues and increased policy rate of around 15%, the economy is expected to remain below 3% which will have significant impact on new job creation. It will also have an adverse impact on small and medium enterprises.

The second context indicator is the interest rate. The government has increased the policy interest rate from 7 percent to 15% which has slowed down the macro-economic growth. The policy rate has been drastically increased to control rising inflation. The overall current account deficit remained under control but with slow economic activity, balance of payments, and energy prices, it is expected to remain between 13 to 16 percent during the medium term.

The third indicator directly impacting exports and fiscal policy is the rupee exchange rate. During this quarter, the exchange rate changed drastically and moved between PKR 170 to PKR 240. This will have a negative impact on the result reporting as the depreciation in PKR will have an impact on incremental sales in dollar terms.

### Beneficiary Feedback

SMEA has embedded regular mechanisms to receive feedback from SMEs on the technical services provided through trainings and BDS support. As a regular process, the MEL team conducts an exit meeting with all closing BDS cases. The purpose of this exercise is to get feedback on the quality of the work done. This feedback is documented in the closeout documentation. Furthermore, beneficiary feedback is received through telephone calls and online surveys at the end of every training program.

During this year, MEL carried out telephonic surveys to collect participant feedback on the usefulness and relevancy of the training programs. More than 90 percent of the training participants 'strongly agreed' that the trainings were very relevant to their business requirements. Whereas 10 percent of the participants 'agreed to some extent' that the trainings were useful for them. On the second question on training quality, 93 percent of the participants reported 'satisfaction' with the overall training delivery and knowledge of the trainers. Similarly on a question on the overall format of the training, including the arrangements of the training sessions, time allocation, participants' involvement, and interaction, 77 percent of the participants reported they were 'very satisfied' with the training arrangements.

## **B. Evaluations/Assessments/Studies**

During the year, SMEA initiated a study to estimate the direct impact of SMEA Interventions over the life of the project as compared to the baseline year. This study investigates the overall impact of SMEA support

on SMEs, including indirect benefits realized and effects beyond the project life. This study presents a growth analysis and estimates project impact beyond the project's life. Following are key findings based on sales data provided by SMEA M& E.

1. The direct impact of SMEs on an overall basis showed significant growth of 98.5% in total incremental sales as compared to the baseline. The growth varied across different sectors, with women-led businesses performing very well, followed by logistics and packing.
2. On average, the productivity of all firms grows by 72.2% (using PKR incremental sales values). Likewise total sales in PKR, we have computed productivity using total sales in the dollar. The analysis suggests that, on average, productivity is increased by 43.73%.
3. By modeling capital investments as depreciating consistent with tax legislation, a lifespan for an intervention's results stream was estimated as five years. Assessing future results based on the lesser forecasted sales and the last observed level of sales will provide a reasonably conservative discounted impact stream for post-project years. We find that the NPV of total sales is USD 415 million.

Based on the results of our analysis, three recommendations have been made for consideration of USAID in the future.

1. To build a comprehensive narrative for the overall impact of the SMEA program on the greater Pakistan economy, the SMEA team should apply the NPV method to calculate the total impacts. Such analysis would be beneficial in showing the overall impact of USAID assistance. However, it would further demonstrate that benefits extend beyond the immense but still limited population of businesses targeted by the project.
2. SMEA should focus on women-led businesses in the future- as this business shows relatively higher growth potential.
3. Hospitality is another promising sector where future investment can be diverted for broader growth and export impacts.

## **Learning**

The following learning questions have been identified in the AMELP to help the MEL team guide the program components to adjust interventions and approaches, as circumstances change and learning evolves:

- Are the programmatic interventions, implemented under the Activity's components, effectively contributing towards achieving the IRs and subsequently, the DO?
- Has the Activity been able to leverage adequate private-sector resources for contribution towards its objectives?
- How the country's (and provinces/regions) economic situation impacts the activity's planned results?

The MEL department regularly monitors the activities and their direct contribution to intermediate results and development objectives of USAID's Country Development Cooperation Strategy. All SMEA interventions are meant to increase the private sector's engagement in the economic progress of the country. Based on the learning, SMEA worked with stakeholders to improve and revise the SME policy. The policy will pave the way for increased private sector investment in the SME sector thus creating new jobs for unemployed youth. The competitive enhancement component prepares SMEs to access finance, digital technology skills, and access to new market opportunities. To date, the activity has leveraged more than USD 51 million in private investment.

## 6. INTEGRATION OF CROSS-CUTTING ISSUES AND USAID INITIATIVES

### i. Gender Equality and Female Empowerment

- During this year, SMEA awarded 10 SME grants to women-led businesses.
- SMEA's CE component worked with a focused intervention plan to increase female economic empowerment. The activities under the WLB sector worked on directed outreach to women-specific business groups such as Women Chambers of Commerce to identify promising WLBs and share opportunities with them. Training through SMEA partner, Facebook was solely focused on WLBs. The training helped WLBs to identify and engage with new markets and learn the financial management of their businesses. The latter includes information on the various financial services available and how to avail of them. This training will help increase economic independence for these WLBs.
- SMEA has ensured that its activities are responsive to the objective of gender equality and female empowerment. This was demonstrated in the project's 5<sup>th</sup> SME Core Group session which covered all aspects related to gender equality and female empowerment as well as digitization. This core group highlighted the importance of digitization and its effectiveness for empowering women to achieve greater financial equality. During this session, the SME Core Group put forth several proposals that can help in uplifting WLBs across the country.
- SMEA developed an A2F strategy for distressed SMEs and WLBs to address their financial needs. This strategy was created with the aim of fortifying the marginalized segments of the KP NMD region.

### ii. Youth Engagement

- SMEA's ICT sector team engaged with the National Incubation Center Islamabad and the KPITB to conduct training for startups, many of which are founded and led by youth.
- SMEA'S WLB team held three sessions for youth to participate in #SheMeansBusiness training programs. These sessions were with Connected Women Pakistan, National Incubation Center Islamabad, and CaterpillHers.

### iii. Environmental Compliance

- Orientation sessions on environmental compliance requirements for SME growth and scale-up grants were held during which environmental compliance requirements were explained to build the capacity of grantees for better e-waste management.
- SMEA successfully completed environmental due diligence for 69 grantees during this reporting period. The project concluded that the mitigation measures were satisfactorily in place with proper solid and e-waste disposal measures adopted for grant-related activities. The environmental completion requirements have thus been fulfilled for the grants which have been categorized as negative determination and negative determination with conditions and recorded accordingly.

### iv. Local Capacity Development

- During the year, SMEA provided technical assistance to the GoKP on "Refinement of Rules and Regulations under the KP PPP Act 2020 along with a Rapid Institutional Review of KP PPP Support Unit" and "Institutional restructuring of Small Industries Development Board (SIDB), KP. The aim of these interventions was to enable GoKP to effectively handle PPP contracts and deliver a more progressive and facilitative regime in the province. Regarding, the institutional restructuring of SIDB, the proposals made will augment the department's ability to promote small and medium industries in KP.
- The CE Component worked on various capacity building trainings for its target sectors:

- Five trainings held for digital marketing and advertising
- One training for food safety management and halal food standards conducted in Peshawar for 29 SMEs from agribusiness and processing sector.
- Three trainings held on entrepreneurship development in Khuzdar, Lasbela, and Turbat that were attended by 174 SMEs from Balochistan.
- Four trainings conducted by D&B under A2F objective for SME financing in Lahore, Faisalabad, Peshawar, and Islamabad attended by 106 SMEs.
- There was a great demand from SMEs for training on Amazon Readiness and Food Safety Standards during this year. SMEA arranged 18 training sessions on Amazon readiness that were attended by a total of 729 MSMEs. 16 training sessions were held on food safety and were attended by 440 MSMEs.

#### **v. Policy and Governance Support**

- In terms of policy and governance support, the ‘Market Intelligence Study’ provided the government with insights into key sectors i.e., textile, ICT, agribusiness, and light engineering and remedial policy proposals for uplifting them in the backdrop of COVID-19. The propositions emanating from this study will facilitate the MoC in developing sectoral plans outlined in the Strategic Trade Policy Framework. Subject to the implementation of SMEA’s proposals, businesses operating in these sectors will be able to penetrate both the domestic and international markets, increasing jobs and competitiveness.
- During the pandemic, consumers have moved dramatically toward online channels and companies and industries have responded in turn. SMEA’s post-pandemic survey results confirm a rapid shift towards SMEs interacting with customers through digital channels. It also shows that rates of adoption have increased rapidly since the last survey. As for digitization, the effective use of ICTs by enterprises results in greater productivity and greater competitiveness, and sustainable growth, a precondition for poverty reduction. In this regard, SMEA provided technical support to the KPITB by reviewing and revising its KP Digital Policy. KP has been lagging behind Punjab and Sindh considerably in the context of digital penetration and through this intervention, businesses can keep track of their payments - enabling them to access finance for growth through formal channels. In addition, new avenues can be accessible for conducting commerce both domestically and internationally. Against the backdrop of increasing unemployment and inflation, the development of the ICT sector will augment economic growth within the region.
- Over the last few years, the tourism industry in Pakistan has been booming despite the obstructions posed by the COVID-19 pandemic. A prime tourist destination for local and international visitors is the GB region owing to its endless green meadows, deep valleys, beautiful waterfalls, and treacherous roads. However, over the past few years, because of excessive tourism beyond the infrastructural capacity, GB has been subject to a considerable negative environmental and social impact. In order to counter these undesirable consequences and promote sustainable and eco-friendly tourism SMEA was engaged by GoGB to review and update the GB tourism policy, legal framework, and develop subsidiary rules. SMEA’s input will ensure that the tourism sector in GB is governed in an efficient and effective manner. Moreover, the beauty spots, forests, and wildlife present in the region are preserved and protected.
- SMEA received a request from the Punjab Board of Investment and Trade to review its Investment Promotion Strategy for Punjab (2021-23). The proposed strategy is aimed at designing a future road map that is firmly grounded in the analysis of real situations, both within the sector and at the market level. The strategy aims to promote various opportunities for attracting foreign direct investments and technology transfer not only through joint ventures but also through elevating the skilled labor standards in Punjab. BEE’s recommendations pertaining to investors’ aftercare, incentive regimes, institutional structure and reforms, and focal sectors, will further refine the strategy to create an enabling environment to attract foreign as well as local investment in the region.



- GoS requested SMEA to develop a ‘Domestic Commerce Policy’ for Sindh province with an aim of optimizing intra and interprovincial trade within the country, improving competitiveness, and competing in the international market. The proposals stemming from SMEA’s report are the result of an extensive literature review and stakeholder consultations with key industry players and policymakers, keeping in view best practices. If implemented, SMEA’s recommendations will address the issues faced by some of the key sectors such as agriculture and ICT leading to the creation of job opportunities and improving the overall investment climate for both domestic and international players.
- Building on SMEA’s success with KP’s mineral sector, the BEE component provided technical support for strengthening Punjab’s mineral sector by reviewing the laws, regulations, and institutional arrangements and suggesting amendments. This activity will enhance investment in the sector and help to develop new mines. Punjab’s MMD remained actively involved in the process and expressed keen interest in reforming the sector.

#### **vi. Private Sector Engagement**

- SMEA’s CF has been a successful grants model capable of leveraging PSI. Overall, the 141 awarded grants with an accumulated obligation of USD 7.5 million have to date successfully leveraged USD 21 million in PSI. A notable example is of one of the CF grantees that leveraged PSI during the reporting period, Pronto Spaces Pvt. Ltd. Pronto Spaces recently procured a 5-axis router machine, a second such 5-axis router machine in Pakistan and established a first-of-its-kind bent ply-wood seating setup in Pakistan with end-to-end manufacturing capability. Pronto Spaces obtained a commitment order for the supply of furniture for McDonald’s. Pronto Spaces secured a finance lease for this 5-axis machine, worth USD 76,000, from a private commercial bank increasing private sector commitment from USD 72,000 to USD 200,000. Another example is Zahra Ebrahim Furniture & Interiors, a recipient of a growth grant. This SME closed a deal worth USD 132,000 to manufacture the furniture and design the interior of the Pakistan Pavilion at Dubai Expo 2020.
- Information sessions were conducted with SME pools in partnership with ecosystem stakeholders to continue private sector engagement, increase outreach, and invite more applications for the BDS cost-share trainings. Specifically, such sessions were held for the Women Chamber of Commerce and Industry Lahore in which 18 SMEs, and another session with CaterpillarHERs Accelerator Program in which 15 SMEs participated.
- One of the core elements of SMEA’s work is to enhance the role of the private sector in policy formulation and reduce the government’s footprint in key sectors of the economy. Accordingly, as part of SMEA technical assistance to the Government of Sindh, the viewpoint of the private sector has been incorporated into the final set of recommendations for the Sindh Domestic Commerce Policy, which aims to optimize three components of domestic trade, i.e., inter-provincial trade, domestic SMEs in the rest of the country’s markets, and sectoral markets.

#### **vii. Digitalization**

- SMEA has been working extensively on digital enablement under USAID’s ESF funding priorities. SMEA supported 15 new BDS cases during the reporting year.
- 37 SMEs were also given extensive capacity-building support under ESF funding through Digital Media Marketing cost-share trainings.
- Through SMEA’s partnership with Facebook with its #SheMeansBusiness initiative, the project trained 29 MSMEs through Digital Marketing trainings.
- SMEA is supporting the KPITB by reviewing and revising its KP Digital Policy. KP has been lagging behind Punjab and Sindh considerably in the context of digital penetration, but through this intervention, businesses can keep track of their payments enabling them to access finance through formal channels funding their growth. In addition, new avenues will be accessible for conducting commerce both domestically and internationally fueling job creation and fostering entrepreneurship. Against the backdrop of increasing unemployment and inflation, the development of the ICT sector will augment economic growth within the region. The policy will

also address the governance issues feeding into a transparent system ensuring expectations of citizens are appropriately set and fulfilled.

## **7. LESSONS LEARNED**

- Strong linkages should be developed with relevant government counterparts, which can be utilized in driving reform initiatives. This will address the issue of breakage in linkages resulting due to frequent transfers of focal government representatives.
- During the CF implementation, the grantees experienced challenges regarding a significant surge in PKR exchange rates with USD which put a lot of stress on active grantees, especially those that were in the process of importing new machines as part of the grant implementation. As an immediate mitigation effort, SMEA provided additional funds to such grantees by increasing 10 percent in the grant budget to compensate for the impact of forex adjustments. Moreover, the breakout of the new wave of COVID-19 in China and the increase in shipment and transportation costs also created delays which SMEA took care of by extending the implementation period for such grantees.
- Budgetary constraints meant that SMEA could not take up some activities that were in the pipeline, and existing activities had to be carried out with significantly lesser levels of effort through a mix of external and in-house expertise. For example, the technical support relating to the Punjab Board of Investment and Trade had to be conducted entirely through SMEA's in-house expertise. This presented an opportunity for the BEE team to make use of the knowledge base that was created over the life of the project.

## Success Story

### Walee Technologies, a USAID SMEA grants Recipient, Becomes Pakistan’s Largest Influencer Marketing Ecosystem

Walee was launched in November 2019 by co-founders Muhammad Ahsan Tahir and Samina Seth in Pakistan to connect youth with free online training and paid work opportunities online so they could support themselves, their families, and Pakistan’s economy using innovative technology and solutions.



Ahsan Tahir (left), Walee Cofounder

In November 2019, the “Walee - Pakistan’s Everyday Trade App” was developed through grants funds from USAID SMEA and debuted to tap into the growing global influencer marketing platform market which is projected to reach USD 34.6 billion by 2027 (Market Ocean). Today, Walee serves more than 100,000 influencers, working with brands and SMEs, across 280 cities to promote content and sell products and services to their followers in return for compensation. Headquartered in Islamabad, Walee added offices in the business centers of Karachi and Lahore to better serve clients and has worked hard on making it an employer of choice with dynamic workspaces, in-house speaker series, workshops, trips and more.

Looking back in its early days, Walee was launched at seemingly the right time. Samina Seth, Cofounder of Walee shared, “we *unknowingly* launched just a few months before the Covid-19 pandemic started which meant most Pakistanis were now homebound. Many were impacted by job losses and so demand for earning online became imperative for many more. This period also saw an increase of internet traffic by at least twenty five percent from the previous period, a boost in online sales and huge interest in entertainment, which included a greater interest in influencers and their content.”

From the pandemic, an emerging pool of affiliates and influencers were available and eager to learn the trade to earn in the short term and potentially even make a longer-term career. To support this nascent community, Walee conducted online training and bootcamps for influencers and introduced a web series called “The Power of Influence” for aspiring influencers to learn more from successful creators. A Walee Campus Ambassador program was also piloted to more than ten universities country-wide representing a 100,000+ student body as a way for them to learn more about the craft and consider future work opportunities in this new field.



Samina Seth, Walee Cofounder

On the other side, Walee’s app also garnered incredible traction and interest from small businesses to international brands looking to better connect with audiences using influencer marketing, and as an upside, offer income-earning opportunities by using a more diverse influencer mix with a lower follower count but higher engaged content. To educate businesses, Walee’s team offered an online “Start and Scale” training program providing toolkits and coaching support to participants. Today, thousands of businesses have

registered on the platform. Walee today serves more than 10 vertical industries and has concluded hundreds of campaigns, ranging from influencer involvement, and ambassador recruitment to affiliate programs.

Walee has been an incredible success story of what can be achieved with timely financial support to develop, establish, and commercialize products to enable businesses to succeed in an emerging industry that enables a range of benefits, from innovation, market connectivity to economic activity, imports, and job generation, especially for youth, women, and marginalized populations. As a recipient of Innovation and Scale-up Grants from USAID SMEA, Walee's foray into its entrepreneurial journey with a single product has evolved to a comprehensive ecosystem with a breadth of capabilities and services catering to influencers, brand marketers, agencies, and planning teams.

Walee's aggressive growth roadmap and market potential attracted interest in the investor community. In September 2021, a seed investor round worth USD 2.7million was announced with Pakistan's largest national advertising and marketing conglomerate, [Z2C Pvt Ltd](https://z2climited.com/) (<https://z2climited.com/>), whose portfolio companies covering commerce, insights, video, sports and social, collectively serve thousands of global and national brands such as Nestle and Samsung. This strategic partnership should enable Walee to double business and staff within a year.

To quickly enhance its intelligence suite of tools and capabilities while expanding overseas, Walee acquired UAE-based technology [mirror.com](https://www.mirror.com/) and consequently set up their first international operations with a regional Middle East office in Dubai to cover GCC, North Africa, an ecommerce and social and digital market estimated to be worth USD 60 billion in 2022.



Walee headquarters in Islamabad

Walee has achieved a strong product-market fit and the ongoing rollout of value-add services have been well-received by marketers and influencers, a step in steering Walee's ambitions to be a global marketing technology (MarTech) solution provider. In a short period, the company is Pakistan's market leader for influencer marketing and social commerce ecosystem and has been quoted in the media and invited at industry events as experts.

Currently, Pakistan's market continues to grow: by 2022, 116 million Pakistanis have internet access ([www.pta.org](http://www.pta.org)), and the e-commerce market is expected to increase from 2021's USD 6 billion online sales by an average annual growth of seven percent (Statista).

"I believe we have come a long way since being awarded the SME grant in 2019. Today, our ambition at Walee's is to be a global innovative martech solution provider. In a short period, we have become Pakistan's largest and fastest growing influencer marketing and social commerce ecosystem with more than 100,000 influencers and businesses currently on our platform which we aim to double within a year." Muhammad Ahsan Tahir, CEO/Co-Founder, Walee Technologies.

## **8. PLANNED INTERVENTIONS FOR THE NEXT YEAR, INCLUDING UPCOMING EVENTS**

- SMEA project closeout event to be held on November 15-16, 2022.

## 9. STATUS OF AWARD DELIVERABLES

Award Year/Deliverable	Quarterly Updates	Remarks
Four Quarterly Progress Reports	Completed	Submitted to USAID
Biweekly reports	Completed	Submitted to USAID
Annual Work Plan Year 5	Completed	Submitted to USAID
Annual Performance Report	Completed	Submitted to USAID

## ANNEX 1: PROGRESS ON PERFORMANCE AND CONTEXT INDICATORS FROM MEL PLAN (OCTOBER 2021 – SEPTEMBER 2022)

INDICATOR	BASELINE DATA		CUMULATIVE ACTUALS AS OF LAST YEAR <sup>1</sup>	CURRENT FY TARGET <sup>2</sup>	QUARTERLY ACTUALS DURING CURRENT FY				ACTUALS TO DATE <sup>3</sup>	COMMENTS/TARGET DEVIATION
	YEAR	VALUE			Q1	Q2	Q3	Q4		
<b>Intermediate Result (IR): 3.1: Business enabling environment improved</b>										
<b>IND. 3.1.1A: NUMBER OF ECONOMIC GROWTH POLICIES ADVANCED AS A RESULT OF USG ASSISTANC</b>	2017	0	76	14	5	5	7	3	96	Overachievement against PakInfo target
<b>POLICY TITLES &amp; STAGES</b>	PLEASE SEE ANNEXURE-1A									
<b>PROVINCES</b>										
<b>IND. 3.1.2A: NUMBER OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) THAT ACCESSED FINANCE AS A RESULT OF USG ASSISTANCE</b>	2017	0	72	10	31	19	8	12	142	Over achievement in terms of PakInfo target
<b>MALE-OWNED SMES FEMALE-OWNED SMES</b>	PLEASE SEE ANNEXURE-1A									
<b>SME SIZE (MICRO, SMALL &amp; MEDIUM)</b>										

<sup>1</sup> It will be FY 2020 for FY 2021 reporting

<sup>2</sup> It will be FY 2021 if you are reporting during FY 2021.

<sup>3</sup> This will be an aggregated number/result for an activity across all FYs. E.g. If an activity is working from 2015, this will be aggregated progress from FY 2015 to date.

<b>Ind. 3.1a: Percentage of micro, small or medium enterprises (MSMEs) reporting improved business conditions as a result of USG assistance</b>	2020	0	-	20%	52%				52%	<b>Overachievement – 52% of the survey respondents reported improvement or less difficulty in starting a new business and operating it. Source BEE Index Pilot Study Report</b>
<i>Male, female and Districts (If applicable)</i>	N/A									
<b>Ind. G.1: Number of jobs/employments attributed to SMEA</b>	2017	0	29,651	6,000 New Jobs	5,189	2,325	1,958	4,768	43,891	<b>Overachieved LOA target</b>
<i>Male-Owned SMEs</i>	PLEASE SEE ANNEXURE-1A									
<i>Female-Owned SMEs</i>	PLEASE SEE ANNEXURE-1A									
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A									
<b>IR /Project Objective 3.2: Employment opportunities increased/ IR1.3: Economic opportunities increased</b>										
<b>Ind. 3.2.0a_1.3c: Number of full-time equivalent jobs created as a result of USG assistance</b>	2017	0	8,682	4,503 FTE	1,416	1,581	1,020	1,081	13,780	<b>Overachievement against the PakInfo Target</b>
<i>Male and Female FTE</i>	PLEASE SEE ANNEXURE-1A									
<i>Male-Owned SMEs &amp; Female-Owned SMEs</i>	PLEASE SEE ANNEXURE-1A									
<i>District</i>	PLEASE SEE ANNEXURE-1A									
<b>Ind. 3.2.3a. Number of MSMEs supported by USG</b>	2017	0	3,933	1,800	1,258	486	125	228	6,030	<b>OVERACHIEVEMENT</b>



assistance											
<i>Male-Owned SMEs, Female Owned SMEs, Micro, Small, Medium, District</i>	PLEASE SEE ANNEXURE-1A										
<b>Ind 3.2.3b: Value (in US dollars) of private sector investment leveraged to support entrepreneurship through USG assistance.</b>	2017	0	USD 31.6 Million	USD 10 Million	USD 2.3 Million	USD 5.1 Million	USD 2.7 Million	USD 9.8 Million	USD 51.5 Million	OVERACHIEVEMENT	
<i>District</i>	PLEASE SEE ANNEXURE-1A										
<i>Male-Owned SMEs</i>											
<i>Female-Owned SMEs</i>											
<b>Ind PPR GNDR-2: Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)</b>	2017	0	35%	10%	15%	7%	14%	2%	28%	OVERACHIEVEMENT	
<i>Numerator &amp; Denominator</i>	PLEASE SEE ANNEXURE-1A										
<i>Province</i>											
<b>PPR STIR-10. Number of innovations supported through USG assistance</b>	2017	0	37	15	1	4	5	2	49	Two grantees completed their Challenge Fund grant.	
<i>District and SME Names</i>	PLEASE SEE ANNEXURE-1A										
<b>IR /Project Objective 1: Improved Business Enabling Environment</b>											

<b>Ind. 1.1: Number of reforms consistent with the World Bank benchmarks on doing business are recommended for improvement</b>	2017	0	19	4	2	2	1	1	25	<b>Overachieved in terms of LOA target.</b>
<i>Reform/Policy Title</i>	PLEASE SEE ANNEXURE-1A									
<i>Province</i>										
<b>Ind. 1.1.1: Number of USG assisted meetings with government officials</b>	2017	0	134	12	1	3	3	2	143	<b>Overachieved in terms of LOA target.</b>
<i>Meeting Title</i>	PLEASE SEE ANNEXURE-1A									
<i>Province</i>										
<b>Ind. 1.1.2: Number of entities receiving USG supported capacity enhancement on policy development, analysis and implementation</b>	2017	0	39	4	1	2	2	1	45	<b>Overachieved in terms of LOA target.</b>
<i>Entity Name</i>	PLEASE SEE ANNEXURE-1A									
<i>Province</i>										
<b>Ind. 1.2.1: Number of USG-assisted organizations that participate in legislative proceedings and/or engage in advocacy</b>	2017	0	18	4	1	2	2	1	24	<b>Overachieved in terms of LOA target.</b>
<i>Entity Name &amp; Entity Type</i>	PLEASE SEE ANNEXURE-1A									

<i>Province</i>										
<b>Ind. 1.2.2: Number of SMEs and private sector entities participating in events for public/private stakeholders to facilitate private sector engagement in policy making</b>	2017	0	145	10	-	-	-	-	145	<b>Overachieved in terms of LOA target.</b>
<i>SME Size (Micro, Small &amp; Medium)</i>	<b>NO PROGRESS TO REPORT FOR CURRENT YEAR</b>									
<i>Province</i>										
<b>Ind. 1.2.3: Number of events for public/private stakeholders to facilitate private sector engagement in policy making as a result of USG assistance. (Pak-Info-2.2.2b.)</b>	2017	0	36	4	1	1	-	-	38	<b>Overachieved in terms of LOA target.</b>
<i>Event Title</i>	<b>PLEASE SEE ANNEXURE-1A</b>									
<i>Province</i>										
<b>IR /Project Objective 2: Improved Economic Performance of Focus Enterprises</b>										
<b>Ind. 2.1: Value of incremental sales attributed</b>	2017	0	50.95%	80%	51.46%	50.90%	61.02%	38.13%	90% <sup>4</sup>	<b>Overachieved LOA target</b>

<sup>4</sup> Yearly percentages are derived using rolling baselines i.e. for each year annual sales value of the previous year is used as baseline; and for, LOA the pre-assistance baseline (1<sup>st</sup> year of each SME) is compared with the final year's sales value. 69% of assisted SMEs, reporting positive incremental sales, showed an overall incremental sale of 90%.

to SMEA										
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A									
<i>SME Sector</i>										
<b>Ind. 2.2: Value of incremental exports attributed to SMEA</b>	2017	0	59.06%	70%	56.18%	33.72%	28.80%	43.92%	97% <sup>5</sup>	<b>Overachieved LOA target</b>
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A									
<i>SME Sector</i>										
<b>Ind. 2.1.1: Increase in productivity of SMEA assisted SMEs. [Target:40% increase from the baseline]</b>	2017	0	25.20%	40%	43%			43% <sup>6</sup>	<b>Overachieved</b>	
<i>Male (If applicable)</i>	PLEASE SEE ANNEXURE-1A									
<i>female (If Applicable)</i>										
<i>District (*and other disaggregation As applicable)</i>										
<b>Ind. 2.2.1: Number of USG assisted SMEs that applied new technologies or management practice</b>	2017	0	78.60%	80%	67.67%	97.40%	74.82%	83.67%	77%	<b>Percentage is calculated for the LOA.</b>

<sup>5</sup> Same as above. 70% of assisted exporters, reporting positive incremental export sales, showed an overall incremental export sale of 97%.

<sup>6</sup> Productivity is calculated using Sales/Employees ratio for 1<sup>st</sup> year's baseline, compared with the final year's progress values for each SME.

as result of USG assistance											
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A										
<i>SME Sector</i>	PLEASE SEE ANNEXURE-1A										
<b>Ind. 2.2.2: Number of new technologies and innovations introduced as a result of SMEA assistance</b>	2017	0	15	2	2	4	-	2	23	<b>Overachieved in terms of LOA target.</b>	
<b>NEW &amp; CONTINUING</b>	PLEASE SEE ANNEXURE-1A										
<b>Ind. 2.2.3: Number of SMEs in target sectors that report using electronic payment methods</b>	2017	0	712	190	74	27	17	9	839	<b>THIS IS NOT A CONTRACT INDICATOR.</b>	
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A										
<i>SME Sector</i>	PLEASE SEE ANNEXURE-1A										
<b>Ind. 2.2.4: Number of persons receiving training on skill development</b>	2017	0	4,106	1,270	1,630	365	219	-	6,320	<b>THIS IS NOT A CONTRACT INDICATOR.</b>	
<i>District</i>	PLEASE SEE ANNEXURE-1A										
<i>Male &amp; Female</i>	PLEASE SEE ANNEXURE-1A										
<b>Ind. 2.2.5: Number of person-days of training on skill development</b>	2017	0	6,743	1,500	2,118	521	267	-	9,649	<b>THIS IS NOT A CONTRACT INDICATOR.</b>	

<i>District</i>	PLEASE SEE ANNEXURE-1A									
<i>Male &amp; Female</i>	PLEASE SEE ANNEXURE-1A									
<b>Ind. 2.3.1: Percentage of USG assisted SMEs that engage with new domestic/export markets and customers</b>	2017	0	76.61%	80%	71.14%	93.65%	79.86%	80.77%	56%	<b>This percentage is calculated for LOA.</b>
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A									
<i>SME Sector</i>	PLEASE SEE ANNEXURE-1A									
<b>Ind. 2.3.2: Number of project-assisted SMEs participating in international trade fairs/exhibitions as result of USG assistance</b>	2017	0	54	0	-	-	-	-	54	<b>No progress to report for current year, as no trade fairs/exhibitions could be conducted.</b>
<i>SME Size (Micro, Small &amp; Medium)</i>	NO PROGRESS TO REPORT FOR CURRENT YEAR									
<i>SME Sector</i>	NO PROGRESS TO REPORT FOR CURRENT YEAR									
<b>Ind. 2.3.3: Number of project-assisted SMEs achieving domestic or internationally recognized standards/certification</b>	2017	0	106	20	8	-	8	5	127	<b>Overachieved in terms of LOA target.</b>
<i>Province</i>	NO PROGRESS TO REPORT FOR CURRENT QUARTER									
<i>SME Sector</i>	NO PROGRESS TO REPORT FOR CURRENT QUARTER									

<b>Ind. 2.4.1: Number of SMEs receiving business development services from USG assisted sources</b>	2017	0	93.63%	80%	100%	100%	100%	100%	96%	Target overachieved in terms of LOA
<i>SME Sector</i>	PLEASE SEE ANNEXURE-1A									
<b>Ind. 2.4.2: Percentage of SMEA assisted SMEs with improved financial worthiness. [Target: 70% of the assisted SMEs]</b>	2017	0	82%	70%	72%			75%	This percentage is calculated for LOA	
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A									
<i>Male-Owned SMEs</i>										
<i>Female-Owned SMEs</i>										
<b>Indicator: 2.4.3 Number of SMEA assisted women SMEs accessing financial services</b>	2017	0	34%	60%	42.86%	75.00%	11.11%	40%	58%	This percentage is calculated for LOA
<i>Province</i>	PLEASE SEE ANNEXURE-1A									
<i>Female-Owned SMEs</i>										
<b>Indicator 2.4.4: Number of USG assisted women SMEs entering new domestic/export markets</b>	2017	0	76.92%	70%	57%	60%	100%	75%	69%	This percentage is calculated for LOA.
<i>SME Sector</i>	PLEASE SEE ANNEXURE-1A									

<i>Female-Owned SMEs</i>										
<b>Indicator 2.4.5: Percentage increase sales revenue at the USG assisted women SMEs</b>	2017	0	88.91%	50%	37%			46%		<b>This percentage is calculated for LOA</b>
<i>Province</i>	PLEASE SEE ANNEXURE-1A									
<i>SME Size</i>										
<b>DO 3: Increased Private Sector-led Inclusive Economic Growth</b>										
<b>Ind. EG 5.2.-1: Number of firms receiving USG-funded technical assistance for improving business performance</b>	2017	0	93.63%	80%	100%	100%	100%	100%	96%	<b>LOA target Overachieved</b>
<i>SME Sector</i>	PLEASE SEE ANNEXURE-1A									
<b>Ind. EG 5.2.-2: Number of private sector firms that have improved management practices or technologies as a result of USG assistance</b>	2017	0	78.60%	80%	67.67%	97.40%	74.82%	83.67%	77 %	<b>This percentage is calculated for LOA</b>
<i>SME Size (Micro, Small &amp; Medium)</i>	PLEASE SEE ANNEXURE-1A									
<i>SME Sector</i>										



## ANNEX 1A: DATA DISAGGREGATION

### Ind. 3.1.1a: Number of economic growth policies advanced as a result of USG assistance

Policy Title/Area	Gilgit Baltistan	Islamabad Capital Territory	Khyber Pakhtunkhwa	Punjab	Sindh	Total
Revised SME Policy of Pakistan		1				1
Capacity building of the Sindh Enterprise Development Fund for Digital Strategy, Government of Sindh					1	1
Diagnostic Study for Restructuring of Khyber Pakhtunkhwa Small Industries Development			3			3
Development of Domestic Commerce Policy for Government of Sindh					1	1
Review of the Gilgit – Baltistan Tourism Policy, Legal Framework and Development of Subsidiary Rules	1					1
Review of the Khyber Pakhtunkhwa Digital Policy 2018 – 2023			2			2
Investment & Trade Promotion Strategy 2021-23 for Punjab				2		2
Supporting new opportunities post-COVID-19 for Export and Domestic Market Development for SMEs in current Policy and Regulatory Environment		3				3
Development of SMEDA's Business Plan for operationalizing the SME Fund		3				3
Strengthening Punjab's Mineral Sector Act & Policies				3		3
<b>Total</b>	<b>1</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>20</b>

### Ind. 3.1.2a: Number of MSMEs that accessed finance as a result of USG assistance

SME Size	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLB	Total
Micro	2		1		1	3	2	9
Small	14	6	5	4	4	9	4	46
Medium	7	1	1		2	4		15

<b>Total</b>	<b>23</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>16</b>	<b>6</b>	<b>70</b>
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**Ind. G.1: Number of jobs/employments attributed to SMEA**

<b>SME Ownership</b>	<b>CE-Component</b>	<b>CF-Component</b>	<b>Total</b>
Male-Owned	3,966	5,488	9,454
Female-Owned	614	4,172	4,786
<b>Total</b>	<b>4,580</b>	<b>9,660</b>	<b>14,240</b>

**Ind. 3.2.0a\_1.3c: Number of full-time equivalent jobs created as a result of USG assistance**

<b>Gender</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Total</b>
Male-FTE	418.94	2,794.79	984.14	4,197.86
Female-FTE	142.08	608.08	149.68	899.82
<b>Total</b>	<b>561.02</b>	<b>3,402.87</b>	<b>1,133.82</b>	<b>5,097.68</b>

**Ind. 3.2.3a. Number of MSMEs supported by USG assistance**

<b>SME Size</b>	<b>Light Engineering</b>	<b>Hospitality</b>	<b>ICT</b>	<b>Logistics &amp; Packaging</b>	<b>Textiles</b>	<b>Agribusiness</b>	<b>WLB</b>	<b>Total</b>
Micro	260	285	81	27	159	118	140	1,070
Small	312	107	32	15	386	27	29	908
Medium	46	2	9	2	46	5	9	119
<b>Total</b>	<b>618</b>	<b>394</b>	<b>122</b>	<b>44</b>	<b>591</b>	<b>150</b>	<b>178</b>	<b>2,097</b>

**Ind 3.2.3b: Value (in US dollars) of private sector investment leveraged to support entrepreneurship through USG assistance**

<b>SME Size</b>	<b>Light Engineering</b>	<b>Hospitality</b>	<b>ICT</b>	<b>Logistics &amp; Packaging</b>	<b>Textiles</b>	<b>Agribusiness</b>	<b>WLB</b>	<b>Total</b>
Micro	211,431	96,304	59,574	-	19,104	196,116	148,338	730,867
Small	705,614	4,419,707	8,236,979	135,257	1,556,479	928,780	1,784,146	17,766,963
Medium	199,866	-	199,386	135,416	638,360	241,588	41,822	1,456,438
<b>Total</b>	<b>1,116,912</b>	<b>4,516,011</b>	<b>8,495,939</b>	<b>270,673</b>	<b>2,213,943</b>	<b>1,366,484</b>	<b>1,974,306</b>	<b>19,954,268</b>

**Ind PPR GNDR-2: Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)**

Reporting Quarters	Balochistan	Gilgit Baltistan	Islamabad Capital Territory	Khyber Pakhtunkhwa	Punjab	Sindh	Total
Quarter 1 (Oct-Dec 21)	28.99%	-	36.00%	-	17.24%	8.57%	15.34%
Quarter 2 (Jan-Mar 22)	-	-	33.33%	4.07%	7.76%	19.44%	7.82%
Quarter 3 (Apr-Jun 22)	-	-	-	-	38.89%	20.00%	14.40%
Quarter 4 (Jul-Sep 22)	-	-	-	-	1.46%	5.00%	1.75%

**PPR STIR-10. Number of innovations supported through USG assistance**

Sr. #	District	Name of SME/Innovation
1	Karachi Central	PAYPRO (PVT.) LTD.
2	Karachi Central	Community Innovation Hub – Sehat Kahani
3	Lahore	Aayz International
4	Islamabad	Mera Future SMC Pvt. Ltd.
5	Quetta	Khanmart SMC Pvt. Ltd.
6	Malir/Karachi	Earth Gold (Pvt.) Ltd.
7	Karachi Central	Connect Hear
8	Implemented by multiple SMEs	ASP.net MVC.net Core
9	Implemented by multiple SMEs	PCI-DSS (Payment Card Industry Data Security System)
10	Implemented by multiple SMEs	CMMI (Capability Maturity Model Integration) maturity Level-3
11	Lahore	Affordable.pk Pvt. Ltd.
12	Islamabad	Trademor Marketing Pvt. Ltd.

**Indicator: 1.1 Number of reforms consistent with the World Bank benchmarks on doing business are recommended for improvement**

Title of Policy Reform	Province
Capacity building of the Sindh Enterprise Development Fund for Digital Strategy, Government of Sindh	Sindh
Diagnostic Study for Restructuring of Khyber Pakhtunkhwa Small Industries Development	Khyber Pakhtunkhwa
Development of Domestic Commerce Policy for Government of Sindh	Sindh
Review of the Gilgit – Baltistan Tourism Policy, Legal Framework and Development of Subsidiary Rules	Gilgit Baltistan
Investment & Trade Promotion Strategy 2021-23 for Punjab	Punjab

Supporting new opportunities post-COVID-19 for Export and Domestic Market Development for SMEs in current Policy and Regulatory Environment	Islamabad Capital Territory
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**Indicator: 1.1.1. Number of USG assisted meetings with government officials**

Meeting's Topic/Policy Area	Islamabad Capital Territory	Punjab	Total
E-Commerce Policy Framework (Development of ICT Chapter for the Strategic Trade Policy Framework)	1		1
Development of Domestic Commerce Policy for Government of Sindh	1		1
Review of the Gilgit – Baltistan Tourism Policy, Legal Framework and Development of Subsidiary Rules	1		1
Review of the Khyber Pakhtunkhwa Digital Policy 2018 – 2023	1		1
Supporting new opportunities post-COVID-19 for Export and Domestic Market Development for SMEs in current Policy and Regulatory Environment	1		1
Development of SMEDA's Business Plan for operationalizing the SME Fund	1		1
Strengthening Punjab's Mineral Sector Act & Policies	1	2	3
<b>Total</b>	<b>7</b>	<b>2</b>	<b>9</b>

**Indicator: 1.1.2. Number of entities receiving USG supported capacity enhancement on policy development, analysis and implementation**

Entity Name	Gilgit Baltistan	Islamabad Capital Territory	Sindh	Punjab	Khyber Pakhtunkhwa
Sindh Enterprise Development Fund			1		
PBIT				1	
Ministry of Commerce, Islamabad		1			
Industries & Commerce department, Government of Sindh			1		
Information Technology Board, Government of KP					1
Tourism and Culture Department, Government of Gilgit-Baltistan	1				
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>

**Indicator: 1.2.1. Number of U.S. government-assisted organizations that participate in legislative proceedings and/or engage in advocacy**

Entity Name	Entity Scope	Public Entity
Information Technology Board, Government of KP	Khyber Pakhtunkhwa	1
Mines and Minerals Department, Government of Punjab	Punjab	1

Entity Name	Entity Scope	Public Entity
Industries and Commerce Department, Government of Sindh	Sindh	1
Sindh Enterprise Development Fund	Sindh	1
Ministry of Commerce, Islamabad	Islamabad Capital Territory	1
Punjab Board of Investment and Trade	Punjab	1

**Indicator: 1.2.2. Number of SMEs and private sector entities participating in events for public/private stakeholders to facilitate private sector engagement in policy making**

No progress related to this indicator during the current reporting year

**Indicator: 1.2.3. Number of events for public/private stakeholders to facilitate private sector engagement in policy making as a result of U.S. government assistance**

Reporting Period	Islamabad Capital Territory
Q1 (October – December 2021)	1
Q3 (January – March 2022)	1
<b>Total</b>	<b>2</b>

**Indicator 2.1: Value of incremental sales attributable to SMEA**

SME Size	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLB	Total
Micro	73%	401%	412%	-	210%	73%	50%	83%
Small	94%	69%	193%	115%	29%	39%	77%	55%
Medium	57%	-	107%	7%	32%	25%	-	38%
<b>Total</b>	<b>76%</b>	<b>82%</b>	<b>156%</b>	<b>62%</b>	<b>32%</b>	<b>40%</b>	<b>67%</b>	<b>50%</b>

**Indicator 2.2: Value of incremental exports attributable to SMEA**

SME Size	Light Engineering	ICT	Logistics & Packaging	Textiles	Agribusiness	WLB	Total
Micro	133%	-	-	-	154%	37%	109%
Small	210%	271%	139%	34%	33%	79%	48%
Medium	81%	7%	-	32%	-	-	35%
<b>Total</b>	<b>116%</b>	<b>173%</b>	<b>139%</b>	<b>33%</b>	<b>48%</b>	<b>54%</b>	<b>44%</b>

**Ind. 2.1.1: Increase in productivity of SMEA assisted SMEs**

Sector	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	Women-Led Business (WLB)	Total
% Change in productivity	95%	91%	137%	3%	11%	69%	1%	43%

**Indicator: 2.2.1 Number of U.S. government-assisted SMEs that applied new technologies and/or management practice as result of U.S. government assistance**

Reporting Quarters	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLBs	Total
Quarter 1 (Oct-Dec 21)	36.00%	89.87%	56.82%	100.00%	51.16%	74.73%	73.21%	67.67%
Quarter 2 (Jan-Mar 22)	100.00%	100.00%	100.00%	100.00%	100.00%	91.30%	100.00%	97.40%
Quarter 3 (Apr-Jun 22)	47.83%	96.43%	75.00%	100.00%	37.50%	73.33%	45.45%	74.82%
Quarter 4 (Jul-Sep 22)	90.91%	100.00%	100.00%	100.00%	50.00%	84.62%	87.50%	83.67%

**Indicator: 2.2.2 Number of new technologies and innovations introduced as a result of SMEA assistance**

#	New Technology Type	Status (New/Continuing)
1	Cognitive Authentication Suite – Electronic authentication and onboarding of bank customers, without physically visiting the branch	New
2	Walee Mobile App – influencers matchmaking to enable businesses to find, select, hire, and pay influencers/affiliates to promote/sell products; localized shops for influencers, where people can buy with trust for a seamless experience rather than shifting to third-party websites	New
3	Community Innovation Hub (Sehat Kahani) – Electronic health care portal – mobile application inclusive of automated chatbot, Artificial Intelligence integration for real-time disease analytics dashboard, one-time password verification with NADRA verification, local language translator, voice-to-text translation, and white label corporate solution.	New
4	Aayz International – Production of sports goods using Carbon Fiber Reinforced Thermo-Plastics – the technology ensures eco-friendly production, reusability & recyclability.	New
5	Mera Future – Pakistan’s first three-dimensional (personality, interest & subject knowledge) artificial intelligence based career counseling model/platform	New
6	Khanmart – Quetta, Balochistan based online dry fruit marketplace – along with its own inventory, the solution allows other sellers to register onto Khanmart.pk for their online sales using three payment gateways integrated into the portal.	New
7	Affordable.pk – Developed a high-tech and user-friendly drop shipping application and portal for exporting Pakistani brands & handicrafts	New
8	Trademor Marketing – An innovative model adopted to expand e-commerce in Pakistan – supported onboarding of small and medium sized businesses onto Amazon.com and Alibaba.com	New

**Indicator: 2.2.3 Number of SMEs in target sectors that report using electronic payment methods**

SME Size	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLB	Total
Micro	7	6	8	1	10	3	35	70
Small	11	1	12		4	8	10	46
Medium	2		2		3	2	2	11
<b>Total</b>	<b>20</b>	<b>7</b>	<b>22</b>	<b>1</b>	<b>17</b>	<b>13</b>	<b>47</b>	<b>127</b>

**Indicator: 2.2.4 Number of persons receiving training on skill development**

SME Size	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLB	Total
Micro	279	638	97	27	162	126	150	1,479
Small	189	169	50	10	93	39	28	578
Medium	58	2	16	2	58	11	10	157
<b>Total</b>	<b>526</b>	<b>809</b>	<b>163</b>	<b>39</b>	<b>313</b>	<b>176</b>	<b>188</b>	<b>2,214</b>

**Indicator: 2.2.5. Number of person-days of training on skill development**

SME Size	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLBs	Total
Micro	565	559	155	19	158	108	164	1,728
Small	338	169	87	14	124	133	33	898
Medium	91	2	29	2	92	56	8	280
<b>Total</b>	<b>994</b>	<b>730</b>	<b>271</b>	<b>35</b>	<b>374</b>	<b>297</b>	<b>205</b>	<b>2,906</b>

**Indicator 2.3.1: Percentage of USG assisted SMEs that engage with new domestic/export markets and customers**

Reporting quarters	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLBs	Total
Quarter 1 (Oct-Dec 21)	94.12%	40.58%	68.00%	100.00%	80.77%	91.94%	76.09%	71.14%
Quarter 2 (Jan-Mar 22)	100.00%	98.77%	100.00%	100.00%	85.71%	100.00%	45.45%	93.65%
Quarter 3 (Apr-Jun 22)	60.87%	100.00%	62.50%	33.33%	87.50%	63.33%	72.73%	79.86%
Quarter 4 (Jul-Sep 22)	100.00%	100.00%	100.00%	-	66.67%	71.43%	50.00%	80.77%

**Indicator: 2.3.2. Number of project-assisted SMEs participating in international/national trade fairs and exhibitions as a result of U.S. government assistance**

No progress related to this indicator during the current reporting year

**Indicator: 2.3.3. Number of project-assisted SMEs achieving internationally/domestically recognized standards/certifications**

SME Size	Light Engineering	ICT	Textiles	Agribusiness	WLBs	Total
Micro			1	2	1	4
Small	4		4	5	2	15
Medium		1		1	-	2
<b>Total</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>21</b>

**Indicator: 2.4.1 Number of SMEs receiving business development services from U.S. government assisted sources**

Sector	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	Women-Led Business (WLB)	Total
% SMEs	100%	100%	100%	100%	100%	100%	100%	100%

**Indicator 2.4.2. Percentage of SMEA assisted SMEs with improved financial worthiness**

Sector	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLB	Total
% SMEs	84%	50%	86%	71%	80%	67%	68%	72%

**Indicator: 2.4.3. Number of SMEA assisted women owned/led SMEs accessing financial services**

Reporting quarter	Islamabad Capital Territory	Punjab	Sindh	Total
Quarter 1 (Oct-Dec 21)	-	33%	50%	43%
Quarter 2 (Jan-Mar 22)	50%	100%	-	75%
Quarter 3 (Apr-Jun 22)	-	-	20%	11%
Quarter 4 (Jul-Sep 22)	-	33%	50%	40%

**Indicator 2.4.4. Number of USG assisted women-owned/led SMEs entering new domestic/export markets**

Reporting quarter	Light Engineering	Hospitality	ICT	Textiles	Agribusiness	WLBs	Total
Quarter 1 (Oct-Dec 21)	20%	67%	57%	65%	50%	57%	57%
Quarter 2 (Jan-Mar 22)	50%	100%	-	33%	-	75%	60%



Quarter 3 (Apr-Jun 22)	100%	-	-	100%	100%	100%	100%
Quarter 4 (Jul-Sep 22)	100%	-	-	50%	100%	50%	75%

**Indicator 2.4.5. Percentage increase sales revenue at the USG assisted women SMEs**

SME Size	Light Engineering	Hospitality	ICT	Textiles	Agribusiness	WLBs	Total
Micro	-	-	98%	29%	-	36%	35%
Small	19%	52%	56%	57%	9%	43%	37%
Medium	-	-	54%	-	-	-	38%
<b>Total</b>	<b>19%</b>	<b>52%</b>	<b>54%</b>	<b>55%</b>	<b>9%</b>	<b>39%</b>	<b>37%</b>

**Ind. EG 5.2.-1: Number of firms receiving USG-funded technical assistance for improving business performance**

Sector	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLBs	Total
% SMEs	100%	100%	100%	100%	100%	100%	100%	100%

**Ind. EG 5.2.-2: Number of private sector firms that have improved management practices or technologies as a result of USG assistance**

Reporting Quarters	Light Engineering	Hospitality	ICT	Logistics & Packaging	Textiles	Agribusiness	WLBs	Total
Quarter 1 (Oct-Dec 21)	36.00%	89.87%	56.82%	100.00%	51.16%	74.73%	73.21%	67.67%
Quarter 2 (Jan-Mar 22)	100.00%	100.00%	100.00%	100.00%	100.00%	91.30%	100.00%	97.40%
Quarter 3 (Apr-Jun 22)	47.83%	96.43%	75.00%	100.00%	37.50%	73.33%	45.45%	74.82%
Quarter 4 (Jul-Sep 22)	90.91%	100.00%	100.00%	100.00%	50.00%	84.62%	87.50%	83.67%

## ANNEX 2: FINANCIAL REPORT

Pursuant to section F.6.12 of the SMEA contract, the following information summarizes SMEA's financial progress from October 1, 2021, to September 30, 2022:

- Total funds obligated to date by USAID into the contract: USD 34,836,223
- Percent of obligated funds expended through the end of this year: 95%
- Summary of expended funds by main line items:

*Table 12: Summary of SMEA's financial progress over the past year*

Cost Category	Contract Budget (USD)	Previously Expended Funds (USD)	Funds Expended This Year (USD)	Remaining Budget (USD)
1. Salaries and Other Benefits (i)	9,984,705	8,110,175	1,468,570	405,960
2. Travel and Transportation	244,852	202,003	10,327	32,522
3. Equipment	234,780	218,280	0.00	16,500
4. Other Direct Costs (ii)	3,088,661	2,440,674	396,688	251,299
5. Subcontracts	5,688,158	5,070,644	576,159	41,355
6. Pakistan Challenge Fund	7,500,000	4,987,133	2,282,278	230,589
7. Indirect Cost (iii)	6,143,345	4,804,998	830,255	508,092
Total Estimated Cost (Excluding Fixed Fee)	32,884,501	25,833,907	5,564,276	1,486,317
8. Fixed Fee	1,951,722	1,789,998	61,724	100,000

(i) includes Salaries and Fringe Benefits, and Allowances

(ii) includes Other Direct Costs and USD 2.5 million Competitiveness Enhancement Fund

(iii) includes Overhead and General and Administrative costs

- Significant expenses incurred during the period:
  1. *Salaries and Allowances.* Salaries of USD 775K, and direct fringe benefits of USD 584K, including severance payments for departing staff. Indirect fringe benefits billed in accordance with Chemonics' current provisional NICRA totaled USD 99K. Allowances, consisting primarily of project-wide per diem, totaled USD 37K.
  2. *Other Direct Costs.* The primary driver of ODCs over the past year was the provision of trainings, assessments, and business development services under the Competitiveness Enhancement Fund, totaling USD 392K.
  3. *Subcontracts.* A total of USD 576K in subcontractor invoices were billed this year, primarily from consulting services and staff provided by J.E. Austin Associates, Semiotics, and Premier Security Services.
  4. *Pakistan Challenge Fund.* A total of USD 2.3 million was disbursed in the form of milestone payments to Scale-up, SME Growth, and Innovation grantees from the Challenge Fund.
  5. *Indirect Cost.* This line item includes overhead and general & administrative indirect expenses billed in accordance with Chemonics' current provisional NICRA.

## ANNEX 3: PHOTOGRAPHS



SMEA's consultative session with stakeholders on BEE Index on January 25, 2022.



SMEA's Food Safety training for Hospitality enterprises in Charsadda on January 20-21, 2022.



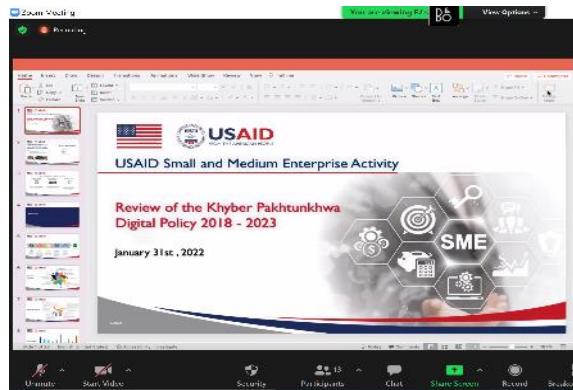
SMEA's workshop on BDS Program with SMEDA officials on March 31, 2022.



SMEA's Digital Marketing training in Lahore on January 29-30, 2022.



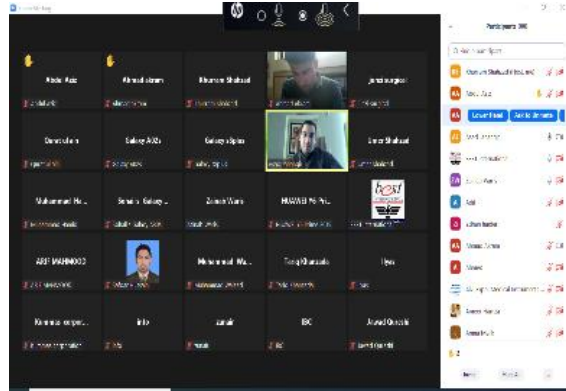
SMEA presented findings from its Market Intelligence Study to the Government of Pakistan on January 27, 2022.



SMEA virtually presented findings from its review of KP's Digital Policy to the Government of KP on January 31, 2022.



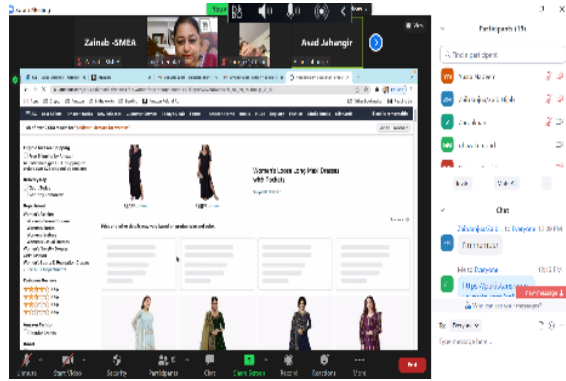
SMEA's Amazon Readiness and Selling Training for SMEs in Swat, KP on February 15, 2022.



SMEA's virtual Amazon Readiness and Selling training for SMEs on February 9-10, 2022.



Find My Adventure, a SMEA grant recipient got acquired by GoZayaan for USD 3.5 million.



SMEA's virtual Amazon Readiness and Selling training held on February 23-24, 2022.



SMEA's Food Safety training for Hospitality enterprises in Takht Bai on February 23, 2022.



SMEA's Person in Charge training in collaboration with FoodPanda on March 1-3, 2022.



Attirish, a woman-led business of digital textile printing installed of a new printer and heat transfer machine, improved its set-up and team and developed an e-commerce platform through a growth grant.



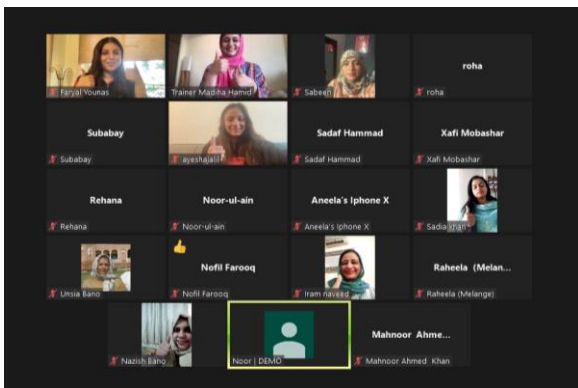
SMEA organized an event in Islamabad to celebrate World Micro, Small and Medium Enterprises Day and recognize the successes and achievements of dynamic SMEA beneficiaries. USAID's Deputy Mission Director David Young awarded certificates of appreciation to entrepreneurs.



On December 15, 2021, the Government of Pakistan approved and unveiled the new SME Policy 2021-25 for Pakistan, which SMEA helped develop in collaboration with SMEDA. Pakistan's Minister for Industries and Production, Khusro Bakhtiar (right) provided an overview of the policy during a press conference.



SMEA's Digital Marketing training for Light Engineering SMEs in Lahore on October 6, 2021.



SMEA's virtual 6<sup>th</sup> SME Core Group Meeting held on October 6-7, 2021.



SMEA's Business Growth and Business Model Innovation training for Pakistani FinTechs on November 12, 2021.



SMEA's Digital Marketing trainings for SMEs in Lahore on November 19-20, 2021.



SMEA's Amazon Readiness and Selling training for SMEs in Karachi on November 28-29, 2021.



SMEA's Food Safety (Level 1) training for SMEs in Haripur, Khyber Pakhtunkhwa on November 25, 2021.

Description of Main Tasks/Milestone	Grant Resources Required	Non-Grant *Resources Contributed	Start & End Dates	Installation of Machinery started. Test Production started
Task 1: 50% Advance Payment to vendor	3,705,000	1,000,000	Nov 1- Dec 10 2021	Manufacturing of Machinery Started
Task 2: Machinery manufactured & delivered	3,705,000	1,000,000	Dec 2021- Feb 2022	Installation of Machinery started. Test Production started

A screenshot from SMEA's final pitch session for SME growth grants.



SMEA's training on Halal Food Standards and Food Safety for Hospitality enterprises on December 14, 2021.



SMEA's training on Digital Marketing for women-led businesses in Faisalabad on December 13, 2021.

## ANNEX 4: LIST OF SUBCONTRACTORS/ SUB-AWARDEES

No.	Name of Sub-Awardee	Title of Intervention	Start Date	End Date
1	Consortium for Development Policy Research	Development a revised SME Policy for Pakistan	2-Jul-18	12-May-19
2	Business Beam	Business Development Services	7-Jun-18	6-Jun-19
3	Generix Solutions	Business Development Services	22-Oct-18	21-Oct-19
4	GIA	Business Development Services	21-Dec-18	20-Dec-19
5	2AM Design House	Business Development Services	4-Jan-19	3-Jan-20
6	Active Media	Business Development Services	16-Jan-19	14-Jan-20
7	Halal Assessment & Certification Institute Pvt. Ltd.	Business Development Services	17-Jan-19	16-Jan-20
8	Halal Assessment & Certification Institute Pvt. Ltd.	Business Development Services	27-Apr-20	16-Jan-20
9	Griffin Worx	Provide Technical delivery of Methodology, training and development assistance and to promote ICT and business solution for SMEs	5-Jul-18	5-Feb-20
10	The Indus Entrepreneurs (TiE)	Technical Assistance and Partnership with Startups Cup to Promote ICT and Business Solutions for SMEs	22-Feb-18	19-Feb-20
11	Selecto Solutions	Business Development Services	17-May-19	16-May-20
12	Inserito	Business Development Services	22-Jul-19	21-Jul-20
13	Inserito	Business Development Services	12-Oct-20	21-Jul-20
14	Holacia	Business Development Services	10-Oct-18	4-Aug-20
15	Ejad Labs	Business Development Services	13-Sep-19	12-Sep-20
16	SGS	Business Development Services	5-Nov-19	4-Nov-20
17	Cybervision	Capacity Building for SMEs	10-Feb-20	31-Dec-20
18	Quality Systems	Business Development Services	30-May-18	5-Feb-21
19	Efrotech	Business Development Services	10-Feb-20	09-Feb-21
20	Createch Solutions	Business Development Services	11-Mar-20	10-Mar-21
21	Maison Consulting	Business Development Services	25-Jun-19	31-Mar-21
22	V2F Solutions	Business Development Services	20-Jul-20	30-Jun-21
23	Premier Security Services	Provision of security services for SMEA field office	19-Apr-17	30-Jun-21

24	Vitelli & Associates	To identify Potential Policy improvement in Pakistan in the Mineral Sector	22-Mar-21	30-Jun-21
25	Enclude Ltd	Support to objective 2 of the Pakistan SMEA contract (AID-391-C-17-00003), "Improved Economic Performance of Focus Enterprises."	1-May-17	16-Sep-19
26	IBA	Entrepreneurship Development Program for NMDs and Baluchistan Province	4-Dec-20	31-Jul-21
27	D&B	A2F and capacity building of SMEs	5-Jun-20	15-Sep-21
28	Risk Associates	Business Development Services	27-Sep-18	30-Sep-21
29	Sepia Solutions	Business Development Services	26-Dec-19	30-Sep-21
30	Electromotive	Business Development Services	20-Dec-20	30-Sep-21
31	Global Monitoring and Inspections	Business Development Services	20-Dec-20	30-Sep-21
32	Imperial Crown Communication	Business Development Services	20-Dec-20	30-Sep-21
33	Semiotics Consultants Private Limited	Support of project objective through provision of key personnel and STTA	17-Jul-17	31-Mar-22
34	Demo Enterprises	Digitization of SMEA Training Content	10-Apr-21	31-Oct-21
35	J.E Austin Associates	Support of project objective through provision of key personnel and STTA	1-Aug-17	30-Jun-22
36	ASB Associates	Developing and Piloting a BEE Index for SMEs in Pakistan	16-Feb-21	31-Sep-22
37	Compliance Wing	Business Development Services	12-Mar-20	11-Mar-22
38	Digital Dividend	Business Development Services	20-Mar-20	19-Mar-22
39	Sapphire Int'l	Business Development Services	20-Dec-20	4-Apr-22
40	Bestow Software Solutions	Business Development Services	19-Apr-21	18-Apr-22
41	Centangle	Business Development Services	19-Apr-21	18-Apr-22
42	Eccountant	Business Development Services	19-Apr-21	18-Apr-22
43	Hashtag Tribe	Business Development Services	19-Apr-21	18-Apr-22
44	ACTS	Business Development Services	20-Apr-20	19-Apr-22
45	Ace Management System Consultants	Business Development Services	24-Apr-20	23-Apr-22
46	The Brand Consultants	Business Development Services	4-Jul-19	20-May-22
47	Dukanlay Solutions	Business Development Services	24-May-20	20-May-22
48	ITROOS	Business Development Services	13-Jun-18	31-May-22
49	Resource Edge	Business Development Services	23-May-18	31-May-22



50	Enter Tech Solutions	Business Development Services	4-Jun-18	31-May-22
51	COTHM	Business Development Services	21-Jun-18	31-May-22
52	IQS Pvt. Ltd.	Business Development Services	17-Jun-19	31-May-22
53	RF Studio	Business Development Services	27-Jun-19	31-May-22
54	Feat Technologies	Business Development Services	28-Jun-19	31-May-22
55	BVQI	Business Development Services	29-Oct-19	31-May-22
56	ITG	Business Development Services	21-Oct-19	31-May-22
57	Computing Solutions	Business Development Services	6-Nov-19	31-May-22
58	Unicres (Pvt.) Ltd.	Business Development Services	13-Nov-19	31-May-22
59	Marcom Works	Business Development Services	12-Dec-19	31-May-22
60	Ideate Innovation	Business Development Services	13-Aug-20	31-May-22
61	East River	Business Development Services	24-May-20	31-May-22
62	AdotH Consultants	Business Development Services	20-Jul-20	31-May-22
63	Blimp	Business Development Services	22-Apr-21	31-May-22
64	Active Capital IT	Business Development Services	15-Jun-21	31-May-22
65	East West Insurance Company Ltd	SMEA Staff Health Insurance	15-May-21	14-May-22
66	Wings Travel International	Transportation Service Agreement (Ground Travel)	7-Apr-21	6-Apr-22
67	Flairs (Pvt.) Ltd.	Travel Service Agreement (Air Travel)	7-Nov-20	6-Nov-22
68	Allied Traders	Blanket Purchase Agreement (Office Stationery)	6-Apr-20	5-Oct-21
69	Waqar Traders	Blanket Purchase Agreement (Office Supplies)	6-Apr-20	5-Oct-21