



USAID SMALL AND MEDIUM ENTERPRISE DEVELOPMENT PROGRAM

FINAL REPORT



November 3, 2016

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

USAID SMALL AND MEDIUM ENTERPRISE DEVELOPMENT PROGRAM

FINAL REPORT

Contract No. AID-519-C-11-00002

Cover photo: A woman artisan uses indigo to produce clothing in Santa Ana to supply products to Almacenes Simán. The program assisted 47 artisan small and medium enterprises (SMEs) to strengthen their abilities to meet requirements to supply products to Almacenes Siman for its annual ArteCA festival (Credit: Almacenes Simán)

DISCLAIMER

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

CONTENTS

Acronyms	1
Introduction	2
Key program results: milestones that tell our story	4
Support for CONAMYPE and the CDMYPE model	6
Training, sharing of best practices, and information technology improvements	8
Laying the foundation for CDMYPE accreditation	10
Creating and strengthening the CDMYPE Association	10
Other activities supported by the Program	11
Lessons learned and recommendations	11
Support for FONDEPRO to provide better financial services for SMEs	14
Strengthening FONDEPRO's capacity for measuring the economic impact generated by its initiatives.....	15
Strengthening FONDEPRO's Information Technology system	15
Designing and implementing new co-financing instruments	16
Lessons learned and recommendations	16
Export promotion with PROESA, COEXPORT, and the Chamber of Commerce and Industry of El Salvador	18
PROESA.....	18
COEXPORT	21
Chamber of Commerce and Industry of El Salvador	22
Other initiatives	23
Lessons learned and recommendations	23
Innovation and technological development promotion.....	26
Innovation competitions and promotion events	26
Promotion of advanced technology use among SMEs from the metalwork sector	27
Technical assistance for technological development and innovation	27
Innovexport Program to support SME innovation	27
Promoting innovation through CDMYPEs.....	29
Lessons learned and recommendations	29

Sector support.....	32
Metalwork sector	32
Beekeeping sector	33
Food and beverage sector	35
Artisanal and design sector	36
Other sectors.....	38
Lessons learned and recommendations	39
Female entrepreneurship.....	43
Voces Vitales	43
ESCALA Program.....	44
Impulsa tu Empresa (Promote Your Company)	45
CDMYPE women’s entrepreneurship advisors	45
Other gender-based initiatives supported by the Program	46
Lessons learned and recommendations	46
Supplier development initiatives.....	49
Initiatives with Almacenes Simán	49
Supplier Development Program with UNDP and CCIES.....	50
Lessons learned and recommendations	51
Technical assistance by expert volunteers	53
BPeace.....	53
Sabios y Expertos	54
Lessons learned and recommendations	55
Initiatives for strengthening local institutions providing BDS	57
Organizational strengthening initiative	58
Lessons learned and recommendations	60
Economic Corridor In Ciudad Delgado Supporting The “El Salvador Seguro” Plan	61
Component 1: Territorial organization and articulation between actors.....	62
Component 2: Strengthening the business fabric	62
Component 3: Urban image and development	63
Component 4. First common commercial activities	63
Lessons learned and recommendations	63
Conclusions and general recommendations	65

Annex A. Advances in key indicators as of September 2016	67
Annex B. Initiatives implemented by partners	78

ACRONYMS

AMCDPE	Mexican Association of Small Business Development Centers
ASBDC	Association of Small Business Development Centers
BDS	Business Development Service
CCIES	Chamber of Commerce and Industry in El Salvador
CDMYPE	Micro and Small Enterprise Development Center
CEPA	Comisión Ejecutiva Portuaria Autónoma
CENPROMYPE	Regional Center for Micro and Small Business Promotion
CNC	Computerized Numerical Control
CNSCC	National Council for Citizen Security and Coexistence
COEXPORT	Exporters Corporation of El Salvador
CONAMYPE	National Commission for Micro and Small Enterprise
EPAP	Exporting Step by Step program (Exportar Paso a Paso)
FEPADE	Business Foundation for Educational Development
FONDEPRO	Productive Development Fund (Fondo de Desarrollo Productivo)
FUSADES	Salvadoran Foundation for Economic and Social Development
GIZ	German Technical Cooperation Agency
IDB	Inter-American Development Bank
ITCA	Central American Technology Institute (Instituto Tecnológico Centroamericano)
MOU	Memorandum of Understanding
MSE	Micro and Small Enterprise
MSME	Micro, Small, and Medium Enterprise
NGO	Non-Governmental Organization
OCA	Organizational Capacity Assessment
OIRSA	Regional International Agricultural Health Organization
OSARTEC	Salvadoran Technical Regulation Entity
PESS	El Salvador Secure Plan (Plan El Salvador Seguro)
PROESA	Export and Investment Promotion Agency of El Salvador
PROCOTES	Asociación de Proyectos Comunes de El Salvador
PROINNOVA	Technological Innovation Program implemented by FUSADES
SBDC	Small Business Development Center
SBNA	Small Business Network of the Americas
SEMPROFES	Servicios Múltiples Profesionales Salvadoreños
SME	Small and Medium Enterprise
UNDP	United Nations Development Program
USAID	United States Agency for International Development
VVES	Vital Voices of el Salvador

INTRODUCTION

The USAID Program for SME Development, a five-year initiative (October 2011 - December 2016) carried out by Chemonics International, sought to improve the access of micro, small, and medium enterprises to business development services; increase their productivity and competitiveness; and expand their operations into local and export markets. The program contributed to the USAID/El Salvador strategic objective: “Economic freedom: open, diversified, and expanding economy,” through Intermediate Result (IR) 2: “More competitive market-focused companies.” It also contributed to Objective 6 of the Partnership for Growth, which seeks to overcome the low productivity of Salvadoran companies in the tradable sector by transforming factors of production through strategies for improving innovation, quality, and internationalization.

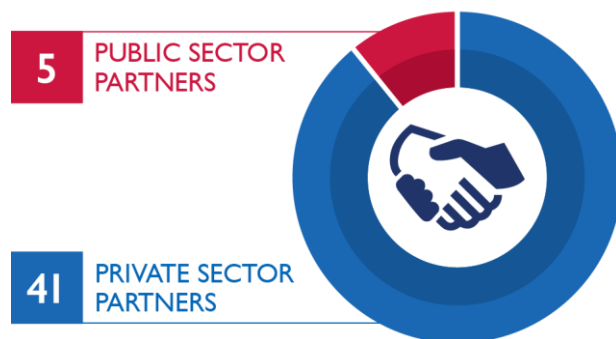
To achieve its goal, the program was divided into three components. The first component provided support to the El Salvadoran government to consolidate the micro and small business development centers (CDMYPEs in Spanish) promoted by the National Commission for Micro and Small Enterprise (CONAMYPE in Spanish). The second component worked with the El Salvadoran government to strengthen mechanisms that support the development of small and medium enterprises (SMEs), by working with the Export and Investment Promotion Agency of El Salvador (PROESA in Spanish) and the Productive Development Fund (FONDEPRO in Spanish) managed by the Ministry of the Economy. The program also collaborated with the Ministry of Agriculture and Livestock in developing the beekeeping sector.

“If it wasn’t for the support provided by USAID to institutions like COEXPORT, PROESA, and CONAMYPE we would have never grown like this in such a short period of time.”

— FREDY MONTERROSA,
COMMERCIAL MANAGER,
JAMCALZA

The third component was designed to collaborate with business associations and other private sector organizations to strengthen SME development. Within this framework, the program worked with a total of 41 organizations over its five-year lifespan, including industry organizations like the Chamber of Commerce and Industry of El Salvador (CCIES in Spanish); the Exporters Corporation of El Salvador (COEXPORT in Spanish) and the American Chamber of Commerce; NGOs like the Salvadoran Foundation for Economic and Social Development

SME DEVELOPMENT PROGRAM PARTNERS



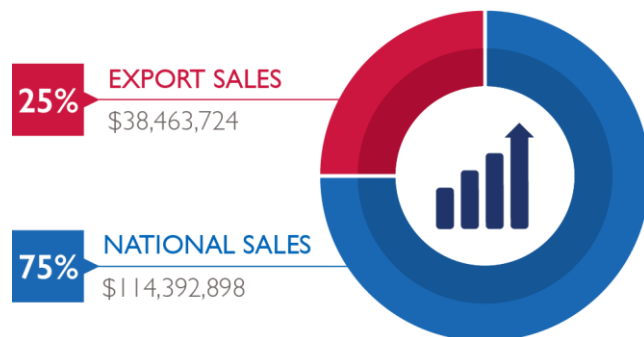
(FUSADES) and Voces Vitales de El Salvador (Vital Voices of el Salvador - VVES); academic centers like the Instituto Técnico Centroamericano (ITCA-FEPADE); and lead or anchor firms like Almacenes Simán and Los Quesos de Oriente.

The following pages summarize the program's main activities and achievements. Chapter 2 covers the support provided for developing the CDMYPE network while Chapter 3 describes our collaboration to strengthen the Productive Development Fund. Chapters 4 through 10 describe private sector activities in key areas for SME development: export promotion (including support through PROESA), innovation and technological development promotion, support for specific sectors, female entrepreneurship, supplier development, technical assistance from voluntary experts, and strengthening local institutions that provide business development services. Chapter 11 addresses a recent initiative for supporting the El Salvador Seguro plan by promoting an economic corridor in the municipality of Ciudad Delgado, and Chapter 12 contains general findings and recommendations we believe could be useful for future SME promotion efforts. The document contains two annexes: one with quantitative program indicators, and a second with a summary of initiatives implemented by the program partners.

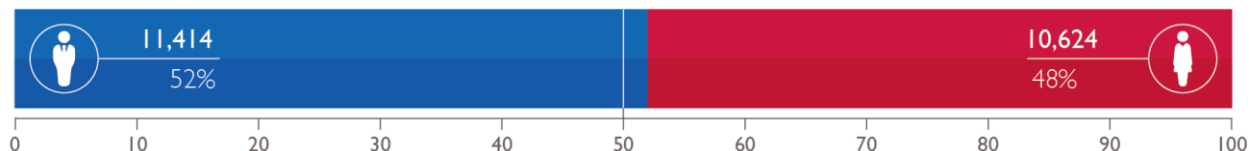
Over five years, the USAID SME Development Program developed and consolidated partnerships with business development service providers, strengthening these service providers in the public and private sector; contributed ideas, resources, and initiatives to create or improve SME services; developed monitoring mechanisms that allow results documentation; and responsibly and effectively managed the resources

assigned to the program. We are proud that with a budget of \$12.6 million, more than 10,900 micro, small, and medium businesses were assisted, generating in excess of \$152 million in sales, \$38 million of which were exports. More than 22,000 jobs were created, 48 percent of which went to women. In addition, assisted companies and our private sector partners provided more than \$29 million in leveraged funds, representing more than double our budget.

SALES OF SMES SUPPORTED \$152,856,622



JOBS CREATED 22,038



These results would not have been possible without the commitment of our partners, the guidance of our supervisors and mentors at USAID, the entrepreneurial spirit and drive of Salvadoran businesspeople and workers, and a qualified team of development professionals committed to the mission of promoting significant change to help improve people's lives.



For every **DOLLAR** invested we generated **\$12** in sales and leveraged **\$2.3** from our partners and assisted SMEs

KEY PROGRAM RESULTS: MILESTONES THAT TELL OUR STORY

- Supported the network of 14 CDMYPES which assisted 10,111 micro and small enterprises that have generated 41 percent of the sales registered by the program over five years.
- Developed monitoring systems for CONAMYPE, FONDEPRO, PROESA, and the Ministry of Agriculture that have allowed them to improve user follow-up, streamline processes, and document the results of their interventions.
- 801 SMEs received export training, 33 percent of which implemented product and process innovations, while 357 exported more than \$38 million.
- Transferred the “Innovex” innovation management methodology to the Chamber of Commerce and Industry of El Salvador and trained national consultants and Chamber of Commerce staff to launch and implement the Innovexport Program, which has strengthened SME innovation capacities for competing in international markets.
- Supported non-traditional sectors that are fundamental for modernizing the country, including the chemical-pharmaceutical and metalwork industries.
- Established partnerships with public and private organizations to transfer good beekeeping practices and to disseminate and apply technical regulations for honey production, thus resolving observations that could affect exports to the European Union.
- Supported more than a dozen initiatives specifically designed to support female entrepreneurship, including Crecemujer by Voces Vitales, CCIES’s Escala mentoring program, and specialized assistance through the CDMYPES.

“There are better services for small and medium enterprises today. Without these services it would have taken me longer to get the company to where it is now.”

— JAIME TREJO, GENERAL MANAGER, LA MICHOACANA

- Supported more than 5,500 female-led SMEs that generated \$45 million in sales and 8,057 jobs.
- Strengthened five program partners (CCIES, FUSADES, Voces Vitales, Sabios y Expertos, and Association of CDMYPE Operators) through implementation of the Organizational Capacity Assessment (OCA) methodology. Three of them were recommended to USAID as suitable partners for implementing funds directly.
- Developed a pilot project in Ciudad Delgado to develop an economic corridor in support of the El Salvador Seguro Plan.



A woman entrepreneur showing samples of packed food produced by her business called JEQUES. She received exports assistance from the program.

PHOTO: SME Development Program

CHAPTER TWO

SUPPORT FOR CONAMYPE AND THE CDMYPE MODEL

The micro and small business development center (CDMYPE) network was launched by CONAMYPE in September 2010 as a way to serve micro and small businesses, which at that time had very little access to business development services across El Salvador. CONAMYPE adopted the model employed by the U.S. Small Business Development Centers (SBDC) (<http://americassbdc.org/>), which operates based on partnerships between the government, private institutions, and universities that operate and co-finance the centers. Five centers that began operations in 2010 quickly grew to 14 centers operating in 11 of El Salvador's 14 departments (see Table 1 and map on the following page). While 1,647 businesses were assisted in 2010, by 2015, this number jumped to 3,300 enterprises generating more than \$20 million in sales. In addition, businesses generated 4,700 new jobs in 2015 alone. Furthermore, the CDMYPE network became part of the Small Business Network of the Americas, fostered by the U.S. government to promote SME development and commercial exchanges throughout the American continent.

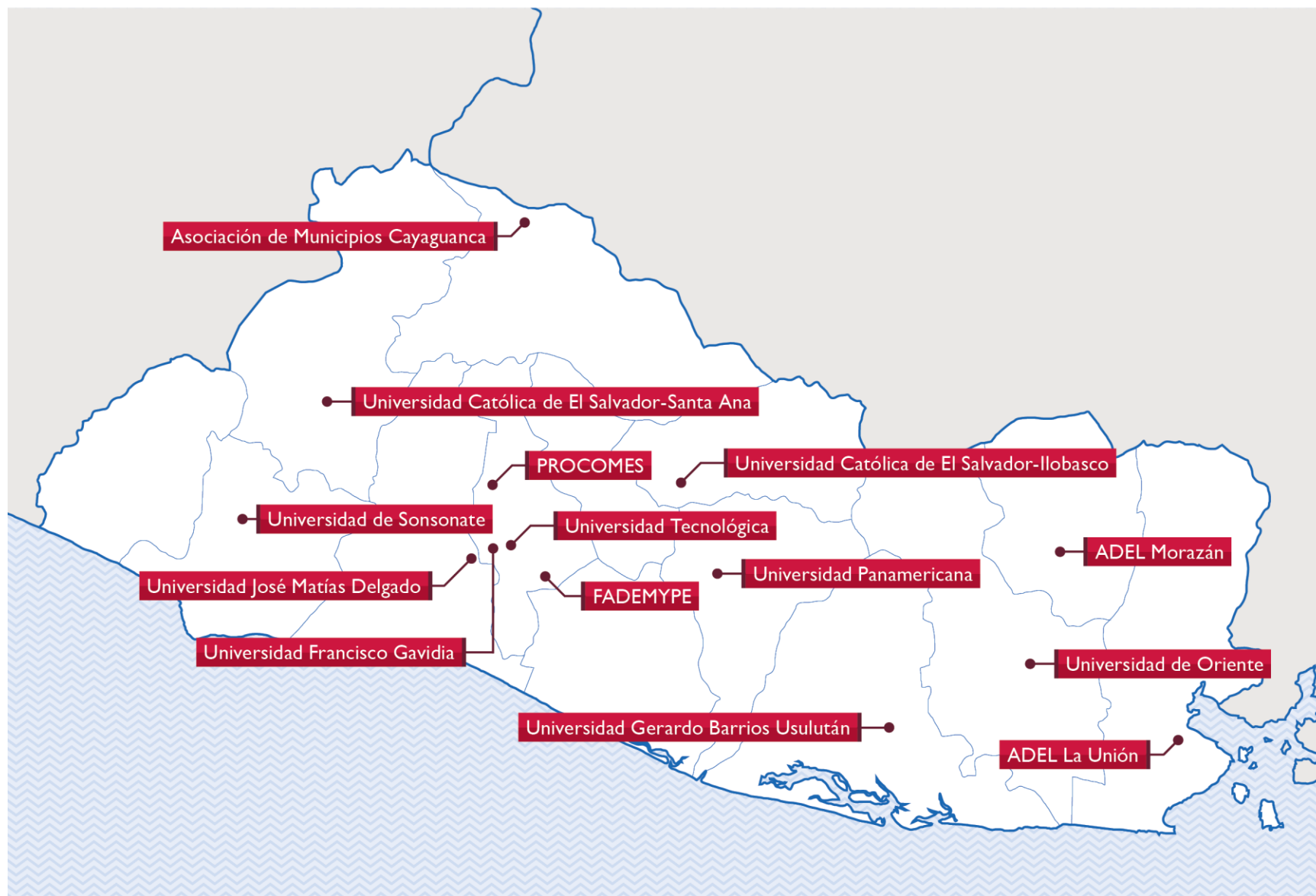
TABLE 1. CDMYPES OPERATING AND THEIR IMPACT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NUMBER OF CDMYPES	10	10	11	11	14
ENTERPRISES ASSISTED	1,647	1,778	3,535	3,197	3,288
INCREMENTAL SALES	Not available	\$6,818,863	\$15,682,470	\$19,067,366	\$20,955,051
EMPLOYMENT GENERATED	Not available	1,541	4,048	5,830	4,696

Source: CONAMYPE's M&E System

The program established a strong partnership with CONAMYPE and CDMYPE operating institutions and supported the consolidation of the CDMYPE model through different activities including: conducting domestic and international training, sponsoring visits from international experts to transfer knowledge, conducting workshops to share best practices, supporting participation in annual conferences, developing methodologies and improving operating processes, and strengthening information technology systems, among others, as summarized below.

OPERATING PARTNERS AND LOCATIONS FOR CDMYPE CENTERS



TRAINING, SHARING OF BEST PRACTICES, AND INFORMATION TECHNOLOGY IMPROVEMENTS

Exchanges with the SBDC network in the United States. Several SBDC network members were brought to El Salvador from the United States to support the CDMYPE network consolidation process, including the president of the Association of SBDCs and SBDC officials from Texas, Puerto Rico, Maryland, and Mississippi. Activities included workshops on best practices, quality, leadership, strategic planning, and accreditation systems, as well as training for implementing the SBDC Global e-commerce platform.

The program also supported three study trips for CONAMYPE and CDMYPE officials: one to the SBDC at the University of Texas San Antonio in 2012, and two to the Puerto Rico SBDC Network in 2013 and 2016. The first trip focused on understanding the operations of a center specializing in foreign trade, and the latter two focused on understanding best practices for certifying business advisors and obtaining center accreditation. These trips also fostered ties and collaboration between centers in El Salvador and in the United States. The program supported participation of CONAMYPE and CDMYPE officials in four annual conferences organized by the U.S. Association of Small Business Development Centers (ASBDC), from 2012 to 2015, allowing participants to learn best practices presented by SBDCs from the United States and other participating countries. In total, 29 people (eight from CONAMYPE and 21 from the CDMYPE network) participated in these three-day events that brought together more than 1,000 members of the SBDC network every year to exchange experiences and learn new techniques for supporting SMEs.

Workshops, seminars, and training sessions. The program's efforts during the first year were focused on promoting a culture for measuring the impact of activities implemented by the CDMYPEs. To this effect, it initially financed a workshop on the "buyer-led approach" and another called "creating a results-oriented culture." Training for capturing and measuring impact indicators was also provided, and a Peruvian expert was brought to work with the CDMYPEs in identifying potential clients for supported SMEs. The program complemented these efforts with a series of training sessions delivered from 2013 to 2016, which included the following topics:

- Introduction to the CDMYPE model for financial and for female entrepreneurship advisors



PHOTO: CONAMYPE

An employee of a small shoe company places soles to deliver an order obtained with support from a CDMYPE. The SME Development Program strengthened the network of 14 Micro and Small Enterprise Development Centers (CDMYPEs) operating in the country which in turn assisted 10,111 micro and small enterprises.

- Linking CDMYPE network financial advisors with financial institutions
- Specialized training for CDMYPE directors and advisors
- How to prevent extortion
- Strategic planning for CDMYPE directors
- Training for women entrepreneurship advisors on how to apply a gender-based approach
- Innovation management
- United States food labeling regulations

Improvements to the information management system, CONAMYPE, and CDMYPEs' information technology (IT) network. The CDMYPE network and CONAMYPE use an information management system to manage the services provided to micro and small enterprises. Between 2012 and 2014, the program supported improvements to this system, including developing and incorporating three new modules to better manage center performance: one to register and measure the economic impact generated by the services provided by the centers; another to monitor compliance with the goals defined in the agreements made by the operating institutions with CONAMYPE on a yearly basis; and the third to manage and control the budget assigned to each CDMYPE. The program also improved the module for creating reports, and created a mechanism for connecting CONAMYPE's and PROESA's systems, so that both organizations can exchange information on common clients and allow PROESA to provide assistance on exports to CDMYPE clients. A manual was also produced for capturing and measuring impact, and CDMYPE personnel were trained in its use.

Furthermore, to strengthen and modernize CONAMYPE and the CDMYPE network's IT infrastructure, the program delivered a set of IT equipment consisting of 30 laptops, five desktops, a server, and 29 Microsoft Office licenses. This equipment is being used to improve registration, attention, assistance, and training provided by CDMYPEs to micro and small enterprises, and to more effectively capture and measure the impact of their interventions.

Fostering exchange activities to share best practices among CDMYPE centers. Five exchange events have been supported, the first of these conducted in May 2015 at ADEL Morazán's center, with participation of more than 50 representatives from CDMYPEs operated by ADEL Morazán, ADEL La Unión, Universidad de Oriente, Universidad Gerardo Barrios, Universidad Francisco Gavidia, and the Asociación de Proyectos Comunes de El Salvador (PROCOMES). One of the highlighted best practices

TOP 5 CDMYPE BEST PRACTICES

- The ADEL La Unión CDMYPE formed strategic alliances with financial institutions that have facilitated access to credit for its customers.
- The Universidad del Oriente CDMYPE integrated its services with the university's academic platform and its different areas (research, quality, planning, etc.), allowing it to provide more comprehensive services to its customers.
- The Universidad Francisco Gavidia CDMYPE designed and developed the training (*diplomado*) "My Digital Company: technological tools for the growth of my business"
- The Universidad Panamericana CDMYPE developed a software to facilitate the paperwork required for hiring technical assistance for its customers.
- The Universidad del Oriente CDMYPE established partnerships with TV channels to promote its services and market products and services of its customers, when airing high-rating programs.

was presented by ADEL La Unión on improving access to finance for CDMYPE clients by approaching and working together with financial institutions. The second event was held at the Cayaguanca Association of Municipalities in September 2015 with participation from 25 representatives from CDMYPEs operated by Asociación Cayaguanca, Universidad de Sonsonate, ADEL La Unión, and Universidad de Oriente. Among the most innovative best practices presented was Universidad de Oriente's initiative to integrate the CDMYPE with the university's different areas, including research, quality, planning and academia, to strengthen and broaden its ability to provide assistance to SMEs. Other exchange events were held at the Universidad Católica de El Salvador - Santa Ana (November 2015), Universidad Gerardo Barrios (March 2016) and Universidad Católica de El Salvador - Ilobasco (September 2016), where centers exchanged best practices like the implementation of a diploma course on digital enterprises and promotion of CDMYPE services using the media (see box on previous page).

LAYING THE FOUNDATION FOR CDMYPE ACCREDITATION

Continuous improvement to ensure quality of services provided. The program has supported the CDMYPEs' continuous improvement efforts since mid-2013, helping them to raise and standardize their corporate service quality, so they can eventually certify and accredit the services provided. The ASBDC accreditation program has been used as the basis or model for this process, founded on Malcolm Baldrige's criteria for excellence. The program has worked with operating partners to put forth a proposal for an accreditation program supported by a consulting committee made up of seven CDMYPE directors, two CONAMYPE officials and a program representative. Progress on this topic includes the creation of a document called *CDMYPE Standards and Evaluation Criteria*, and its corresponding *Self-Evaluation Guide*. These were used as the foundation for a self-evaluation exercise performed by each CDMYPE at the end of 2013 with support from the Executive Director of the Puerto Rico SBDC Network.

CREATING AND STRENGTHENING THE CDMYPE ASSOCIATION

Following the SBDC model with support from CONAMYPE the program worked to create an entity to represent CDMYPE operating institutions since 2013. The program identified that an association would allow CDMYPE operating institutions to better communicate with CONAMYPE, and contribute to the model's promotion and sustainability in El Salvador. As a result, the Association of Micro and Small Enterprise Development Center Operating Institutions (ACDMYPE in Spanish), began operations in March 2015 and received its legal representation in March 2016, with participation from five universities and four NGOs as founding members. Its goal, besides representing the collective interests of the operating institutions, is to ensure the model's continuity, continuous improvement, and sustainability through the commitment its member institutions make to the operation of the centers. The CDMYPE Association was launched in March 2015 during the First CDMYPE Conference, where the first board of directors was sworn in, presided over by the Rector of Universidad Francisco Gavidia.

The program provided assistance to the nascent association during its creation and legalization, and helped it develop a strategic, three-year plan and design its bulletin and website (<http://www.acdmype.org.sv/>). It also supported the implementation of two association conferences, the first of which was held in March 2015 and included around 20 conferences, workshops, and conversations with national and international experts. A highlight of this was the participation of representatives from U.S. SBDCs that shared their experience on providing effective assistance, quality control, and SME financing. In total, 143 representatives from the CDMYPE network, CONAMYPE, some CDMYPEs from Guatemala, and special guests participated. A special recognition was given to Larry Sacks, director of USAID in El Salvador, for the support provided to consolidate the CDMYPE model.



PHOTO: SME Development Program

Board of directors of the Association of Micro and Small Enterprise Development Center Operating Institutions being sworn in at the first CDMYPE Conference held in San Salvador in March 2015

In April 2016, the program supported the Second International CDMYPE Conference, which brought together 135 representatives from CDMYPEs and CONAMYPE, and was sponsored by private businesses and SME support organizations like Claro, BANDESAL, Tigo, Banco Hipotecario, Banco Agrícola, CENPROMYPE, and PROESA. The theme, “Micro and Small Enterprise Innovation and Competitiveness,” drew participation from seven international experts from Spain, the United States, Mexico, Puerto Rico, and Dominican Republic, and 12 national speakers.

OTHER ACTIVITIES SUPPORTED BY THE PROGRAM

- *Consume lo que Oriente Produce* (consume what the east produces), trade fair organized by the CDMYPEs in the eastern zone of the country, November 2015.
- *Encuentro MYPE* (micro and small enterprise gathering), annual congress of micro and small enterprises organized by CONAMYPE (2012-2015).
- Forums for disseminating the achievements and challenges of the CDMYPE model (2012, 2014, and 2016).
- Participation at the 13th Annual Conference of the Mexican Association of Small Business Development Centers (AMCDPE in Spanish).

LESSONS LEARNED AND RECOMMENDATIONS

One of the program’s greatest successes was strengthening the CDMYPE network. Over the life of the program, the network grew from 10 to 14 centers, improved its procedures, trained its personnel, and increased the number and the quality of services provided to micro and small enterprises. The program contributed to this evolution

through assistance, training, and exchanges especially with the SBDC network in the United States. However, this progress would not have been possible without the committed support from CONAMYPE and the private institutions that operate the centers. Participation from these private institutions was strengthened with the creation of the association of CDMYPE operating institutions. Program support was key to strengthening the model by increasing the local institution commitment and encouraging them to take a more active role in the continuous improvement of the centers.

One clear lesson is that more progress can be made when all parties are committed. This requires strong communication so that all parties share knowledge and contribute to and take ownership of the strategy. Important for the success of the program has been CONAMYPE's focus and serious compromise to strengthen the CDMYPE network, as well as the Association of SBDCs' generosity to share its experience and knowledge through its management team as well as through specific SBDCs from Texas, Puerto Rico, Maryland, and other U.S. states that benefited our counterparts in El Salvador.

The CDMYPE model has great potential for contributing to El Salvador's development, especially as it is a decentralized initiative covering the country's entire territory that brings together the efforts of the public sector and private education institutions. The following recommendations aim to continue strengthening the model:

- Seek greater quality and specialization for the services offered by the CDMYPE. This can be achieved by training and certifying business advisors and consultants and implementing a continuous improvement program and an accreditation system for CDMYPEs.
- Guarantee the budget assigned to centers and provide the legal mechanisms so they can operate continuously, avoiding the interruptions or pauses that have occurred up to now at the start of each fiscal year.
- Reduce advisors' administrative load so they can dedicate more time to micro and small enterprise (MSE) support activities.
- Continue improving the CDMYPE model impact measurement system, which includes reinforcing staff knowledge, unifying criteria for data collection, and modifying policies to extend data collection periods with clients to at least two years after they receive services.

SNAPSHOT

Helping Small Businesses Grow

The growth achieved by SEMPROFES is part the result of the support provided by USAID so that CDMYPEs can consolidate and expand their services to SMEs across El Salvador

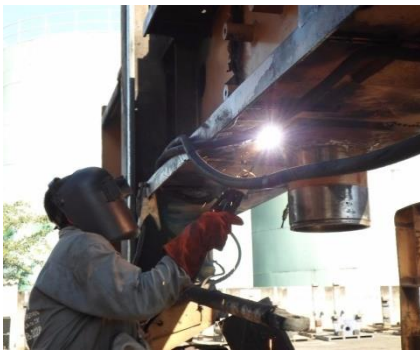


PHOTO: SEMPROFES

A SEMPROFES employee works in CEPA in April 2015. A good business consultancy allows CDMYPE users to receive technical assistance for their specific needs.

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

— Luis Alberto Zelaya, Founding Partner SEMPROFES

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

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

SEMPROFES won its first bid with CEPA in April 2013 and signed its first contract for a period of nine months, which was extended for an additional nine months due to the company's good performance. It won its second contract in 2014, which allowed it to work with CEPA in the Port of Acajutla. To date, SEMPROFES surpassed a million dollars in incremental sales and generated 105 jobs. Zelaya said, “this was a real blessing,” when talking about the assistance he received from CDMYPE. The company currently has around 200 employees on its payroll and is working to identify new clients to offer its services.

SEMPROFES is one of the more than 10,000 companies that benefited from the services provided by CDMYPEs between 2012 and 2016, which are the result of a public-private-academy alliance promoted by the National Commission for Micro and Small Businesses (CONAMYPE) with universities, local government associations and NGOs.

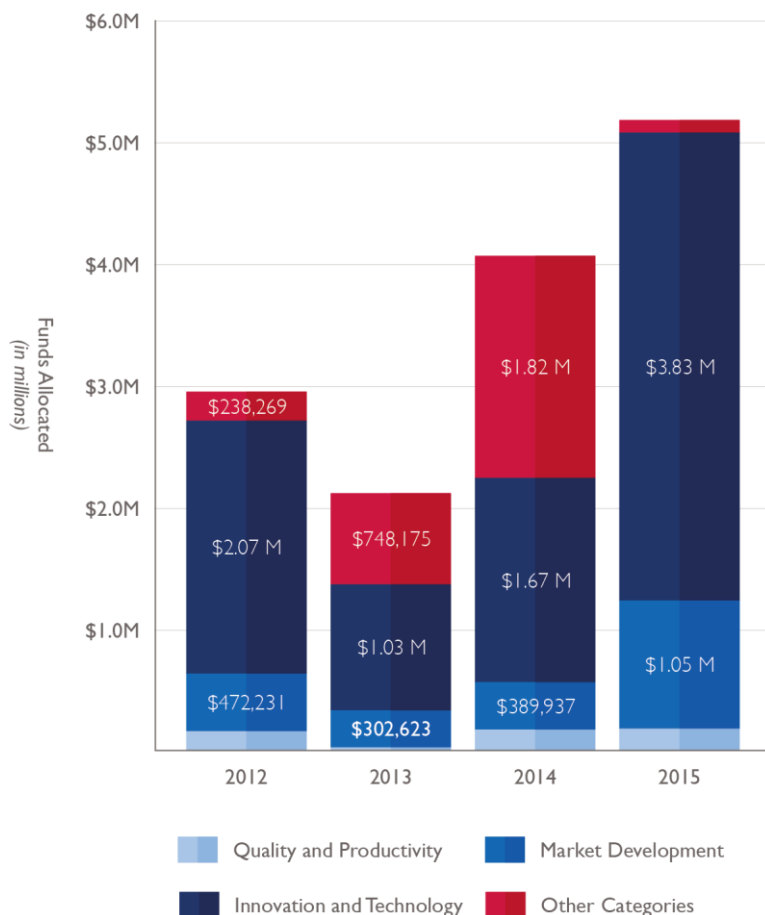
SUPPORT FOR FONDEPRO TO PROVIDE BETTER FINANCIAL SERVICES FOR SMES

The Ministry of Economy's Productive Development Fund (FONDEPRO) provides non-reimbursable co-financing to micro, small and medium enterprises to strengthen their competitiveness and generate economic impact. However, in 2011 the fund was only able to place a small percentage of its resources, which limited the potential impact on Salvadoran enterprises. To improve fund performance, the program supported the reengineering process begun by FONDEPRO in 2012, seeking to simplify processes and place a larger amount of resources more efficiently. This support included a diagnosis of its organizational climate and management process that served as the foundation for a series of internal reforms.

In April 2015, at the request of the vice minister of trade and industry, a consultancy was contracted to improve the fund's management, which included a review of its organizational structure and job positions, and degrees of authority and responsibilities. Workloads and improvement opportunities were identified depending on each position's requirements. This analysis was also used to update the institution's process and procedures manual and identify any gaps required for meeting the ISO 9001 standards.

The program also supported reviewing and standardizing evaluation criteria for private sector co-financing requests. A lack of standardized

ALLOCATION OF FUNDS MADE BY FONDEPRO PER CATEGORY AND YEAR



criteria had made the approval process for these requests complex, long, and lacking in transparency, making it a recurring complaint from the business sector. An international consultant, hired between 2012 and 2013 to solve this problem, produced Evaluation Guides that allowed the fund to objectively and transparently analyze and weigh financial, technical, and development criteria of financing requests. Progress made on simplifying processes for awarding co-financing helped significantly increase the number of companies supported and improved resource placement effectiveness. Available funds placed jumped from 24 percent in 2011 to 80 percent in 2012. The combined efforts made by FONDEPRO and the program resulted in significant additional funding for SMEs and increased sales and jobs as seen in Table 2 and the graphic on the previous page.

TABLE 2. SALES AND JOBS GENERATED BY FONDEPRO WITH FUNDS ALLOCATED WITH PROGRAM SUPPORT

KEY RESULTS	2012	2013	2014	2015
SALES GENERATED	\$8,647,313	\$7,507,318	\$18,106,210	\$9,277,969
JOBS CREATED	396	604	1136	596

STRENGTHENING FONDEPRO'S CAPACITY FOR MEASURING THE ECONOMIC IMPACT GENERATED BY ITS INITIATIVES

In 2013, the program provided institutional strengthening services to FONDEPRO with the design of a system for measuring the impact of assistance provided by the institution to micro, small and medium enterprises, integrating it into the Instruction Manual for Capturing and Measuring Impact. The system allows FONDEPRO to measure its results based on performance indicators (such as number of clients attended, amount of funding approved, number of approved projects) as it had done previously, and measure the impact it has on the economy. The fund implemented this methodology and was able to record sales generated by its beneficiaries during the years 2013 and 2014. In 2015, the program provided technical assistance and coached the new staff responsible for measuring the impact generated by fund-supported companies. FONDEPRO found that those companies reported more than \$34 million in sales and 2,336 new jobs between 2013 and 2015.

"The USAID SME Development Program has been very helpful to us. In this process, we discovered that to capture and measure the impact of our work, we had to resolve other issues: improvement to the organizational culture and the creation of a standardized model. The program assisted us in confronting all of these new challenges, which we would not have been able to do alone in such a short time."

**— RICARDO MONCADA,
DIRECTOR OF FONDEPRO, 2013**

STRENGTHENING FONDEPRO'S INFORMATION TECHNOLOGY SYSTEM

In 2013, FONDEPRO used software that only allowed it to automate management of 25 percent of the operations flow required for awarding funds. Many templates and authorizations required for reviewing and approving projects presented by SMEs were performed manually, requiring reprocessing and therefore affecting the efficiency of the services provided to SMEs. Between 2013 and 2014, an IT system was developed and implemented that automated the internal process for awarding funds, from the promotion phase to the economic impact measurement, which reduced client response times and increased co-financing management efficiencies. In 2015, the program provided FONDEPRO communication switches to optimize the management system, and between 2015 and March 2016 it supported three Ministry of Economy employees to become certified in the ASP.Net programming language, allowing them to manage and maintain the system.

DESIGNING AND IMPLEMENTING NEW CO-FINANCING INSTRUMENTS

To allow more companies to have access to the resources awarded by FONDEPRO and promote territorial development, the program and the German Technical Cooperation Agency (GIZ) supported the design of a new instrument for Micro, Small, and Medium Enterprise (MSME) project co-financing in territories prioritized by the Ministry of Economy. Between May and July 2014, with program support, the ministry launched nine competitions in the following territories: La Unión, Usulután, Morazán, San Vicente, Cabañas, Sonsonate, Santa Ana, the Los Nonualcos micro-region in La Paz, and the Cumbres del Mar micro-region in La Libertad. The ministry received 102 productive projects in total, of which 22 were selected as winners, receiving more than \$1.1 million in co-financing in total.

Support for linking FONDEPRO with the private sector. The program supported joining FONDEPRO's efforts with those of other SME support organizations, including PROESA, COEXPORT, and Voces Vitales, as well as events and workshops for sharing the institution's services to enterprises. FONDEPRO also received computers to strengthen its new call center, which is an important channel for linking services directly to the private sector.

LESSONS LEARNED AND RECOMMENDATIONS

As was the case with other institutions the program worked with, once FONDEPRO began measuring the economic impact of its activities, the value of these activities increased greatly and they acquired greater relevance, for example, in the discourse of government authorities and the perception of the private sector. When important organizational and procedural changes occur – as happened at FONDEPRO – it is particularly important to render them into systems and manuals that will last beyond possible staff and leadership changes. Procedures for granting financing under clear and transparent criteria need to keep improving, and reach the largest number of companies possible. This also requires improving company preparation so they understand the requirements and commitments related to such financing and can choose and submit viable proposals.

Developing tools to measure impact

USAID assists FONDEPRO with technical assistance, training, and the development of tools to offer more efficient services with greater impact



Cover of the monitoring system used by FONDEPRO, March 2013. Thanks to technical assistance from USAID, FONDEPRO has included a section to capture and measure the impact of its work.

One of the main conditions for productive sector development is access to financing to promote investment in profitable and productive initiatives. In El Salvador, the Productive Development Fund (FONDEPRO) supports micro, small, and medium enterprises with non-reimbursable co-financing to strengthen these businesses' competitiveness and generate economic impact.

FONDEPRO's results were traditionally measured based on process indicators such as the number of clients attended, amounts invested, and projects approved. After 10 years, however, this information was insufficient to demonstrate the appropriate use of resources and the organization was confronted with the need to quantify the economic impact of its interventions, especially in sales, exports, and cost savings. For this reason, in 2012 FONDEPRO began updating its processes to make them more efficient and to improve its institutional image.

With the support of the USAID SME Development Program, FONDEPRO has developed a methodology to capture and measure the fund's contribution to the Salvadoran economy. To achieve this, the program and FONDEPRO undertook an exhaustive revision of similar experiences in other countries and designed indicators that effectively reflect the economic impact of fund activities.

FONDEPRO agreed on 18 process and performance indicators, among them increased sales, exports, and job creation. Each one is defined in an M&E instruction manual that includes the methodology and tools to carry out the measurements. The application of this tool enabled the calculation of the impact of the fund's investments. Before, when the fund justified the co-financing it had awarded, it was only able to point out intangible elements difficult to measure (e.g. "it will increase commitment," "it will increase buyers' satisfaction," etc.). With the new indicators, however, decision-makers have tools to identify the best proposals, presenting a clear rationale for funds awarded and justifying their judgment through defined criteria and, above all, impact. Following a pilot test, the fund was able to report impact on assisted enterprises as a result of the services offered to enhance their competitiveness. Between 2012 and 2015, SMEs assisted had generated \$43.5 million in sales and 2,732 jobs.

CHAPTER FOUR

EXPORT PROMOTION WITH PROESA, COEXPORT, AND THE CHAMBER OF COMMERCE AND INDUSTRY OF EL SALVADOR

Export promotion was one of the program's main focus areas from the start due to its importance to the Salvadoran economy, and to SMEs specifically. The program initially focused on working with the two institutions that by mandate promote Salvadoran exports: The Export and Investment Promotion Agency of El Salvador (PROESA, in Spanish), in the public sector, and the Exporters Corporation of El Salvador (COEXPORT) in the private sector. Initiatives were later implemented with the Chamber of Commerce and Industry of El Salvador (CCIES, in Spanish). Furthermore, more than 350 exporting SMEs were linked with FONDEPRO and received more than \$2 million in co-financing to facilitate opening new markets or increase market penetration. In total, the program provided assistance for export to 801 SMEs, of which 357 reported approximately \$38.46 million in exports (see exhibit next page).

"If it wasn't for the support provided by USAID to institutions like COEXPORT, PROESA, and CONAMYPE, we would have never grown like this in such a short period of time."

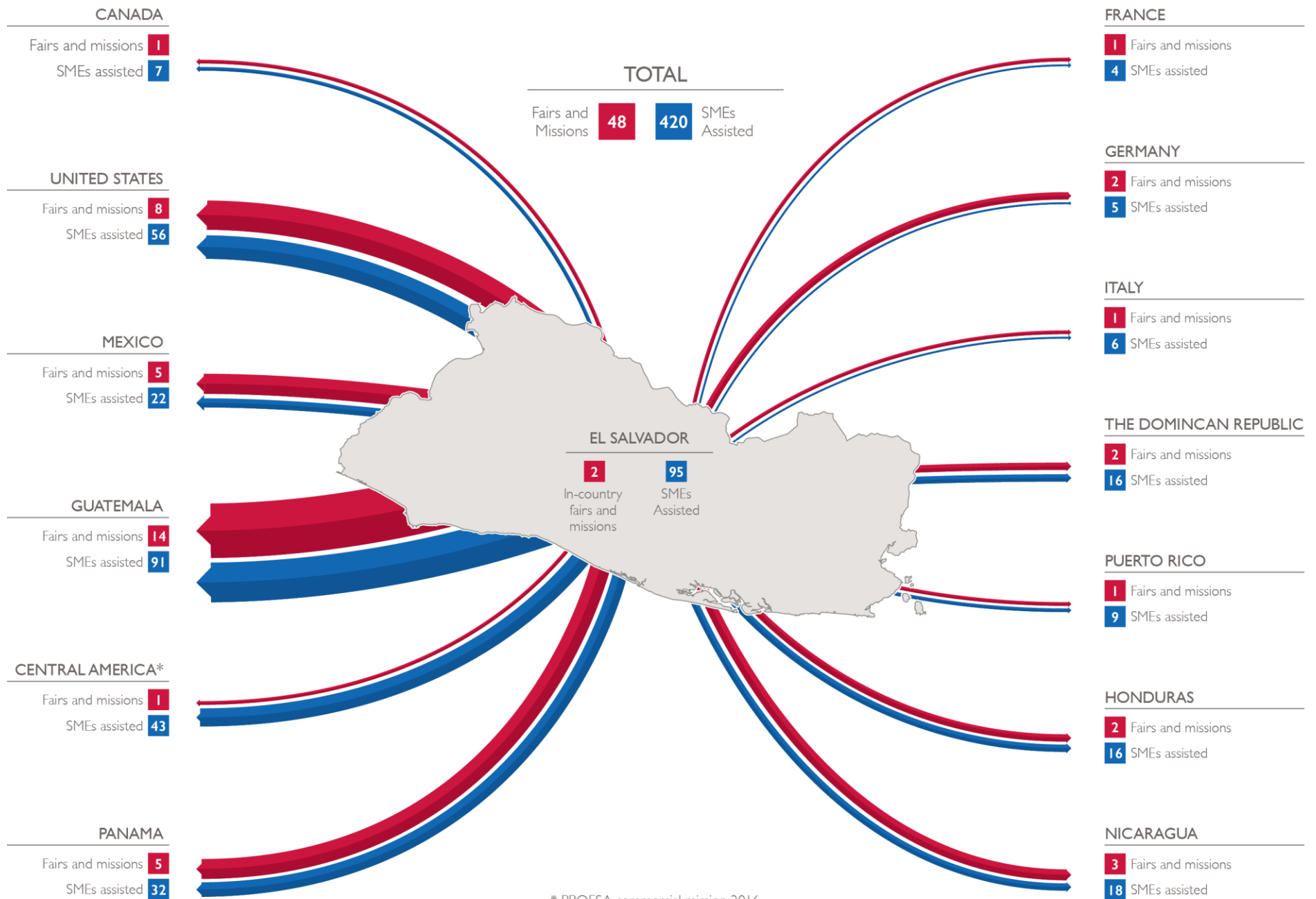
**— FREDY MONTERROSA,
COMMERCIAL MANAGER,
JAMCALZA**

PROESA

The work with PROESA began in March 2012 with the transfer of best practices for client management and impact monitoring from the University of Texas San Antonio's International Trade Center, which included a field visit to the university's trade center. In July 2012, the program presented PROESA with a monitoring and evaluation mechanism that allowed it to begin documenting its impact on exports as a result of support provided to enterprises. The program also developed a mechanism to connect PROESA's client follow-up system with CONAMYPE's system, so that companies with export potential identified regionally by CDMYPEs could more easily access PROESA's services after being referred by a center.

As of April 2012, the program began supporting one of PROESA's most emblematic programs, Exportar Paso a Paso (Exporting Step by Step – EPAP), which seeks to support SMEs with little or no export experience. A total of 77 companies participated

NUMBER OF SMES SUPPORTED TO ASSIST TRADE FAIRS AND MISSIONS PER DESTINATION



in the 2012 version of EPAP, which focused on markets in Nicaragua, Honduras, Ecuador, and Chile. The program supported all phases of the initiative, including hiring national and international consultants to survey target markets, assisting enterprises with training modules, supporting business plan creation, and organizing trade missions. The program also supported the 2013 version of EPAP focused on three Central America countries - Guatemala, Nicaragua, and Honduras - benefiting 84 enterprises, and a smaller program in 2015 called the EPAP Club where 43 enterprises participated in commercial missions to Guatemala, Honduras, and Costa Rica.

In other initiatives implemented with PROESA, 21 export-oriented SMEs were supported under the Exportar Más (Export More) program in 2015 and 2016 to facilitate exports to Mexico and the United States. Furthermore, 32 companies were supported in 2013 and 2016 through two versions of the Digital Marketing Program, which sought to strengthen international opportunities for these companies through the use of social networks and other web platforms. The program also supported the participation of 140 SMEs in two meetings with international buyers in El Salvador in 2015 and 2016, in trade missions (Puerto Rico in 2014; Dominican Republic in 2015; Guatemala, Honduras, Nicaragua and Costa Rica in 2015; and Mexico in 2016), and in international fairs (Expocomida Latina 2013 and 2014, Biofach America 2013, and Washington Business Expo 2016 in the United States, and Expocomer 2014, 2015, and 2016 in Panama).

Other activities with PROESA included staff training in 2013 for operating the online business connection platform, SBDCGlobal.com, and the update, in 2016, to the National Export Directory, which provided the institution with up-to-date information to promote El Salvador's exports. In addition, the program implemented activities with PROESA and other organizations to link the Salvadoran diaspora with SME development initiatives, as detailed in the table below. All in all, 124 SMEs were supported through partnerships with diaspora organizations (FUPEC, Salvadoran Business Caucus, Greater Washington Hispanic Chamber of Commerce), with organizations that support connecting diaspora organizations with the country of origin (IDB, PROESA, Ministry of Foreign Affairs), and with Salvadoran businesspeople and buyers located overseas.

TABLE 3. INITIATIVES WITH THE SALVADORAN DIASPORA

Initiative	Date	Partner(s)	Benefitted SMEs
Technical assistance for the Playa El Cuco Artisanal Fishermen's Association (ASPESCU) to meet Walmart purchasing requirements and export to the United States	November 2013 to September 2016	Foundation for Economic and Social Education (FUPEC, in Spanish)	1
Salvadoran Corridor Trade Fair in Los Angeles, California	October 2014	PROESA and COEXPORT	15
Connecting SMEs with the Inter-American Development Bank's (IDB) <i>Diaspora Market Place</i> Project	August 2015	Inter-American Development Bank	8
Conference: "Practical advice for selling technology products in the United States"	December 2015	Salvadoran Business Caucus in Washington and PROESA	9

Initiative	Date	Partner(s)	Benefitted SMEs
Salvadoran SME participation in the Washington Business Expo and trade mission in Washington	March 2016	Greater Washington Hispanic Chamber of Commerce, PROESA, and Ministry of Foreign Affairs	7
Third Meeting with International Buyers	May 2016	PROESA	84

COEXPORT

Since early 2012, the program has collaborated with COEXPORT in preparing SMEs for export and helping them attend international trade fairs. Three workshops were held between 2012 and 2014 on how to sell to the European Union and another one on trade opportunities in South America. Important work was also done on disseminating and preparing for the Food and Drug Administration's Food Safety Modernization Law, approved in the United States in 2011. In 2013, the program collaborated with COEXPORT and the USAID's Farmer to Farmer Program in holding training events that covered topics like Hazard Analysis and Critical Control Points (HACCP), Best Agricultural Practices, and Traceability. In total, 98 representatives from companies and institutions and 20 consultants received training in the requirements of these regulations and in how to perform plant inspections and provide assistance with process documentation. Experts on this topic reviewed a select group of more than 20 food processing plants. Another international training event was held in 2014 with a group of businesspeople, production managers, plant managers, and supervisors.

Technical export assistance. Using a study conducted by COEXPORT in 2012 that determined that Salvadoran SMEs are dealing with safety, good manufacturing, labeling and packaging issues that prevent them from closing export deals as a starting point, in 2013 the program contracted with COEXPORT to provide specialized technical assistance for overcoming these deficiencies. Thus, between 2013 and 2015, specialized technical assistance on these topics was provided to a total of 38 SMEs in the pharmaceutical and food and beverage industries.

SME participation in international fairs and trade missions. The program supported the participation of 96 SMEs in 22 trade fairs held in:

- Guatemala: *New World Crafts* from 2012 through 2015, *Agritrade* 2013, *Expocalzado* 2013 through 2015, *Expo Walmart* 2014, and *Manufexport* in 2014 and 2016
- Mexico: *Feria Alimentaria* 2013; *ExpoAntad* 2014 through 2016
- Germany: *Biofach* 2012 and 2013
- United States: *Expocomida Latina* 2012
- France and Canada: *Sial* 2012, 2015
- Nicaragua: *Expoopen* 2013
- Italy: *World of Coffee* 2014

Support for nine food exporting SMEs in obtaining their organic certification. Through the partnership with COEXPORT, the program co-financed the organic certification process for nine companies that identified this requirement at the BIOFACH fair in Germany. This certification allowed these companies to make sales of \$1.47 million in various markets.

Other activities implemented with COEXPORT. In 2012, the program co-financed with the Inter-American Development Bank (IDB) a study carried out by COEXPORT on the technical requirements and commercial prospects and opportunities for 25 products with potential for commercial success in five U.S. cities. Meetings were also set up with potential new suppliers of an ethnic food and beverage distribution company based in New York state. In addition, an international business roundtable was carried out where 58 companies in the food, beverage, and handicraft industries had an opportunity to offer their products to Italian, U.S., and Guatemalan businesses.

The program supported the annual event where the National Export Award is handed out in 2013, 2014, and 2015. At the 2016 event, COEXPORT gave USAID a special award for its support to SME exports. At the 2013 event, the program instituted together with COEXPORT the “Female Exporter of the Year” award.

Other collaborations with COEXPORT included the development in 2014 of an internet sales platform called “Carretilla de Compra” (shopping cart), the launch of a virtual service platform for exporters called ExportNET at the end of 2015, and the preparation and publishing in 2014 of 1,750 copies of the Catalog and Directory of Export Products and Services, which were distributed throughout the country’s embassies and consulates, government and export promotion institutions, chambers of commerce, and international importers.



PHOTO: COEXPORT

U.S. Ambassador Jean Manes gives an award to exporters at the National Export Award Ceremony held in San Salvador on September 2016.

CHAMBER OF COMMERCE AND INDUSTRY OF EL SALVADOR

In October 2013, the CCIES invited the program to work together with the Federation of Central American Chambers of Commerce and with the Regional Center for Micro and Small Business Promotion (CENPROMYPE, in Spanish), to support the participation of 30 pharmaceutical and food and beverage SMEs on trade missions to Nicaragua, Guatemala, and Honduras. At these missions, participating companies held 166 meetings with potential buyers. This experience was repeated in June 2015 with a mission of 10 pharmaceutical sector companies to the Dominican Republic with support from the commercial and tourism economic counselor from the El Salvador embassy in the Dominican Republic. Between April and July, 2016, the program once again supported 12 companies from the food, garment manufacturing, metalwork, and printing industries

to attend 130 business meetings with potential buyers in Guatemala, Honduras, and Nicaragua. To systematize these initiatives, the CCIES designed and published a trade mission manual. Printing was supported by the program and will benefit SMEs participating in future trade missions.

OTHER INITIATIVES

The program also supported efforts of other lead firms to take their products into new international markets, thus benefiting their entire supplier chain. Entities benefited include:

- *Tropical View*. Supported for the development and export of specialty coffee produced by 130 MSMEs and with attendance at specialized fairs in Boston, Nice, and Taiwan.
- *Artisanal companies Exporsal and Lula Mena*. Supported in taking their products to specialized events in several cities in the United States, Germany, and Dubai.
- *The Honey Chain Association*. Assisted more than 360 beekeepers to meet the standards necessary to export to Germany and the United States.
- *Two trade missions*. With the American Chamber of Commerce (AMCHAM), supported one trade mission to Guatemala in June 2013, and another to Panama in July 2014 with the participation of 13 companies in total.



PHOTO: SME Development Program

Employee of Cultivare, a company located in San Salvador, packs dried fruit infusions. Cultivare is part of the 801 SMEs supported by the program to export. Of all companies supported, 33 percent implemented innovations in products and processes, while 357 exported more than \$38 million.

LESSONS LEARNED AND RECOMMENDATIONS

It takes a sustained effort to realize exports. This effort requires both identifying concrete markets and clients, and having the will and the capacity for meeting quality and quantity requirements demanded by those clients and markets. PROESA, COEXPORT, and the CCIES have programs that promote SME participation at trade fairs and missions, but there are less initiatives that prepare these companies for meeting the requirements of demanding external markets (these include the volunteer expert programs, also supported by the program). It is recommended that more emphasis be made on preparing companies for meeting international requirements, standards, and certifications. It would be especially interesting to carry out this task in priority sectors, seeking participation from business groups that are willing to help each other cover the specific demands of international buyers. For example, there are metalwork companies in the United States that are looking for companies to

manufacture certain products using a maquila model, and although a Salvadoran SME may not have sufficient scale and diversification to meet their demands, a group of companies willing to work together may be able to do so, as is happening with the companies developing titanium prosthetics for the health sector.

We recommend a more extensive and transparent process for disseminating opportunities for attending international trade fairs and missions (through advertisements in the press, for example), so new companies can have the chance to participate. The selection of companies that receive support for participating in trade fairs and missions must be based on their export viability and should be carried out at least four months in advance of an event to allow them time to prepare properly in areas like packaging, phytosanitary standards, pricing, and negotiation techniques. To validate their commitment, it is important that assisted companies cover part of the cost of their participation. Companies that have never been supported should be prioritized, and a previously supported company should be required to increase their financial contribution. All supported companies must be obliged to report the impact of the support received.

Trade missions. Traveling overseas to meet buyers or bringing buyers to El Salvador are excellent options for export promotion. These trade missions provide an opportunity to identify potential buyers for specific vendors in advance. Trade missions with a sector-based approach tend to be more effective, since they allow increasing the number of business appointments per company, focusing customer profiles on the ones that best match participating SME needs and, therefore, favoring the materialization of purchase orders.

Technical assistance to SMEs after trade fairs and missions is currently lacking, although it is a key part of materializing purchase orders. It is recommended that these companies receive follow up so that bottlenecks (such as brand registration at destination countries and price negotiations), which prevent closing business deals, can be identified and resolved.

SMEs lack international market demand and trend information. Strengthening PROESA's Market Intelligence Management and promoting the dissemination of market studies, analysis, and opportunities, together with business development service (BDS) providers like COEXPORT and the CCIES, is also recommended.

Sharing resources, developing synergies, and avoiding duplicate efforts, for example through improved coordination between the PROESA and COEXPORT, is important, but there are other actors making valuable contributions, including the Ministry of Foreign Affairs through its economic, commercial, and tourism advisors.

SNAPSHOT

Salvadoran shoes in regional markets

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



PHOTO: JAMCALZA

One of the JAMCALZA stores located in Apopa, October 2015. In four years, JAMCALZA has gone from manufacturing 13,000 pairs of shoes, to producing 30,000.

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

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

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

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

CHAPTER FIVE

INNOVATION AND TECHNOLOGICAL DEVELOPMENT PROMOTION

Innovation and technological development are fundamental for increasing SME productivity and competitiveness, especially for competing in international markets. Aware of this reality, the program supported competitions, workshops, and training sessions on the topics implemented by private and public sector partners like FUSADES, ITCA-FEPADE, CCIES, and CONAMYPE. The program also helped connect SMEs with lines of financing for innovation and technology procurements, and developed and executed with the CCIES a nine-month program to educate businesspeople on innovation and help them generate innovative, international quality products and services.

INNOVATION COMPETITIONS AND PROMOTION EVENTS

As of December 2013, the program supported FUSADES and other partners with several competitions and workshops for promoting innovative

endeavors. Events including two versions of StartUp Weekend organized by firms Espacio Zero and Point in February 2014 and April 2016, with the respective participation of 110 and 80 young entrepreneurs, and where 22 projects in total were presented to potential investors. In November 2014 an IT Application Development competition was supported within the framework of the First Tuesday platform, where the program contributed a technical assistance prize to the winner. In February 2015, 25 students and five professors from ITCA-FEPADE were trained in the EMPRETEC methodology delivered by FUNDEMAS, to develop entrepreneurial activities in participants and materialize innovative business ideas. In October 2015, the program sponsored the XI Industrial Fair of the Salvadoran Industrial Association, the central topic of which was the formulation of high value added innovation strategies. In 2015,



PHOTO: SME Development Program

VAPE, a medium-sized enterprise focusing on honey products participates in the first Innovexport program implemented by partner **CCIES** to increase innovation in Salvadoran SMEs.

the Directorate of Quality and Innovation of the Ministry of the Economy and Proinnova received assistance to implement the Food and Beverage Technology Summit.

PROMOTION OF ADVANCED TECHNOLOGY USE AMONG SMES FROM THE METALWORK SECTOR

To overcome shortcomings identified by enterprises in the sector that affect quality and competitiveness, the program organized in 2014 the workshop “Revitalization of the El Salvador metalwork sector” together with ITCA-FEPADE, the leading technical institute in El Salvador. The workshop allowed the program to update the knowledge of seven SMEs on computerized numerical control (CNC) technology and Mechatronics in addition to exploring current commercial trends in the industry. Subsequently, between March and October 2016, together with ITCA-FEPADE, a diploma course was developed and offered for the first time in El Salvador, to raise the level of knowledge of SMEs in the sector in metrology, plastic molding systems, and thermal processing systems.

TECHNICAL ASSISTANCE FOR TECHNOLOGICAL DEVELOPMENT AND INNOVATION

At the end of 2013, the program subcontracted Proinnova, FUSADES’s innovation promotion program, to provide technical assistance to selected companies in the food and beverage sector and promote innovating and technological development. The partnership supported 19 SMEs in new product and process development, acquisition of more technologically advanced equipment and machinery, and business plan development to access innovation funding from FONDEPRO. The program also promoted an international certification course in pastries and bread making that benefited 17 SMEs (October - December 2014), and held an innovation workshop for the production of typical confectionary and artisanal chocolate with the participation of 38 SMEs (September 2016). The program also supported technical assistance provision through the volunteer programs of Sabios y Expertos and BPeace, which implemented 14 innovation-related technical assistance activities (more information in the section on volunteers).

Connection with service providers. The program connected several mobile technology companies with potential buyers and BDS providers. For example, MIDO, a small enterprise that develops mobile banking solutions, was successfully connected to a local financial institution. Another example was iMoves, a company that was connected with PROESA to participate in the 2013 Exporting Step by Step program, allowing it to close six contracts in Guatemala. Furthermore, several SMEs supported by Proinnova and other partners received non-refundable financing from FONDEPRO’s innovation and technological development financing line.

INNOVEXPORT PROGRAM TO SUPPORT SME INNOVATION

In November 2013, CCIES proposed introducing an initiative into El Salvador that would help reduce innovation shortfalls at companies. Together with the Costa Rican Chamber of Industry, the program supported the adaptation of the Innovex methodology, a nine-

month program in which participating companies learn about innovation and how to achieve it at their companies. Companies then receive customized technical assistance to set up their own innovation committees and develop innovative products and services that match market requirements (see exhibit, right).

Innovexport was first implemented during the second half of 2014 and the first quarter of 2015. During this time, technical assistance and advice was provided to 11 SMEs in the chemical-pharmaceutical sector, generating the following results, among others:

- Creation of innovation committees and plans in all the participating companies
- Investment in 46 new products
- Improvements and upgrades to 22 existing products
- 21 new clients and generation of more than \$357,000 in additional sales in local and export markets
- 41 new jobs created
- FONDEPRO innovation financing approved

A second version of Innovexport was implemented between October 2015 and June 2016 with the participation of 11 companies from the food and beverage sector. Although this second version was only completed recently, it has already generated important results, including:

- More than 30 new products and product lines developed
- 18 product innovations and eight process innovations
- 11 market innovations that included identification of new commercialization channels, brand refreshing, new corporate images, and digital marketing strategies

It's worth adding that during the transfer of the Innovexport methodology several consultants were trained in corporate innovation management, leaving nine local consultants and five CCIES staff members fully trained. These resources are already

INNOVEXPORT PROGRAM METHODOLOGY



working on a new version of the Innovexport program with financial support from the European Union.

PROMOTING INNOVATION THROUGH CDMYPES

The program trained 64 CDMYPE assistants and directors on the importance of innovation in March 2016 with the assistance of a Costa Rican specialist using the “Design Thinking” methodology, which focuses on innovating the client experience. The specialist also helped train the CDMYPE’s network Innovation Promotion Committee, comprised of seven advisors, seven directors, and two members of CONAMYPE’s staff. In May 2016, the committee carried out three virtual workshops to strengthen its knowledge on the “Design Thinking” methodology. Additionally, during the Second International ACDMYPE Conference “Micro and Small Enterprise Innovation and Competitiveness,” 12 national speakers and seven experts from Puerto Rico, Mexico, the United States, and Dominican Republic gave more than 20 talks on this topic.

LESSONS LEARNED AND RECOMMENDATIONS

Making businesspeople aware of the importance of innovation is not enough: they need to be assisted and supported with implementation. Therefore, it is recommended that structured programs like INNOVEXPORT continue to be promoted. This sensitizes participants and assists them throughout the process of fostering innovation at their companies, and helps them set up internal committees for follow up and work specifically on product and process innovation.

The program helped make innovation a central topic on the agenda of several local organizations, including CCIES, CONAMYPE, the Salvadoran Industrial Association (ASI) and Voces Vitales. However, BDS providers still lack knowledge about what innovation means and how they can promote it within their own organizations and among the companies they assist. El Salvador lacks trained consultants that can provide assistance on this topic. Therefore, it is important that BDS providers internalize methodologies on this topic that usually come from overseas, adapt them to local needs, render them into procedures and manuals, and train local professionals that can provide service continuity. It is recommended that BDS providers continue to receive training in this area, individually and as a group, to promote a national innovation culture and maintain a large enough group of national consultants on this topic.

Technology development promotion requires identifying high value-added sectors with an elevated potential for growth, with a minimal technological base, and an initial group of businesses willing to take risks to go to the next level. The program identified the chemical-pharmaceutical and the metalwork sectors as growth sectors possessing these characteristics. Our work with these sectors has achieved good results; however, a lot still needs to be done. Once these types of sectors are identified, they require comprehensive support addressing different bottlenecks that affect the sector, including public policy, access to finance, market knowledge, and compliance with international regulations.

The program used dissemination activities such as competitions, talks, and networking events to promote and sensitize SMEs on information and communications technology topics. However, the sensitization stage needs to be left behind, to give way to more robust events, such as boot camps, activities that inform participants about international trends and, above all, activities that can connect entrepreneurs with incubation, acceleration, and financing opportunities.

The industry needs to seek a deeper connection with technological and higher education institutions that can provide them with research and high technology services including metrology, mechatronics, and 3-D printing. The program had good results in this area by connecting businesses in the metalwork sector with ITCA-FEPADE. Additionally, a fruitful cooperation has existed between the Universidad Nacional and the Salvadoran Institute of Social Security in the manufacture of titanium prototypes for dental and orthopedic prosthetics. However, much more can be done, for example, promoting collaboration between the Universidad Centroamericana José Simeón Cañas (UCA), the Universidad Don Bosco and the manufacturing industry. It is also important to involve the Salvadoran Vocational Training Institute (INSAFORP) to support industry-specialized trainings, as it is the case with the plastics association (ASIPLASTIC) which has begun collaborating with the institute.

SNAPSHOT

Frozen flavors growing in new markets

SMEs are fundamental drivers of economic growth and employment generation. Their potential for innovation is key to the country's development



PHOTO: SME Development Program

Jaime Trejo, owner of La Michoacana, April 2016. Programs like INNOVEXPORT and Digital Marketing for Internationalization have allowed La Michoacana to reach new markets.

“Today there are better services for small and medium businesses. Without these programs it would have taken me longer to get this company where it is today.”

—Jaime Trejo, General Manager, La Michoacana.”

Since 2007, Salvadorans have enjoyed the frozen flavors of La Michoacana, pioneers in the production of artisanal popsicles and ice cream. These products gained ground slowly, becoming national market leaders with more than 35 points of sale around the country. In its search for new markets, La Michoacana decided to participate in two USAID-supported initiatives: one promoted by the El Salvador Chamber of Commerce and Industry called INNOVEXPORT, and the Digital Marketing Program for Internationalization offered by the El Salvador Entity for Export and Investment Promotion.

Through INNOVEXPORT, a program aimed at helping companies improve their innovation capabilities, La Michoacana developed 20 new products, including a new line of popsicles and ice cream for diabetics. It also opened a new sales room at the airport, introduced new flavors and promotions, and opened its own distribution factory in Guatemala, where they will soon start operating.

On the other hand, through the Digital Marketing for Internationalization Program, La Michoacana improved its digital ecosystem. When the company began, it had a website and a Facebook page with 2,000 followers. Its main challenge was to boost this ecosystem, understand their community's behavior so it could offer attractive content, promote product purchases, and engage new customers and followers. The result, after three months of assistance, is a 300 percent growth in interactions with its Facebook community, surpassing the goal it had set for itself. This growth has meant new customers have become interested in acquiring its products, including from other countries, such as Guatemala, a market they will enter with a website aimed specifically for that market. Through the Digital Marketing Program they also improved their website, which allows them to get consumer feedback and optimize their business opportunities inside and outside the country.

Sales of La Michoacana increased by 22 percent, an example of the impact that can be achieved by strengthening small and medium businesses in El Salvador. Through its SME Development Program – and with partners like PROESA and the Chamber of Commerce and Industry – USAID promoted improved access by SMEs to quality business development services, increased their productivity and innovation, and raised their operations in local and export markets.

SECTOR SUPPORT

The program worked with companies from many sectors but had the opportunity for making an important impact on four of them: metalwork, beekeeping and, to a lesser degree, food and beverage, and handicrafts and design. It supported specific initiatives as well as groups of companies, to help overcome development challenges for the sectors as a whole.

METALWORK SECTOR

The program signed a partnership with ITCA-FEPADE in 2013 to develop an SME strengthening program in this sector to promote its internationalization and improve its productivity and competitiveness. A meeting was held in November 2013 with owners and managers from 10 SMEs in this sector, who provided important inputs for designing a technical assistance program.

ITCA-FEPADE and the program agreed on the need to compare the situation in El Salvador against international levels and standards. In May 2014, an international specialist performed a productive capacity diagnostic on 16 metalwork SMEs and led a workshop titled *“Revitalization of the metalwork sector in El Salvador,”* seeking to update knowledge on global computerized numerical control (CNC) and mechatronic technologies and share current trends in the industry. Another strategy promoted by ITCA-FEPADE and the program was to take advantage of this international consultant’s presence to train university teachers and technicians in CNC and mechatronics. In October 2014, six SMEs completed their individual diagnostic process and received a report containing an evaluation of their production systems and technological capacities, as well as recommendations and an action plan for moving forward with their companies’ development.



PHOTO: SME Development Program

A metalwork owner demonstrating the use of a CNC machine to improve use of technology in the metalwork industry. The program supported technological improvements in the sector.

Between December 2014 and February 2015, company tours were carried out to understand and promote a relationship between SMEs in the sector and large local companies requiring their products and services. On these visits, it was found that most buyers imported their products and didn’t have knowledge of Salvadoran products. To bridge this gap between supply and demand, the program organized the First Business Meeting for the Metalwork Sector held in April 2015, with participation from 20 SMEs in the sector that exhibited their products and services and had an opportunity to listen to

specialized conferences. During this meeting, 119 business appointments were held with 21 buyer companies, including large companies like Kimberly Clark and Industrias La Constancia. The first Catalog of Companies in the Metalwork Sector was produced with program support, containing technical information on 20 participating SMEs and 10 sponsor companies.

This meeting also helped companies recognize themselves as a sector and achieve visibility among the national industry. Also, by the initiative of the Vice Ministry of Science and Technology, three SMEs became involved with a project producing titanium-based dental prosthetics and implants that are currently undergoing prototype testing and permit proceedings.

During the business meeting, specific assistance needs were identified in technical areas (such as metrology, thermal processes, molding), management areas (in sales and lean management), and trade facilitation areas. Based on these needs the First International Diploma Course on Quality Control and Management of Manufacturing Processing in the Metalwork Sector was developed. The course included four modules in the areas of metrology, plastic molding, thermal processes, and lean management. The Salvadoran Institute for Professional Education (INSAFORP, in Spanish) was also involved in this initiative, covering 85 percent of course costs for participating SMEs. The consultant responsible for teaching the metrology module concluded that 85 percent of the participants did not even have a basic knowledge on these topics, making it difficult for the companies to meet the requirements of local and international markets. Therefore, the program and ITCA-FEPADE organized a study trip with three ITCA teachers and two representatives from companies in the sector to Mexico in September 2016. Participants obtained a metrology certification that will allow them to assist and train other companies in the sector.

A sales workshop was also set up for 15 representatives from six SMEs. This was later complemented with assistance provided to each company to develop strategic sales plan. Additionally, addressing a need of the sector, the program organized a workshop with the customs director to review processes and requirements for releasing raw materials from customs or sending products to other countries. Representatives of seven SMEs from the sector participated in the workshop.

BEEKEEPING SECTOR

In 2012, the program entered into a partnership with the Honey Chain Association that groups together a value chain made up of the exporting SME Mielles Joya de Cerén and 400 beekeepers in the west of the country, the Regional Agricultural Health Entity (OIRSA, in Spanish), the Salvadoran Technical Regulation Entity (OSARTEC, in Spanish), and the Ministry of Agriculture and Livestock, to increase the quality of the honey produced in the country so it could meet the standards required by international markets. Together with its partners, the program embarked on a series of training efforts, technical assistance, dissemination of technical regulations, production monitoring, and implementation of beekeeping events.

In October and November 2012 a diploma course was offered through which 25 beekeepers learned how to meet quality and health and safety requirements to export honey to the United States and the European Union. In 2014 and 2016, the program supported the first and second version of the Advanced Beekeeping Program, designed to resolve an observation from the European Union that could have led to a blockage of exports from El Salvador to that region. The programs trained beekeepers in meeting quality and safety regulations that would allow them to continue exporting their honey. The first version included topics on traceability and safety, bee health and management, and management and sales, while the second version dealt with beekeeping business management during times of crisis and opportunities in growing markets, and reinforced important topics like traceability and safety. The Advanced Beekeeping Programs were taught by experts from Mexico, Costa Rica, and Argentina. More than 200 beekeepers participated in each course, 33 of whom received technical assistance. The program supported the preparation of a feasibility study for the creation of a mobile honey extraction plant that would allow collecting honey in remote regions of the country while meeting best practices.

The program also supported printing and disseminating 2,000 copies of *Salvadoran Technical Regulation 65.03.01:14 on Good Beekeeping Practices for Honey Production*, drawn up by the Ministry of Agriculture and Livestock and approved by OSARTEC. Copies of the regulations were distributed by technicians from the Ministry of Agriculture and Livestock's Beekeeping Unit to beekeepers registered with the Single Beekeeping Code at six dissemination workshops held throughout the country. OSARTEC technicians trained 12 Ministry of Agriculture and Livestock technicians and 181 beekeepers on the new regulation's requirements at these workshops. Furthermore, it trained 10 technicians from the Ministry of Agriculture's Product Safety Division (DIPOA, in Spanish) and its beekeeping unit so they can share with SMEs the steps to be followed for meeting export requirements.



A small beekeeper supported by the program to meet best practices for honey production and European export requirements.

PHOTO: SME Development Program

The program also supported the ministry's beekeeping unit with designing an impact monitoring system that will allow the ministry to follow-up with more than 1,800 beekeepers registered with the Single Beekeeper Code around the country. Inputs for designing the system were obtained in November 2014 through a workshop with representatives from the Ministry of Agriculture and Livestock, OIRSA and the company Mielles Joya de Cerén. In March 2016, the program hired a consultant to develop the system, which was launched in September 2016. This system will allow the ministry to

quickly and reliably compile, compare and relate information on the beekeeping sector and honey exports, improving compliance control of international quality and safety regulations.

Finally, the program facilitated participation of representatives from the Honey Network in a number of events. In May 2013, it supported the X Central American and Caribbean Beekeeping Integration and Update Congress, which included presentations by national and foreign experts to update the knowledge of nearly 200 participants and exchange best practices. In September 2014, the program supported participation of the Honey Chain president at the Latin American Beekeeping Congress held at Puerto Iguazú, Argentina. A workshop was subsequently organized in El Salvador with 64 beekeeping SMEs to share the information and knowledge acquired there. In November 2015, the program supported the National Beekeeping Congress with participation from 435 beekeepers and where copies of the technical regulations were handed out. In May 2016, the program financed the participation of 17 beekeepers and four Ministry of Agriculture and Livestock technicians at the XIII Central American and Caribbean Beekeeping Integration and Update Congress held in Managua, Nicaragua.

FOOD AND BEVERAGE SECTOR

Support for the food and beverage sector focused on promoting innovation and technological development and on facilitating export sales for the industry. Since December 2013, the program worked with Proinnova, the innovation promotion program of the Salvadoran Foundation for Economic and Social Development (FUSADES, in Spanish), providing technical assistance to 19 SMEs in new product development, processes, assistance for purchasing equipment, machinery for plant improvement and automation, best manufacturing practice compliance, and new business models. To secure resources required for investing in and implementing their projects, the program assisted companies to fill out the documentation required by FONDEPRO to receive financing.

At the end of 2014, an international certification course in pastry and bread-making was promoted, benefiting 17 SMEs and five Proinnova technicians. In September 2016, the program supported innovation workshops for the production of typical confectionary and artisanal chocolate with participation from 38 SMEs. Proinnova, the Ministry of Economy, and its sectorial support program Inventa alimentos y bebidas were assisted with implementation of the Food and Beverage Technology Summit 2015.



PHOTO: SME Development Program

A trainer shows workshop participants the production of typical confectionary. The training was provided by partner FUSADES to improve competitiveness of small businesses.

Together with the CCIES, the program assisted 11 SMEs in the sector through the Innovexport program (October 2015 to July 2016). Furthermore, 70 SMEs in the sector participated in international trade fairs and missions promoted with COEXPORT, PROESA, and CCIES between 2012 and 2016, including the SIAL Fair in Canada (2012 and 2015), Expo Comida Latina in Los Angeles (2012, 2013, and 2014), and Expocomer in Panama (2013, 2014, 2015, and 2016), among others.

ARTISANAL AND DESIGN SECTOR

The program supported this sector by promoting linkages in the value chain with lead firms with established markets; promoting improvements in production processes; offering product design innovation assistance, and supporting SME participation in international trade fairs.

The program entered into partnerships with a group of companies that had the capacity to buy from micro and small handicraft producing companies: Almacenes Simán, Lula Mena, Exporsal, 3 Puntos, Mayan Gifts, and Colibrí Handmade, besides working together with the CONAMYPE to identify suppliers and with COEXPORT to take a total of 30 SMEs from the sector to the New World Crafts fair, held in Antigua Guatemala, in 2012, 2013, 2014, and 2015.



PHOTO: Almacenes Simán

A small handicraft producer supported by the program to become a supplier for Almacenes Simán's ARTECA festival.

The program started working with Almacenes Simán in identifying and providing technical support to suppliers of artisanal products for its annual ArteCA Festival, a dedicated space in its stores for innovative handicrafts sold during the Central American independence celebration month. More information on this initiative is available in Section 8 below.

Since 2013, the program has supported Lula Mena's (previously QUMBO) participation in international trade fairs (Los Angeles Dwell on Design; Guatemala New World Crafts; Emmy Award Red Carpet Gifting Lounge; Oscars Gifting Lounge; New York Artisan Resource) to promote its products overseas, connect with buyers and strengthen its supplier base. Lula Mena was also supported with artisanal designers that provided technical assistance to vendors for developing new products and helping identify new suppliers. In 2015, together with the energy distribution company Del Sur, a project called "Tejiendo Esperanza" (Weaving Hope) was implemented that helped train 10 women to become Lula Mena suppliers, reclaim hand loom weaving techniques in Santiago Texacuangos, and develop innovative and environmentally friendly products using recycled copper thread. The company tripled its sales with program support, and expanded its supplier network, mostly women, to more than 90 (see <https://www.youtube.com/watch?v=YGxW3ejZdXc>).

EXPORSAL, a medium-sized Salvadoran business, was supported in a similar way. This company produces hammock chairs and other articles for the home and garden. EXPORSAL provides jobs to more than 200 artisans that manufacture its products, which are exported entirely to the United States and Europe. In April 2013, the program supported this company with an American designer who provided technical assistance for defining a new collection of products for Summer 2014. The program also co-financed EXPORSAL's participation at the following fairs: SPOGA FAGA in Germany (2013), New World Crafts (2013 and 2014), Ambiente, Germany (2014 and 2015), Las Vegas Market (2015), and Dubai Gifts and Premiums (2015).



PHOTO: Lula Mena

Hands of artisan supplier for Lula Mena showing products made from recycled copper wire.

In July 2014, the program entered into a partnership with 3PUNTOS, a medium-sized company founded and directed by a woman, specializing in retail sales of home products. Efforts with this company focused on identifying local vendors that could offer their products at these stores. 3PUNTOS also created an area called “The Local Spot” in its stores. As a result of this partnership, the program linked seven companies for supplying products to 3PUNTOS, who received program technical assistance for product development, production techniques, quality oversight, sales facilitation, and buyer delivery logistics.

The program also supported Mayan Gifts, a woman-owned and managed company that manufactures, distributes, and exports Salvadoran handicrafts, and acts as a tractor company for 20 artisanal workshops. Thanks to program support since 2013, it has participated at New World Crafts in 2013, 2014, and 2015; and at Expocomer in Panama in 2014, 2015 and 2016. With the addition of technical assistance provided by Voces Vitales, it has created 30 new jobs and increased sales by 270 percent. The latest support was provided between June and August 2016, when the program made available an artisanal designer who helped Mayan Gifts develop a collection of between 15 and 20 products made from leather and other natural pelts, including bags, wallets, and women's accessories to sell overseas.

The program provided technical assistant to Colibrí Handmade, a startup belonging to a young Salvadoran woman, that develops artisanal design products produced in the country's communities for overseas sales. The program helped the company connect to eight artisanal workshops employing 36 people in the departments of Chalatenango,

Cabañas, La Paz, and La Libertad. It also provided assistance to these workshops for producing samples of 21 newly developed products.

The program also supported other design entrepreneurs. For example, in 2013 the program collaborated with *The Carrot Concept*, a multidisciplinary group made up of product, textile and interior designers that has made great progress with positioning Salvadoran design on international markets. With support from the program and the North American firm Bernhardt Design, 19 member companies from the Salvadoran Design Association (CROMA) and The Carrot Concept participated at the Wanted Design fair in New York in 2013 and 2014. Additionally, the program assisted CROMA, which gathers SMEs dedicated to designing and producing furniture, lamps, accessories, and other products, to organize the fifth CONTEMPO 2013 Biennial Design Competition called “Local Inspiration, Global Design” held at the Museum of Art of El Salvador. The program also supported Marka Moderna, a company that designs and manufactures outdoor furniture for export, with its participation at Wanted Design in 2013 and the Contemporary Furniture Fair in 2014.

OTHER SECTORS

The program supported other sectors, including the specialty coffee and footwear sectors, although to a lesser degree. In February 2013, the program entered into a partnership with Tropical View, a company that trades in specialty coffee and was interested in increasing its purchased volume of Salvadoran coffee. In total, 90 producers from Chalatenango, Santa Ana, San Miguel, and Morazán received training and technical assistance so their coffee would achieve the quality required to be considered specialty coffee. In March 2014 technical assistance was provided to a group of 32 new producers, plus another 24 from the previous group. The program also supported Tropical View’s participation at specialized fairs in Boston, Nice, and Taiwan, and supported international buyers on trips to the country, resulting in important specialty coffee sales contracts.

In May 2013, the program provided technical assistance to eight suppliers of RAVEZ, S.A. de C.V., a retailer that operates seven shoe stores called “Only Shoes” in different cities around El Salvador. A business development service provider was hired to help suppliers increase their sales to RAVEZ, and to help RAVEZ improve its procurement

“The Carrot Concept has become a symbol for unity within Salvadoran design, and has made great progress with raising El Salvador’s international design presence”

— JAKE STANGEL, IN THE WALL STREET JOURNAL



Winners of the furniture category at the 2013 CONTEMPO design competition in San Salvador with the international judges.

PHOTO: SME Development Program

and prepare an expansion plan that would benefit all participants in the value chain. Technical training was provided by a Mexican institution specializing in leather footwear.

LESSONS LEARNED AND RECOMMENDATIONS

A sector-based approach provides good results when there is leadership from one of the stakeholders, a critical mass of companies, and an institutional support ecosystem willing to participate in the process. When such factors are in place, it is recommended to work with groups of companies to identify common problems and design action plans to overcome them. Below, we provide some recommendations to continue supporting sectors benefited by the program.

Metalwork sector

- ITCA-FEPADE provides both leadership and training and service capabilities that need to continue being used when working with the SMEs in this sector.
- There are serious shortcomings in the area of metrology that must be overcome if SMEs are to manufacture products for domestic and export markets that meet international quality standards.
- Promoting collaboration between companies is recommended, so as to respond to market requirements that often exceed the capacities of a single company, as is the case with titanium prosthetics.
- It would be worth involving other research and teaching centers – such as UCA and Universidad Don Bosco – in the sector’s development.

Beekeeping

- The partnership established between public and private entities has been key for this sector to be able to respond to external market demands.
- One great challenge for meeting international hygiene and traceability requirements is that there are more than 2,000 small beekeepers dispersed throughout the country, many of whom use rudimentary techniques for extracting and transporting their honey. It is recommended that the search for ways to improve this situation continue, for example, using mobile extraction plants like the program is promoting.
- Continued assistance for the Ministry of Agriculture in its operation of the beekeeping monitoring system is recommended. This system was designed with program support and will provide the necessary information for ensuring the quality and safety of sector exports.
- The sector needs to diversify – both in products and markets – to better deal with different crises including the recent drop in international honey prices. Ninety percent of current exports are of bulk honey going to the European Union.

Food and drink

- This sector is highly competitive, and so it is important to insist on its innovation, particularly to foster exports. It must also seek to go beyond ethnic markets and make inroads into mainstream ones, especially in the United States.

Handicrafts and design

- Continued connections between artisans and designers for developing innovative and attractive products and techniques is recommended, as well as connections between artisans and potential buyers inside and outside the country.

SNAPSHOT

Opening new markets for Salvadoran handicrafts

Marisol currently works with 21 artisan workshops, five of which manufacture her export line for Panama. With her store, she has provided many artisans with opportunities for generating income for their families



PHOTO: SME Development Program

Marisol Monge, owner of Mayan Gifts, showcases her products. With her store, she has provided many artisans the opportunity for generating income for their families.

Marisol Monge is the owner of Mayan Gifts, a small company that manufactures and distributes Salvadoran handicrafts in El Salvador and internationally. Four years ago, Marisol did not export and in her search for new markets, she approached two institutions: the El Salvador Agency for Export Promotion and Investments (PROESA) and the El Salvador Exporters' Corporation (COEXPORT). Both of these entities are USAID partners through the SME Development Program, which seeks to provide small and medium Salvadoran companies with greater access to quality business development services, help increase productivity, and expand operations in local and export markets. Thanks to the program's assistance, Marisol participated in the region's most important trade fairs in 2013, including EXPOCOMER, held annually in Panama City. The fair provided her with access to the Panama market, as she made contacts with potential buyers who suggested she targeted her products for that country's market. USAID helped her do this through a product design consultant. With the program's assistance, Marisol created a specific product portfolio for Panama and started receiving her first purchase orders. As acceptance of the product increased, she found that she needed to seek out artisan suppliers and her business became a lead firm from more than five artisan workshops located around the country, an opportunity she would not have had if she had not taken the risk of participating in international trade fairs.

Due to her new skills and her entrepreneurship, Marisol was selected to receive technical assistance with USAID support through program partner, Vital Voices, which helped her create an export plan that specifically targeted Panama City. The second stage of this assistance helped her develop a new line of export products. Later, the program complemented the assistance for the design of new products. As a result, six new leather products and more than 60 new sub-products in the same material were developed. Thanks to program support, between 2013 and 2016, Marisol increased sales by 270 percent, from which 51 percent were exports. In addition, she created 30 new jobs.

SNAPSHOT

Exporting the sweet taste of honey

With USAID support, more than 600 beekeepers in El Salvador have increased their ability to comply with international regulations allowing them to continue exporting honey



PHOTO: SME Development Program

Estanislao Rodríguez, beekeeper from Tepecoyo, La Libertad. Don Estanislao has become an example of perseverance and dedication thanks to the efforts he makes every day to learn about and maintain quality standards in his honey.

“Everything I’ve learned has been for the good. I no longer have to go looking for other work, because today I only depend on my hives for supporting my family.”

—Estanislao Rodríguez, Salvadoran beekeeper from Sacacoyo, La Libertad.”

Estanislao Rodríguez got his start in beekeeping by chance when one day a friend asked to borrow money in exchange for five hives. Back then, he sold clothing and knew nothing about caring for or extracting honey from the hives, but over time he began to learn and to fall in love with the world of beekeeping.

Data from the Ministry of Agriculture and Livestock, shows that in 2015, El Salvador produced more than 2,900 tons of honey, over 2,300 of which was exported to Europe. These figures show that beekeeping in El Salvador has become a sector that contributes to economic growth. In 2013, the European Commission’s regulatory agency identified a lack of compliance with European Union requirements and emphasized the importance of training beekeepers in regulation compliance. As part of this effort, USAID supported the Honey Network, in partnership with the OIRSA, and the Ministry of Agriculture in developing the First and Second Advanced Beekeeping Program, held in 2014 and 2016, which trained more than 280 beekeepers from around the country.

These beekeepers included Mr. Rodríguez, who, during the first Advanced Beekeeping Program received a visit at his apiary from two international consultants that identified areas where he would need improvements to meet European Union requirements. “Initially, I didn’t like much having someone come in and tell me how to work, but I took action and the same day the consultant left I started implementing all the changes she had pointed out.” At 62, Mr. Rodríguez is a diligent man with a willingness to keep learning. He has attended all the training offered to the sector to meet international regulations and requirements. He currently has 600 hives and, during the Advanced Beekeeping Program, he got one of the best evaluations, proving that he is committed to meeting all national and international quality controls. His efforts had paid off because his sales increased 56 percent in two years.

As a result of USAID’s support to the apiculture sector, more than \$4 million of incremental sales have been generated by SMEs assisted through September 2016, 88 percent of which were from exports.

FEMALE ENTREPRENEURSHIP

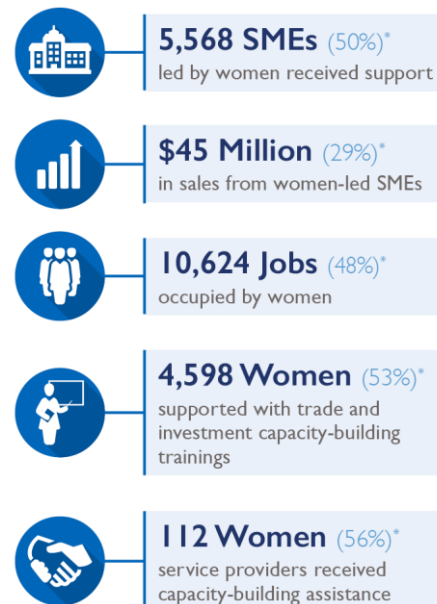
Supporting economic empowerment of women and women-led businesses contributes to economic development, job creation, and poverty and inequality reduction. For this reason the program has, from its beginning, prioritized women's entrepreneurship and the creation of jobs for women following the USAID Policy for Gender Equality and Female Empowerment framework. The program took gender considerations into account in the design of its activities. Additionally, it decided to support partners and initiatives specifically dedicated to promoting female entrepreneurship including Voces Vitales El Salvador, CCIE's ESCALA Program, the Impulsa Tu Empresa Program, and CONAMYPE's women's entrepreneurship advisors. The program also conducted a gender diagnostic and worked with its partners on raising awareness and designing strategies to better serve women entrepreneurs. It collaborated with FUSADES to conduct a study on women's participation in the job market and women's economic empowerment, providing a space for exchanges between businesswomen and BDS providers via a dialogue session (*conversatorio*) and sharing the information generated during presentations of results in 2015 and 2016, respectively.

As a result of these efforts, we are pleased to report that 50 percent of all SMEs served by the program were women-led enterprises. These enterprises generated \$45 million in sales. Furthermore, more than half of those trained in trade and investment were women, and nearly half of the jobs generated by the program (more than 10,000) were occupied by women (see exhibit, right).

VOCES VITALES

VVES is the El Salvador chapter of Vital Voices, a U.S. organization founded in 1997 under the auspices of the United Nations with impetus from Hillary Clinton and Madeleine Albright. It first received program support in 2012 with the implementation of a program called "Export Development." This activity raised awareness among 483 female entrepreneurs from San Salvador, San Miguel, and Santa Ana regarding the internationalization of their companies, and helped them approach public and private support institutions. Among other things, the program contributed consultants that provided technical assistance to 39 businesswomen with export potential, to help them draw up a business plan and receive business assistance. This experience was repeated in 2013 and 2014, in an initiative called "Program for

WOMEN ENTREPRENEURSHIP BY THE NUMBERS



* Percentage of the total achieved by the Program

strengthening companies led by women,” that consisted of two training sessions on business management topics for 342 businesswomen from San Salvador, San Miguel, and Santa Ana in 2014; a business coaching program for 40 women-led companies with growth potential to help them prepare business plans and strategic growth plans; and a business roundtable organized with 49 potential buyers.

The program also supported VVES in 2015 to provide specialized technical assistance to 13 women-led SMEs on digital marketing, product design, market segmentation, and pricing. A second business roundtable was organized with participants from 39 women-led SMEs and representatives from 38 buying companies such as TIGO, Productos Diana, Banco Davivienda, and Fruit of the Loom. In 2016, the program worked with VVES to implement a “Digital marketing mentoring program,” seeking

to develop the technological skills that would allow businesswomen to increase their sales by using digital marketing tools. The first stage of this program trained 211 businesswomen from San Salvador, San Miguel, and Santa Ana in digital marketing. VVES selected 24 businesswomen to participate in the second stage, where women entrepreneurs participated in digital marketing mentoring clubs to develop their strategies. The program also supported the participation of women entrepreneurs at Crecemujer, VVES’ main annual event, in 2014, 2015, and 2016.

Voces Vitales received organization support, first in 2014 with the development of a strategic plan, and then in 2015 and 2016, through the organizational strengthening initiative described in Chapter 10 of this report.

ESCALA PROGRAM

Responding to an initiative from the CCIES’s Businesswomen Committee, the program agreed to support the creation of ESCALA, a business mentoring program for women. One of the conclusions of the gender diagnostic the program carried out in 2014 was that businesswomen need longer assistance to help them execute their growth plans effectively. This finding was taken into account when designing ESCALA. The program involved other partners: the pension fund administrator AFP CONFIA’s Sabios y Expertos Program and the Universidad José Matías Delgado’s (UJMD) Faculty of Economics, Entrepreneurship, and Business.



PHOTO: Voces Vitales El Salvador

Women entrepreneurs attend one of the training and coaching programs implemented by Voces Vitales El Salvador. More than 850 female entrepreneurs were trained on business management skills.

ESCALA is a four-month mentoring program where businesswomen have a weekly advisory session with a retired volunteer specialist from the Sabios y Expertos Program, and assistance from a senior year university student from the UJMD to implement the specialist's recommendations. The program supported the design and execution of the first version, implemented between February and May 2015, as well as the second and third versions of ESCALA, implemented between September 2015 and June 2016 (<https://www.youtube.com/watch?v=t8tanjwYjZ4>).

The first three versions of ESCALA provided assistance to 36 small and medium enterprises led by women in diverse areas such as food and beverage, garment manufacturing, services, and handicrafts, generating more than \$240,000 in sales growth and creating 30 new jobs. Given the success of the program, CCIES, Sabios y Expertos, and the UJMD decided to continue ESCALA with a fourth version that began in August 2016, with financing from the European Union.

IMPULSA TU EMPRESA (PROMOTE YOUR COMPANY)

Impulsa tu Empresa is a program implemented by Technoserve that began in October 2015. The program collaborated with Technoserve by supporting the recruitment of 77 women entrepreneurs selected for the first phase of Impulsa tu Empresa, in which they develop their business plans using the CANVAS methodology. The sectors represented included garment manufacturing, processed foods, consumer goods, cosmetics, and personal products, handbags, packaging, advertising, and printed products. The 10 best plans received \$40,000 in total seed capital from Impulsa tu Empresa. The program supported – during the second phase – the provision of personalized assistance over seven months for 56 of the 77 companies to implement their business plans. It also helped connect 20 SMEs with Super Selectos and supported the organization of a business roundtable where 50 SMEs met with the 50 potential buyers including Grupo Roble, ADOC, Arrocería San Francisco, Banco Cuscatlán, and Banco G&T.

CDMYPE WOMEN'S ENTREPRENEURSHIP ADVISORS

In 2013, CONAMYPE decided to incorporate business advisors dedicated to attend women-led businesses and female entrepreneurs in each CDMYPE. The program supported training these advisors in the CDMYPE model. Furthermore, in February 2015, it conducted a workshop on gender mainstreaming with participation from close to 100 advisors and directors in the network. Finally, in October 2015, it conducted a



Owner of Deli Maya, a company that produces dehydrated fruit and gourmet artisanal products, was one of the more than 5,500 women-owned business supported by the program.

PHOTO: SME Development Program

workshop on gender and economic development for female entrepreneurship advisors at the CDMYPEs and Ciudad Mujer.

OTHER GENDER-BASED INITIATIVES SUPPORTED BY THE PROGRAM

- Linking five SMEs from the El Salvador Association of Businesswomen and Female Entrepreneurs (AMEES, in Spanish) with Almacenes Simán to become suppliers of Simán's private brand and its *Estación Gourmet* (2014, 2015).
- Support for the partnership called Tejiendo Esperanza (Weaving Hope) with Lula Mena and the energy distributor, Distribuidora de Electricidad Del Sur, which allowed training of 10 women from vulnerable communities in Santiago Texacuangos in textile production using hand looms to make them into Lula Mena suppliers (2015).
- Linking the Interamerican Investment Corporation (IIC), the IBD's financial arm, with Sabios y Expertos, BPeace, and the PROESA to promote a line of credit for women-led SMEs (2013). Linking companies led by women with Pomona Impact, a venture capital firm that invests in businesses with a social impact (2015).

LESSONS LEARNED AND RECOMMENDATIONS

Having a gender diagnostic and a gender strategy for the program facilitated a dialogue with partners and helped make them aware of the importance of gender equality. It also served as a foundation for implementing a set of activities that allowed promoting female entrepreneurship and supported BDS providers to focus services to women-led enterprises.

Today, El Salvador has institutions that provide services and offer products tailored to women entrepreneurs, including CONAMYPE, Voces Vitales El Salvador, the CCIES (with its ESCALA Program), and banks like BANDESAL and G&T Continental. However, women are still over-represented among subsistence micro-enterprises, while their presence among larger, exporting companies remains scarce.

An analysis of the data shows that women businesses tend to be smaller and with fewer employees. This means that women must take on more roles, or dedicate more of their time to manage their companies. Added to this, many women hold a preeminent role within their households, which leaves them less time to run a company.

Experience shows a higher level of uncertainty by women when making decisions. They usually seek the approval of another family member or from persons they trust. Also, Salvadoran women tend to be less familiar or adept with using technology than men, as they have less access to these tools. This becomes a limiting factor for business growth.

In this regard, the program found that business development services targeted to female entrepreneurs are more effective if they are provided over a period of several months, as prolonged assistance allows women to implement improvements within their companies. Services like mentoring, where businesswomen have a reliable intermediary who will promote them and support their decision-making processes, as well as services

that promote the creation of support groups and business networks, are well received and better designed to cover this segment.

Therefore, the following considerations should be kept in mind when promoting female entrepreneurship:

- Businesswomen feel they have less time due to their roles as businesswomen, mothers, and wives, and so full-day sessions discourage their participation and should be avoided.
- Businesswomen feel more intimidated than their male peers in the use of technology. Courses that incorporate the use of technological tools should include exclusive sessions or additional time dedicated to women, so they don't hold back their questions and can level their knowledge.
- Businesswomen generally feel "in disarray" or lacking in the area of accounting, and so gaps in financial knowledge and accounting practices need to be reduced.
- When working with businesswomen at the base of the pyramid, services provided should take into account human aspects (such as support for creating life plans or motivation regarding work-family balance) so they adhere more closely to the program and technical knowledge provided is more effective.
- Helpful innovations for training businesswomen include providing them with transportation, scheduling events at times where there is still daylight, and providing childcare services if greater attendance is wanted.
- Inviting husbands, parents, and children to recognition events helps reinforce the businesswomen's position and validate the importance of what she does.
- Promoting networking spaces for businesswomen and buyers from large companies has proven to be effective in generating new business.
- Businesswomen do not want documents; they want coaching for decision-making. It is suggested that the work done with them be based on growth projects, and that assistance focus on areas that will unleash strategic decision-making to help their companies grow.

SNAPSHOT

A “Pink Taxi Line” for women is born

USAID promotes the economic empowerment of women and provides them with technical tools to help them start and grow their businesses



PHOTO: Servicios Integrales de Centroamérica

Lorena González, owner of Servicios Integrales de Centroamérica and Línea Rosa stands proudly with her employees. Línea Rosa employs five women who were outside the workforce, transforming the sector and breaking paradigms and stereotypes about women.

“The technical assistance helped me a lot to overcome deficiencies and weak spots we had as a company. The new business plan is helping us grow, with strategies and activities we learned through the consultancy provided by the USAID Program for SME Development”

— Lorena González, Owner of Servicios Integrales de Centroamérica and Línea Rosa.

Lorena Gonzalez started her company Servicios Integrales de Centroamérica in 2005, with the hope that this would allow her to spend more time with her two children and earn income to support their education. She started at home with just a van, a fax, and a used computer, and asked a friend to help her design the branding. “I did not want to be seen as the neighborhood driver, but rather, as a company,” she recalls. She printed out her business card and a flyer, sent out massive emails and published newspaper ads to advertise her company. She also hired a driver. However, identifying potential clients was not an easy task, and soon her profits were not enough to cover her debts.

She recovered somewhat when she got the idea of transporting company staff after their night shift. Gradually her corporate and individual clients added up. By 2007, Lorena had five vehicles and participated in tenders. However, in 2009, the company faced a significant loss of customers. This, pushed her to reinvent herself: she offered her fleet, but if a customer needed something extra, she sought to solve that need. She rented an office and diversified her business offering services to transport personnel, executives, logistics, and touristic tours. Then, in 2014, Lorena discovered a training program for women entrepreneurs sponsored by USAID and implemented by Vital Voices, where she learned to develop her business and strategic growth plans.

With that support, Lorena developed an innovative business idea: a transportation service exclusively for women, called “Pink Line,” which provides internet on board, monitored trips, beauty kits for her passengers, first aid kits, and baby car seats, as well as pink upholstered seats. The drivers are women trained in personal defense and in auto mechanics. “I saw myself revolutionizing the color pink and with this assistance the project came out of my head and became a reality,” says Lorena. Also important was the financial advice provided by the Matías Delgado University Micro and Small Enterprises Development Center (CDMYPE), from which she got the first loan granted by “Banca Mujer,” a government program. This capital enabled her to acquire an initial fleet of five vehicles for Pink Line.

Business sales with the new Pink Line service went up 111 percent from October 2014 to September 2016 and generated 19 jobs, 18 of them for women, a true example of female entrepreneurship.

CHAPTER EIGHT

SUPPLIER DEVELOPMENT INITIATIVES

The development of supplier chains has great potential when a lead firm or “anchor” company is committed to working with a group of suppliers to jointly grow business. The methodology is consistent with the buyer-led approach applied by the program in its interventions, where the buyer or “lead firm” is identified from the beginning and the program works to resolve issues experienced by enterprises to meet the buyers demands and secure sales. The main supplier development initiatives supported by the program were the Almacenes Simán’s ArteCA festival and Estación Gourmet, and the assistance provided to five supplier chains via the Supplier Development Program (PDP, in Spanish) implemented by CCIES.

INITIATIVES WITH ALMACENES SIMÁN

In April 2013, the program entered into a partnership with Almacenes Simán, the largest department store in Central America, to connect it with handicraft suppliers for their ArteCA festival (Central American Art), held in September that year to commemorate the independence of Central American countries. The program and CONAMYPE organized a product sample from 46 artisanal workshops that had the potential of becoming Simán’s suppliers. The program then hired a consultant to help the workshops adapt their designs to client requirements and follow up their production and order delivery. During the first version of ARTECA, 25 artisans finalized sales with Simán, placing their products in six different departments (ladies, children, men, toys, accessories, and home). In 2014 and 2015, new versions of the ArteCA festival were held, where 32 and 21 artisanal workshops, respectively, became Simán suppliers. The three versions of ArteCA generated sales of more than \$1.1 million and connected 47 SMEs in total with the retail company (see <https://www.youtube.com/watch?v=o3DzcII-M4g>).



PHOTO: Almacenes Simán

Artisan in the city of Ilobasco works on products to be delivered to Almacenes Simán. This artisan is part of the 47 artisan SMEs that became suppliers for Almacenes Simán’s ARTECA festival, where they had the opportunity to showcase and sell their products.

In 2014, the program promoted a trade relationship between Almacenes Simán and five SMEs belonging to the El Salvador Association of Businesswomen and Female

Entrepreneurs (AMEES, in Spanish), who became suppliers for Simán's private brand and whose products are part of the Estación Gourmet, a space launched in April 2015 at three high traffic stores in El Salvador.

SUPPLIER DEVELOPMENT PROGRAM WITH UNDP AND CCIES

The program identified an opportunity to collaborate with the UNDP's Supplier Development Program (PDP), implemented in El Salvador by the Chamber of Industry and Commerce. PDP's methodology is to identify and work with lead firms willing to improve their interactions with suppliers and to invest in the corporate development of up to 10 of their small and/or medium suppliers, in a process that lasts approximately 10 months. PDP requires that all participants contribute financially, creating an important commitment from the SMEs and lead firms involved. During implementation, PDP consultants, who have been trained previously, perform a diagnosis of the SMEs and their relationship to the lead firms. Consultants help them identify areas for improvement, design improvement plans to make the SMEs more effective suppliers, and advise on plan implementation. Between 2012 and 2015, the program supported five supplier chains through PDP, four of them from the food and beverage sector.



PHOTO: Los Quesos de Oriente

Anchor firm Los Quesos de Oriente produces cheese with milk supplied by small dairy producers benefiting from the PDP supplier development program implemented by partner CCIES.

TABLE 4. PRODUCTIVE CHAINS SUPPORTED THROUGH PDP

Lead / Anchor Company	Number of Suppliers	Period	Results
Lácteos Agrosania	12	October 2012- March 2014	Lead firm improved milk supply, suppliers reduced costs and increased productivity. Continuous training programs were implemented for employees on best milking practices and improved use of available machinery. Software was installed for improving the management of the lead firm. \$4.1 million in sales were generated and 142 jobs created.
Los Quesos de Oriente (I)	9	October 2012 – March 2014	Costs were reduced by 10 percent; three new products were launched; and 58 new customers were generated as a result of implementing best manufacturing practices, organizational climate improvements, and organizational structure consolidation resulting in \$4.5 millions in sales and creating 57 jobs.

Lead / Anchor Company	Number of Suppliers	Period	Results
Transportes Unidos de Occidente (TUDO)	3	March 2013 – August 2013	Implemented market study and development of six new products for attending tourists. Links with the Tourism Ministry and Corsatur were promoted to understand potential demand, and a business plan was developed. As a result of this plan, a tourism coordinator was hired and 10 buses were purchased to cover new routes.
Cooperativa de Lácteos GEOLAC	12	August 2013 – March 2014	Suppliers improved productivity and milk quality and reduced production costs thanks to production changes that included improved cattle nutrition and the implementation of good milking practices.
Los Quesos de Oriente (2)	8	December 2013- December 2015	Production conditions were improved to achieve cost reductions and improve productivity, such that at least three companies increased their sales with the lead firm. Improvements were made to Los Quesos de Oriente's marketing and financial areas.
Grupo Campestre	8	August 2014 – December 2015	The lead firm strengthened its procurement and marketing areas, while suppliers developed human resources manuals, financial controls, marketing plans, and more competitive prices. Six companies managed to sell to new customers.

LESSONS LEARNED AND RECOMMENDATIONS

Supplier development initiatives, with lead or “anchor” firms that have purchasing capacity and a demand for the products and services, can be a very effective mechanism for strengthening a group of SMEs and generating sales and jobs. Since a buyer is assured, the focus is placed on what is required to reduce bottlenecks to sell to that buyer or strengthen existing commercial relationships. Development programs can fulfill an important function if they identify large companies willing to work with local vendors and help them locate and prepare viable suppliers, who can meet the buyers’ time, quantity and quality requirements. However, for this type of initiative to be sustainable, there needs to be commitment and investment from both the anchor firm and the suppliers, and this commitment needs to be based on real benefits for all parties.

Developing suppliers with Los Quesos de Oriente

The Supplier Development Program of UNDP was implemented by the Chamber of Commerce and Industry in El Salvador. It received assistance from the USAID Program for SME Development



PHOTO: Los Quesos de Oriente

Employees of Los Quesos de Oriente, September 2013. The PDP methodology offers companies a strategic vision of their business and orients them toward optimizing available resources.

With the introduction of the PDP model for our suppliers, they have attracted 58 new clients and increase sales by 38 percent. We have reduced costs by 10 percent, and we have hired 15 new people. Our mentality has changed and we are committed to continued improvement. Our relationship with our suppliers has also become stronger.”

—Mirna de Macay, General Manager of Los Quesos de Oriente

Los Quesos de Oriente is a leading firm in the dairy market. Nonetheless, it has struggled to increase its productivity and cover its fixed costs. Despite having received training, the benefits were not evident and its dependency on its supplier inputs did not allow it to grow sustainably. Today the general manager, Mirna de Macay, affirms that its participation in the USAID-supported Supply Development Program (PDP) has enabled the company to achieve important results, including increased sales, reduced costs, and new machinery investments and clients.

As a lead firm, Los Quesos de Oriente selected 17 of its suppliers to participate in the PDP program, a model through which the development of small businesses is optimized within a production chain with the support of certified professionals. Each supplier was diagnosed to identify the areas that required attention and represented opportunities for improvement. With respect to livestock SMEs, obstacles included the deficient administration of resources, poor nutrition for the cows, inappropriate milking processes, and a lack of veterinary assistance. Among the service SMEs, the problems were related with issues of administration, quality, production, costs, accounting, operations, planning, and logistics.

The technical assistance achieved results by developing and following up on improvement plans for each business. For example, Bryan Hernández, manager of sales at MC Representaciones, a family-run micro enterprise with 13 years of experience in the distribution of various inputs for the dairy industry, said: “We had to make drastic decisions, but it was worth it. We stopped working out of our garage and today we have an office, which allows us to have better administrative control. Each person has a clear and defined role. Although we were afraid at the beginning, today we are thankful with the program and with the people who made it possible. The implementation of the recommendations has enabled us to increase our sales by 40 percent and grow at a time when we were operating with losses. Now we have 47 new clients, we have created four new jobs, we developed a website, and we have 17 new items on our product list.” USAID, through its SME Development Program, supported five productive chains formed by equal number of lead firms and 52 supplier SMEs.

TECHNICAL ASSISTANCE BY EXPERT VOLUNTEERS

Every year millions of people give their time and knowledge to work voluntarily and selflessly in the interest of development. In El Salvador there are two programs that, through their network of contacts, provide support from volunteer experts to small and medium enterprises seeking to become more competitive. The Business Council for Peace (BPeace) is an NGO founded in New York City in 2002 that provides technical assistance for SMEs with growth potential in places around the world affected by violence. BPeace recruits expert volunteers, usually former executives at multinational companies, mainly from the United States, with expertise in different areas. In turn, Sabios y Expertos (Scholars and Experts – SyE, in Spanish) is a corporate social responsibility program set up by the pension fund administrator AFP Confía. SyE launched at the end of 2012 with the aim to provide technical assistance and advice to SMEs through retired experts, both Salvadorans receiving their pension through AFP Confía, and Europeans who participate through an alliance with the Retired Dutch Experts Program (PUM) and the Retired French Experts program (ECTI).

The program began supporting both BPeace and Sabios y Expertos in 2013 to increase the number of SMEs that could receive technical assistance from national and international retired experts. Under this partnership, the program pays for accommodation and per diem expenses for experts while in El Salvador and the beneficiary SMEs usually cover local transportation.

BPEACE

The organization selects “fast runners” (i.e., SMEs with a high growth and employment generation potential) through a rigorous application process. The process includes reviewing the application, interviewing candidates, and discussing by committee. According to the areas prioritized by each company, Bpeace assigns an expert volunteer who provides on-site assistance during five days. Volunteers also develop follow-up plans so SMEs can implement their recommendations. In addition, Bpeace offers an exchange program with the State Department so Salvadoran SMEs can visit companies in their own industries in the United States.

“The experts came at a crucial time for our company. We created a strategy for our products, which helped us sell more. What we had was insufficient and to meet the demand we had to hire more staff and buy more machinery. I’m still looking for opportunities to grow. I like being able to create jobs.”

— JOSÉ VILLELA, OWNER OF SEVIALCA, BENEFICIARY OF BPEACE ASSISTANCE

Over three and a half years the program has supported 25 initiatives from 19 *fast runners* in different sectors, including food and beverage, chemical-pharmaceutical, furniture, and services. These companies have received expert technical assistance from volunteers for brand positioning, product adaptation, and meeting market requirements, among other topics. The program also supported one-on-one training and advisory sessions in corporate management areas like strategic planning, marketing, and human resources given to another 20 companies by four volunteer experts. The SMEs that received technical assistance from Bpeace volunteers generated more than \$5.4 million in sales and 231 new jobs.

SABIOS Y EXPERTOS

Sabios y Expertos provides assistance to Salvadoran SMEs identified by the organization or referred by other beneficiary SMEs or their partners. Each SME fills out a form and is visited by an SyE technician to identify their potential, verify their willingness to receive and take advantage of technical assistance, and determine the area to be assisted. Once an SME need has been identified, SyE identifies a group of volunteer retired experts and selects one of them to provide assistance in El Salvador. When the assistance is provided by an international expert, SyE assigns a national expert to accompany him or her during their two-week visit to El Salvador and follow up on the recommendations provided.

During three and a half years the program supported SMEs from diverse sectors including food and beverage, plastics, manufacturing, services, and chemical-pharmaceutical through SyE. These companies have received technical assistance in management and operational areas, including product adaptation and development, plant expansion and equipment procurement, productivity improvement, process improvement, efficiency and cost reduction, and market access. Sabios y Expertos is also a partner of the ESCALA mentoring program, through which assistance has been provided to 36 women-led companies (see Chapter 7 on Female Entrepreneurship).

At the program's recommendation, between May and June 2015, SyE organized a sector-related breakfast to identify key areas in which companies could be supported with assistance from Dutch and French experts. Participants included 13 chemical-pharmaceutical SMEs, 16 metalwork SMEs, and 12 food and beverage SMEs for a total of 41 companies. Eight of these applied to receive technical assistance from SyE. In total, together with Sabios y Expertos, the program supported 33 advisories from international experts for 31 SMEs, which have generated more than \$800,000 in sales and 136 new jobs.

EXPERTS HELPING SMES TO EXPORT: A SUCCESS STORY

SABESA is an SME that produces beauty and personal care articles. In May 2015, the company received support from retired volunteer Gilles Genain, a chemical engineer and, for many years, general director of Research and Development at L'Oréal. Mr. Genain contributed to product reformulation, using FDA-approved raw materials that allowed SABESA to close export deals to the United States. In June 2016, Mr. Genain visited SABESA again, this time to support the development of new products for both domestic and export markets.

LESSONS LEARNED AND RECOMMENDATIONS

Using volunteer experts – retired or active, national or foreign – can be a cost-effective way to increase SME performance. Both international and national experts who have worked at high-performing companies can contribute world-class innovations and experiences that are often beyond the reach of local SMEs.

In the case of international experts, the main problem can be the cost of bringing and accomodating the volunteers within the country, making alliances with different international programs that support this type of initiatives necessary. Conversely, the problem with national experts is that there is no sufficiently solid and extensive network to cover the needs of interested SMEs.

Another problem is that small and medium enterprises have many limitations and it is sometimes difficult for them to identify the type of assistance they require to promote growth. Consequently, a proper diagnosis is required to identify the appropriate area for assistance and expert.

Entrepreneurs that receive assistance from a volunteer must be aware that the expert may recommend solutions that require their commitment and investment in areas such as employee training, plant layout, and equipment procurement. SMEs to be supported should not expect the volunteer to have to deal with problems unrelated to the assistance, such as family or debt issues. Participating enterprises should also always be asked to help pay for the initiative to ensure their commitment.

In the case of foreign volunteers, the program must ensured that no language barriers exist that would prevent the adequate transfer of knowledge. If there are language barriers, translation services should be procured.

SNAPSHOT

Improving road signs in Central America

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



PHOTO: SME Development Program

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

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

— José Vilella, owner of Seviaalca

Street signs are very important for organizing traffic and ensuring road safety. The lives of the people who travel these roads are determined, in part, by what the signs indicate, the attention paid to them, and the driver’s compliance with what they say. This industry has been growing in El Salvador for a number of reasons, including the construction of the 139-mile long Longitudinal del Norte highway, current fiscal policies that favor infrastructure projects, and the use of taxes to improve highways.

Seviaalca, a medium-sized company that makes highway signs, has operated in the country since 2006 but struggled to grow. Owner José Vilella has worked to overcome these obstacles with support from Bpeace (Business Council for Peace), an American NGO that works with business leaders in countries affected by conflict. Since its arrival in El Salvador in 2011, Bpeace has offered local business leaders the chance to receive advice from international experts to help them overcome problems that generate stagnation or impede growth. This program is complemented with USAID’s support.

Seviaalca received technical assistance from two experts who identified improvements to Seviaalca’s central operating procedures and then designed an expansion strategy. “With the help from the experts, our business has become more dynamic and we have better organizational management,” Vilella said. “We have overcome operating problems with simple tools and this has permitted us to optimize our resources and grow from 25 employees to 114.”

With this assistance, Seviaalca has also been able to define the function and responsibilities of each employee and jointly developed a strategic plan with objectives, actions, and implementation dates. Seviaalca has also expanded its markets, relocating some of its staff to Panama, Honduras, and Costa Rica. Between July 2013 and September 2016, the company’s sales increased by 159 percent and it generated 63 jobs. This clearly shows the impact expert technical assistance can have on strengthening local small and medium businesses.

USAID has provided assistance through national and international volunteer experts to 70 SMEs along with two partners, BPeace and the Sabios y Expertos Program of AFP CONFIA.

CHAPTER TEN

INITIATIVES FOR STRENGTHENING LOCAL INSTITUTIONS PROVIDING BDS

The design of the SME Development Program was focused on supporting SMEs through public and private business development service (BDS) providers. This entailed strengthening BDS providers to improve and/or expand the services offered to SMEs. In some cases, the program went beyond this, strengthening selected BDS providers in specific organizational areas to promote the delivery of more effective services and generate sustainability for the initiatives implemented. To this effect, the program made the following contributions:

CONAMYPE:

- Strengthened the capacities of CDMYPE network directors and advisors through exchange programs and training
- Transferred best practices from the United States SBDC model
- Supported the creation of the Association of CDMYPE Operator Institutions
- Developed a follow-up and monitoring system
- Donated equipment to strengthen its information technology systems

PROESA:

- Trained the export director on SBDC methodology applied by the University of Texas San Antonio in its specialized export center
- Developed a monitoring and evaluation system

FONDEPRO:

- Simplified internal processes and supported administrative reorganization
- Strengthened impact measurement methodology
- Donated IT and telecommunications equipment

Ministry of Agriculture and Livestock:

- Developed a monitoring system for the beekeeping sector

ITCA- FEPADE:

- Trained teachers in the EMPRETEC methodology
- Specialized training for teachers on technical aspects of the metalwork industry, including metrology, molding, and thermal processes

CCIES:

- Innovex methodology transferred to national consultants and technical staff

ORGANIZATIONAL STRENGTHENING INITIATIVE

In 2015, USAID tasked the program with identifying and strengthening key partners to reinforce their capabilities for providing quality BDS to SMEs and preparing them to directly manage USAID funds. The organizational strengthening process was carried out based on the Organizational Capacity Assessment (OCA) tool developed by USAID. The OCA consists of self-evaluation workshops that lead to the development of improvement plans for closing performance gaps.

In July and August 2015, the program identified six potential partners which could work on this strengthening process. These potential partners received an explanation on the initiative's purpose, objectives, and commitments involved.

Between September and October of 2015, a memorandum of understanding was signed with each of the five institutions that decided to participate in the initiative: FUSADES, CCIES, VVES, ACDMYPE, and SyE. Each of these institutions committed to carrying out two OCA workshops and investing resources to implement improvement plans. After signing the memoranda, the organizational strengthening initiative was implemented in three stages (see exhibit below).

CRITERIA USED FOR PARTNER PRE-SELECTION

1. Alignment between the organization's and USAID's goals and objectives
2. Organizational sustainability
3. Capacity and scope for providing services to SMEs throughout the country
4. Time available for implementing the organizational strengthening process
5. Commitment and aptitude to and for change
6. Stable leadership
7. Be able to dedicate resources to the strengthening process

ORGANIZATIONAL CAPACITY BUILDING INITIATIVE



Using the OCA tool, workshops were organized with key personnel from each organization, including managers, directors, and board members. During these sessions the organizations' performance and capacities were self-evaluated in seven organizational areas. Participants identified main performance gaps, reasons for those gaps, and actions to be implemented for closing them. The organizations then identified actions to be performed directly by them and those that would have program support (via consultants to be hired, etc.). The areas with the greatest opportunities for improvement identified by partners were human resources and management practices, followed by governance, financial controls, and service delivery.

To initiate the second phase, the program then validated improvement plans with each partner and defined specific support to be provided via training and technical assistance. The program supported areas including strategic planning, communications and outreach, resource management, policies and processes, monitoring and evaluation, human resource development, and USAID regulations and fund management.

Since November 2015, the program made available 280 consultant-days to partners, distributed among seven national and two international specialists, and an online course on resource management offered by the Monterrey Institute of Technology and the Mexican Association of Fundraising Professionals. It also mapped national and international donors of interest to the organizations. Common needs were covered in group training sessions where representatives from five organizations participated, while specific needs were attended to through technical assistance provided to each partner.

TABLE 5. SUMMARY OF PROGRAM SUPPORT FOR TRAINING AND IMPROVEMENT PLAN IMPLEMENTATION

SUPPORT RECEIVED	FUSADES	CCIES	VVES	ACDMYPE	SyE
Strategic planning					
Human resources					
Policies and processes					
Monitoring and evaluation					
Communications and outreach					
Resource management					

Between January and August 2016, the program held two sessions to review and follow up on the implementation of the improvement plan with each partner.

The final implementation phase consisted in implementing new OCA workshops in September and October 2016, to identify improvements made and to update the organizational diagnostic (see exhibit, next page). The main areas where organizations reported improvements were human resources, management practices, financial control, and governance. Most partners updated their administrative-financial manuals and policies, developed strategic plans, improved or designed monitoring and evaluation tools, prepared fund-raising plans, and received customized assistance in human resources and communications. The most challenging areas for these partners still continue to be human resources and service delivery.

In November 2016, the program sent to USAID the results of the organizational strengthening initiative and recommended three partners that could be candidates for managing USAID funds directly, and two suitable for managing subcontracts or sub-grants.

LESSONS LEARNED AND RECOMMENDATIONS

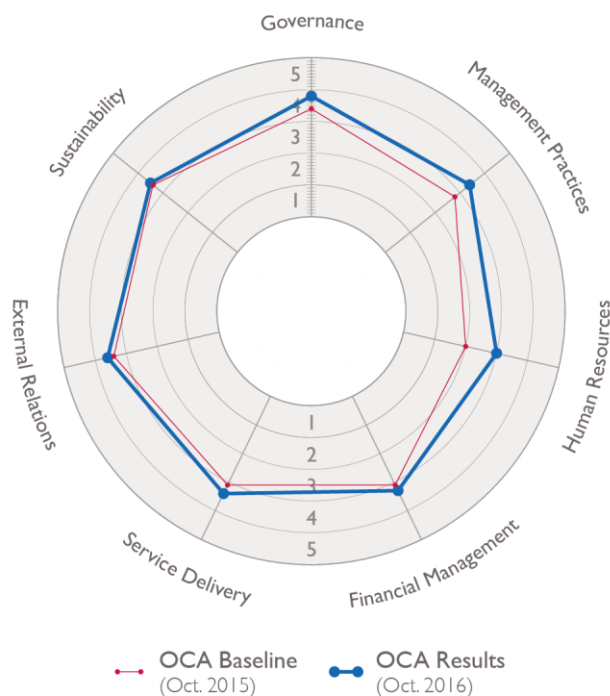
Using the OCA methodology it is possible to execute an organizational strengthening initiative in the course of one year, obtaining and recording improvements in organizational performance. However, it's important to secure the commitment of participating organizations' boards of directors to successfully implement the improvement plans developed after the OCA workshops.

Given the extensive number of topics that may need to be covered when implementing improvements plans, and the limited supply of local experts on specialized topics, it is important to have access to international experts to address USAID, fundraising, or sustainability topics.

Keeping in mind that organizational strengthening initiatives are executed in parallel with organizational operating plans, improvement plans must focus on major performance gaps. Efforts must be made to prioritize actions that can be implementable by the organizations. Moreover, it would be more effective if organizations integrated their improvement plans into their operating plans.

One of the limitations of the OCA methodology is that the perception of those participating in the OCA workshop tend to weigh heavily on the self-evaluation, and so facilitators need to guide discussions towards demonstrable facts. Furthermore, one aspect for improvement in the application of the OCA tool is to adjust and review the set of questions used to self-evaluate the seven areas of organizational performance, so each question will be relevant and easily understandable.

RESULTS OF THE ORGANIZATIONAL CAPACITY ASSESSMENT FOR THE FIVE SALVADORAN PARTNER ORGANIZATIONS



* Average results for FUSADES, CCIES, VVES, SyE, and ACDMYPE. Where 1 is the minimum and 5 is the maximum score.

ECONOMIC CORRIDOR IN CIUDAD DELGADO SUPPORTING THE “EL SALVADOR SEGURO” PLAN

On October 28, 2015, USAID signed a letter of intent with the Mayor’s Office of Ciudad Delgado with the objective of working together to implement crime and violence prevention initiatives. Previously, in July 2015, the El Salvadoran government launched Plan El Salvador Seguro (El Salvador Secure Plan – PESS, in Spanish), developed by the National Council for Citizen Security and Coexistence (CNSCC, in Spanish). The plan contains priority short, medium and long-term actions for stopping violence and crime in the 50 most affected municipalities. The CNSCC prioritized the first phase of PESS execution in 10 out of the 50 municipalities most affected by insecurity, including Ciudad Delgado, which also became a pilot municipality for the PESS.

The CNSCC designed a specific strategy for executing PESS in each prioritized municipality. The *Ciudad Delgado Seguro* (Secure Ciudad Delgado) plan divides work into five components: 1. Security within the territory; 2. Educational opportunities; 3. Work opportunities and job insertion; 4. Rehabilitated, dynamic, and safe public spaces, and 5. Attention for victims. Contributing to the work done under Component 3, CONAMYPE and the program promoted the *Municipios Floreciendo* (Flourishing Municipalities) strategy that seeks to promote the development of economic corridors within the territories to boost productive tissue, generate sources of employment and, in consequence, reduce violence and crime.

Program support focused specifically on developing a *Corredor Económico Ciudad Delgado Floreciendo* (Flourishing Ciudad Delgado Economic Corridor), with systematic actions between September 2015 and November 2016. It also supported the implementation of specific actions in the municipalities of Soyapango and Mejicanos, where CONAMYPE and micro and small enterprise owners promote similar economic corridors.

This initiative aimed to revitalize the economy along the corridor by linking its inhabitants with products and services offered by local small businesses and to attract visitors to purchase such products and services. Moreover, it also encourages the creation of new enterprises that generate employment and economic development. Owners of small businesses, community leaders and municipal agencies and national government, work together and collaborate to improve the physical environment, making it a safer and more pleasant for residents and visitors.

In September of 2015, the program financed the visit of an international expert on violence prevention and citizen security, Enrique Betancourt. During his consultancy, he met with municipal authorities, businesspeople and other local actors in the municipalities of Ciudad Delgado and Mejicanos, as well as with government institutions responsible for PESS implementation. His work in these areas resulted in a more systematic assistance work carried out in Ciudad Delgado with the Town Hall's Local Economic Development Unit as a local counterpart. This unit also coordinates the Municipal Committee for Preventing Violence's Job Insertion Opportunity Board.

The actions implemented by the program for supporting implementation of the Ciudad Delgado Flourishing Economic Corridor are described below:

COMPONENT 1: TERRITORIAL ORGANIZATION AND ARTICULATION BETWEEN ACTORS

A local program consultant worked for 10 months in the territory to articulate local actors (Mayor's Office, entrepreneurs, support organizations, etc.) in identifying and then consolidating a municipal economic corridor with elevated commercial activity and where businesspeople would be willing to work with the municipality on an initiative for improvement and greater security. To do this, actors were mapped, and a survey of micro and small businesses was conducted along a selected stretch of Juan Bertis Avenue, El Comercio Street, and up to the Monseñor Romero Square. The most important part of this job was to achieve commitment and participation from a group of micro and small businesses in the selected zone, who participated actively in work meetings twice monthly and showed commitment to work directly with the authorities. This group, which began with an average of eight people, grew gradually as more outreach activities were performed in the municipality. The consultant defined and executed a work plan with this group during the program's intervention period. Although an organic structure for the business group couldn't be achieved in this time, the conditions are set for the driving institutions to continue with the work performed and consolidate the creation of a more formal and cohesive associative body.

COMPONENT 2: STRENGTHENING THE BUSINESS FABRIC

To strengthen the corporate management of the municipality's micro and small enterprises, advisors from CONAMYPE's regional office and the CDMYPE serving this area offered two business assistance clinics, where they assisted approximately 100 people, including business owners and entrepreneurs. Six training events were also carried out, covering topics of interest for small businesses, including: marketing for increasing sales, good food manipulation practices, how to prepare a display stand for trade fairs, how to price products, how to get credit, and techniques for improving sales. These workshops benefited close to 80 micro and small enterprises in the municipality that participate actively in the economic corridor initiative. The CDMYPE also provided advice and technical assistance to 49 companies, which have improved their internal processes with help from external advisors and consultants. CONAMYPE integrated its Juventud Emprende (Youth Entrepreneurship) and Un Pueblo, Un Producto (One Town, One Product) programs with the "Flourishing Municipalities"

strategy in Ciudad Delgado. The former provides training and assistance for young people to promote a culture of entrepreneurship among this vulnerable segment of the population, while the Un Pueblo, Un Producto movement is a strategy that seeks to promote local industry by identifying and developing the municipality's own product. Participation from local businesspeople is a key part of this process.

COMPONENT 3: URBAN IMAGE AND DEVELOPMENT

The program provided technical assistance for designing a corporate identity for the economic corridor. Local businesspeople provided inputs for the processes, seeking to create a “brand” for the corridor. Now “Ciudad Delgado Floreciendo” is a brand recognized by a large part of the population (see logo, right).

The Universidad Centroamericana José Simeón Cañas (UCA) provided the institutional support so students taking the “urban development” course in the architecture program would design proposals for reclaiming the physical infrastructure of Juan Bertis Avenue, improving its appearance to make it more attractive, safe, and favorable for business growth. Proposals included both the architectural design and the investment budget required for execution. This will be without a doubt a valuable contribution for the municipality to raise the funds required from different donor sources.



COMPONENT 4. FIRST COMMON COMMERCIAL ACTIVITIES

One of the ideas that the promoting business group was most interested in was the creation of a “plaza day” – a fair that would close the economic corridor to vehicular traffic for some hours and promote shopping for goods made by local businesses and entrepreneurs. The first Plaza Day was held on May 7, 2016, with attendance from the local mayor, the labor minister, the deputy director of CONAMYPE, and the director of USAID’s Office for Economic Growth. The event drew close to 500 people, and 50 productive initiatives from the food and beverage, handicrafts, garment, and other sectors benefitted. Between July and November, three more Plaza Days were held, each one benefitting 80 micro-enterprises and entrepreneurs on average. The Plaza Day has also had an important social impact on the community, giving it a sense of pride and creating a space for family entertainment and healthy coexistence.

LESSONS LEARNED AND RECOMMENDATIONS

The experience in Ciudad Delgado showed that before the project began, micro, and small businesses had little or no involvement with the municipality, and had little confidence in the work carried out by the municipality. Moreover, business owners doubted the ability of being able to work together. The time it took for these two sectors to approach each other could have been reduced if the economic corridor

initiative had first been proposed to the business sector and then, after its approval, the municipality's involvement had been promoted. More systematic sensitization and organization work with business groups is also required in this regard.

Since this initiative is framed by a national policy to combat insecurity, it is important to have committed institutions that will collaborate with local businesses and the municipality in their efforts to create an economic corridor. CONAMYPE has been a fundamental partner in these efforts and must continue as such, but other partners need to become involved. This could be done, for example, by setting up a consulting committee with representatives from all stakeholders, including businesses (small and large), local, and national government, security entities, and MSE support organizations. This committee should be distinct and of a smaller size than the interinstitutional coordination board that supervises the Secure El Salvador Plan's implementation. The municipality's inadequate information systems have made it difficult to identify all the property owners located along the economic corridor, so work is still needed to involve all stakeholders.

The "Plaza Day" initiative has had great success boosting commercial activities along the economic corridor, while providing spaces for cohabitation, healthy recreation and community pride. It is recommended that the Mayor's Office continue with this initiative and use it as a platform to continue strengthening relationships with private business.

The Mayor's Office has assigned its Local Economic Development Unit to work on the economic corridor project. However, it's important that other relevant units also participate, including land registry and cleaning, and that resources be found to implement one of the proposals to reclaim Juan Bertis Avenue being drawn up by architecture students at the Universidad José Simeón Cañas.

In the medium term, the efforts to implement an economic corridor need to go hand-in-hand with actions aimed at reducing insecurity in the territory, such as increasing police presence and conducting talks with businesses on how to deal with extortion and other crimes.

CHAPTER TWELVE

CONCLUSIONS AND GENERAL RECOMMENDATIONS

The program was conceived to promote SME development by strengthening public and private business development service providers. This was reflected in the partner structure aligned with each program component: Component 1 through its work with CONAMYPE; Component 2, through its work with PROESA and the Ministry of Economy's FONDEPRO; and Component 3, through its work with the private sector.

This division was useful for the program to focus its efforts, but one of the greatest program contributions resulted from the synergies it fostered among components. For example, connecting FONDEPRO with initiatives from private partners like FUSADES and CCIES; supporting joint initiatives between COEXPORT and PROESA; or incorporating CONAMYPE into the search for potential artisanal providers for Almacenes Simán. An important lesson here is to not create silos, to be aware of potential synergies, and to create trust as an honest broker, fostering agreements between institutions that at times mistrust each other.

The program worked with many partners but the institutional strengthening work it did is particularly relevant to sustainability, especially the work it did with PROESA and FONDEPRO in the public sector; with CONAMYPE and the CDMYPE network as a public-private-academic alliance; and with private associations like CCIES, Voces Vitales, and Sabios y Expertos. The lesson here is that alliances with local partners should be used to make an impact as well as to create sustainability and strengthen future USAID partners.

One mindset change the program promoted among all its partners was to measure and evaluate the impact of all initiatives performed. Although the same progress was not made with all partners, overall there was an increase in the capabilities and commitment for monitoring and evaluation. For example, CONAMYPE, FONDEPRO, and PROESA implemented or strengthened their monitoring and evaluation IT systems with program support, capturing significant impact figures in the first two institutions. Several private partners were also trained in this area and were required to measure and share their results in exchange for program support. We have seen how the progress made on this topic tends to be sustainable, because once entities start reporting their impact and receiving recognition for it, it makes it difficult for them to go back to a scenario where they assume no responsibility for their performance.

Another lesson learned is that for an initiative to be successful, partners and beneficiaries need to fully commit to it. Furthermore public and private partners need to participate in the design of initiatives in order to ensure ownership. One of the best ways of measuring that commitment is when partners and beneficiaries are willing to

contribute to the intervention. This is why the program always asked its private partners to charge SMEs for business development services and only subsidize a portion of these. The program also asked private partners to cooperate with the intervention, at least with work from its staff or offering its installations for use. Public partners usually can't charge for their services, although in one of the final activities with PROESA (Digital Marketing Program), the institution agreed to allow participants to pay for 30 percent of the initiative's cost, which was well received by participants and increased the available budget for this activity. Although during the first months of the program, business owners were slightly reluctant to participate in our initiative because of the cost. This reluctance softened over time and a significant number of SME owners were willing to pay when they discovered they would receive quality services in return.

“Thanks to the support USAID offers through its programs, our company has grown, creating more jobs, allowing for sustainability and growth in SMEs.”

**— REGINA DE ZELAYA,
TECHNICAL DIRECTOR,
GRUPO RAZEL**

ANNEX A. ADVANCES IN KEY INDICATORS AS OF SEPTEMBER 2016

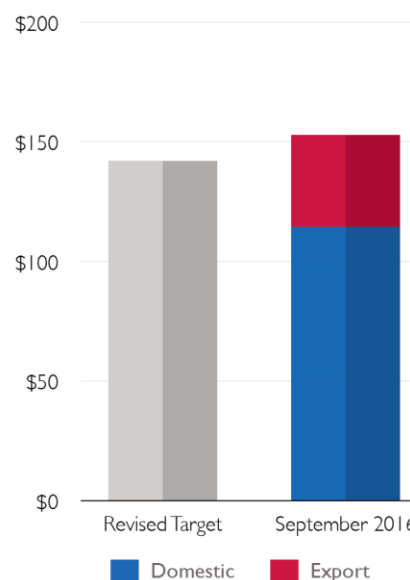
1. Cumulative increased sales (export and domestic) of small and medium enterprises (SMEs) assisted under USAID programs

Definition: Sales (domestic and export) generated by companies assisted by CDMYPEs, El Salvadoran government agencies, and private sector organizations (PSOs) as a result of the intervention. Also sales generated by groups of companies receiving direct assistance, as a result of the intervention.

Unit: USD

Source: Counterparts from the El Salvadoran government, PSOs, lead firms, and groups of companies that received direct assistance

Of the total sales, 41 percent was generated by companies assisted by CDMYPEs, 34 percent was generated by SMEs assisted by public sector organizations (28 percent from SMEs assisted by FONDEPRO and 6 percent from initiatives developed with PROESA), and 25 percent was generated by private-sector driven initiatives. Women-led SMEs generated 29 percent of sales. Exports totalled \$38,463,724, generated by 357 SMEs.



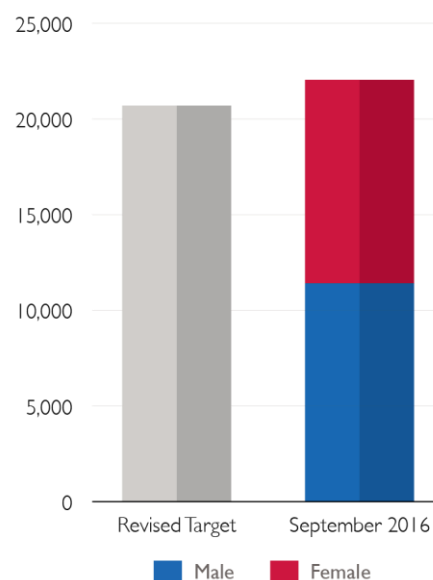
Revised target: \$141,384,879
Actual cumulative as of Sep 2016: \$152,856,622

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

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

Unit: Number of new jobs

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

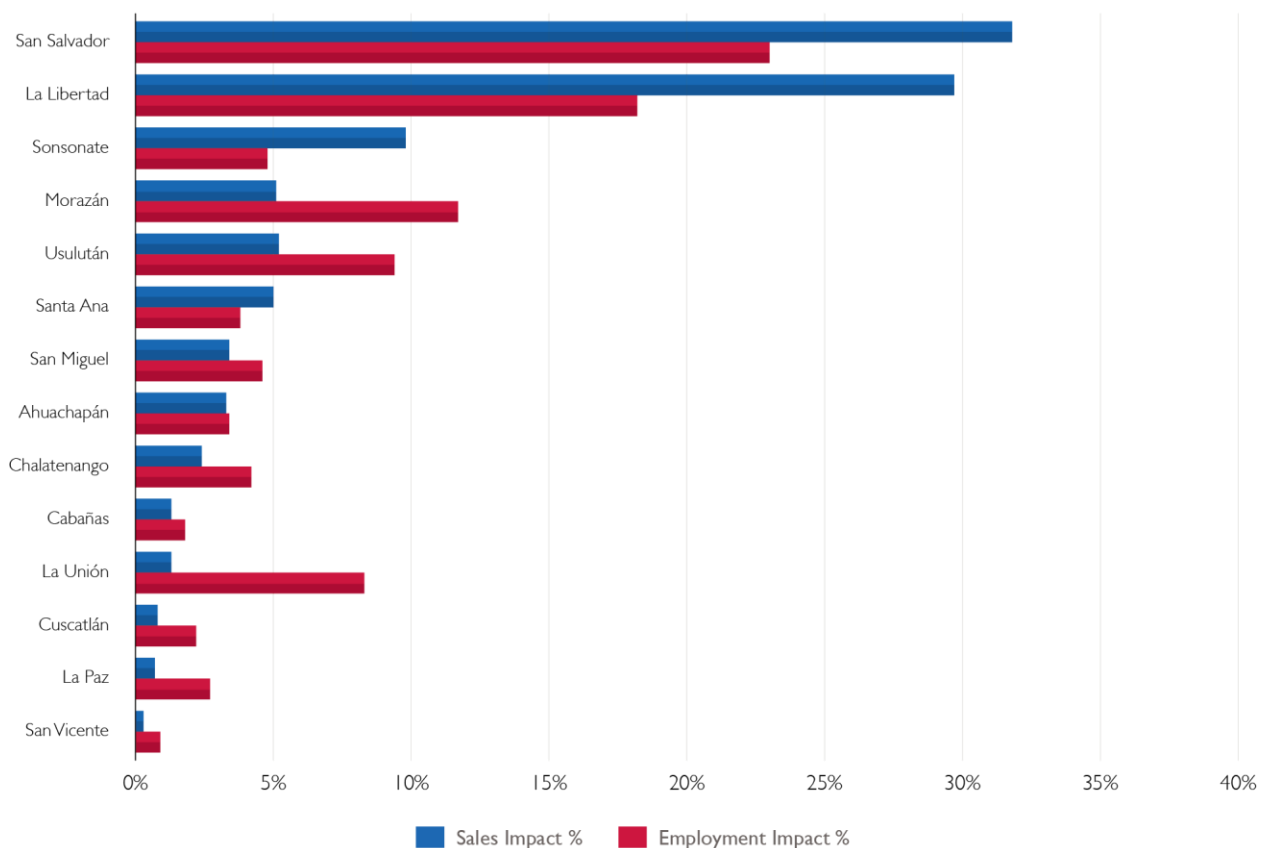


Revised target: 20,864
Actual cumulative as of Sep 2016: 22,038

Of the total reported, 74 percent of employment was generated by companies assisted by CDMYPEs; 14 percent by SMEs assisted by FONDEPRO and PROESA; and 12 percent by private sector initiatives. Jobs are distributed by gender as follows:

GENDER	NUMBER OF JOBS	PERCENTAGE
Male	11,414	52%
Female	10,624	48%

Geographically, the departments of San Salvador and La Libertad have the greatest concentration of impact as a result of program and partner support (see chart, below). The San Salvador department contributes with 32 percent of sales and La Libertad with 30 percent. In addition, San Salvador benefitted with 24 percent of the jobs generated and La Libertad with 18 percent.



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

Definition: Dollar amount (cash or in-kind) leveraged from participants in the program's initiatives and interested parties (PSOs, leading firms, NGOs, other donors, SMEs themselves, etc.) to support SME groups and networks to increase their sales.

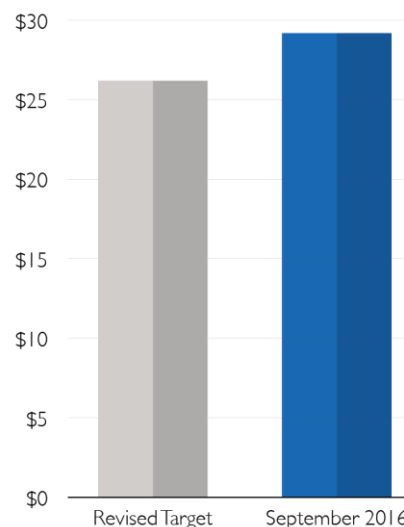
Unit: USD

Source: Program, partners, and counterparts that sign and/or participate in memoranda of understanding, agreements, or the program's memoranda with leverage estimation. FONDEPRO and CONAMYPE through reports of leverage raised from SMEs and partners that run CDMYPEs, respectively.

68 percent of the total amount leveraged comes from SMEs involved in program initiatives and 32 percent comes from non-government institutions that support SME development.

The detail of cumulative leverage by counterpart is as follows:

COUNTERPART	LEVERAGE
PRIVATE	\$19,714,609.37
NGOs	\$9,471,822.97
Total	\$29,186,432.34



Revised target: \$26,151,244
Actual cumulative as of Sep 2016: \$29,186,432

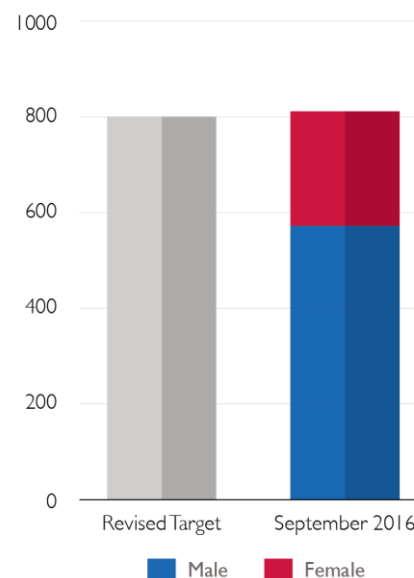
4. Number of firms receiving U.S. government capacity building assistance to export

Definition: Number businesses that have received assistance in exporting. This indicator also counts the amount of SMEs that have implemented innovations or technical adaptations as a result of the intervention.

Unit: Number of businesses

Source: El Salvadoran government counterparts, PSOs, and groups of companies that received direct assistance

Over five years, the program has supported different types of export-oriented initiatives such as technical assistance, trade fairs and missions, linkages, among others. These

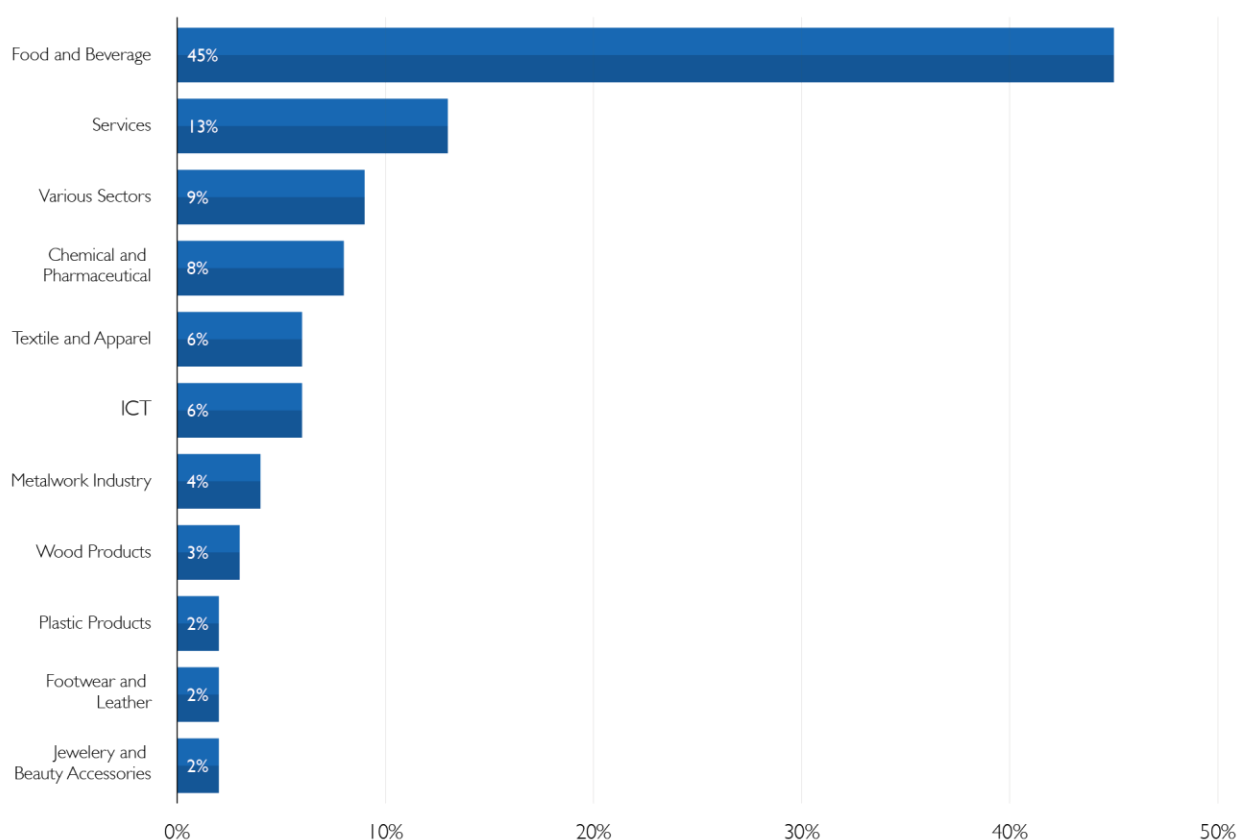


Revised target: 800
Actual cumulative as of Sep 2016: 801

initiatives have made it possible to assist 801¹ SMEs, which have the following distribution by gender of their leader:

GENDER	NUMBER OF SMES	%	% TARGET
Female	235	29%	at least 20%
Male	550	69%	-
No data available	16	2%	-

Of total enterprises served, 45 percent of SMEs come from the food and beverage sector. In general, companies were distributed by sector as follows:



Of SMEs participating in export initiatives, 263, or 33 percent, have implemented innovations with the support of the Program, exceeding the target of 10 percent. On the other hand, 665 companies have participated in export-related trainings.

¹ Of 801 SMEs, 164 were assisted by FONDEPRO. Since the Ministry of Economy's privacy policy prevents FONDEPRO from sharing specific information on SMEs, these have been identified only by a number code on the report received by the program. For this reason, there is a risk of double counting.

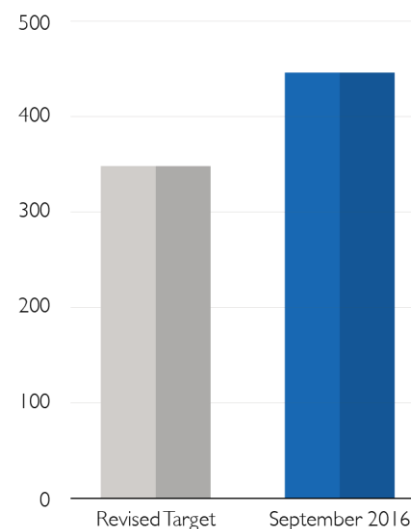
5. Number of U.S. government-supported trade and investment capacity building trainings events

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

Unit: Number of events

Source: Program, partners, and counterparts that organize events

Of the 446 events carried out, 353 were targeted to SMEs and 93 were intended to strengthen small business development institutions like CONAMYPE, FONDEPRO, and PROESA. 51 percent of the topics covered had to do with process improvement and 12 percent dealt with institutional strengthening for SME development organizations; 11 percent were oriented to exports.



Revised target: 349
Actual cumulative as of Sep 2016: 446

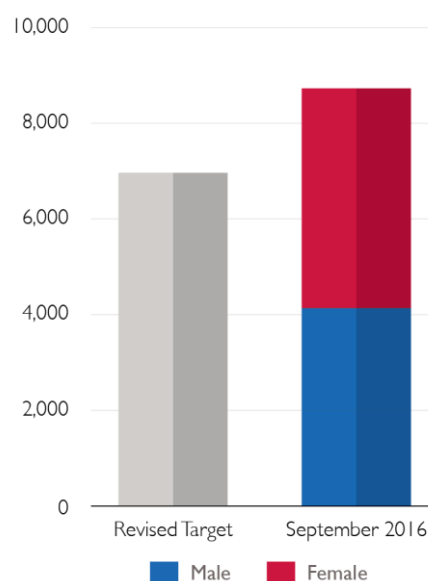
6. Number of participants in U.S. government supported trade and investment capacity building training

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

Unit: Number of participants

Source: Participants that signed in

69 percent of participants came from the private sector, 22 percent were from NGOs, and small business development institutions, and 9 percent were from the public sector.



Revised target: 6,990
Actual cumulative as of Sep 2016: 8,735

Participant distribution by gender is as follows:

GENDER	NUMBER	%	% TARGET
Female	4,598	53%	at least 48%
Male	4,137	47%	-

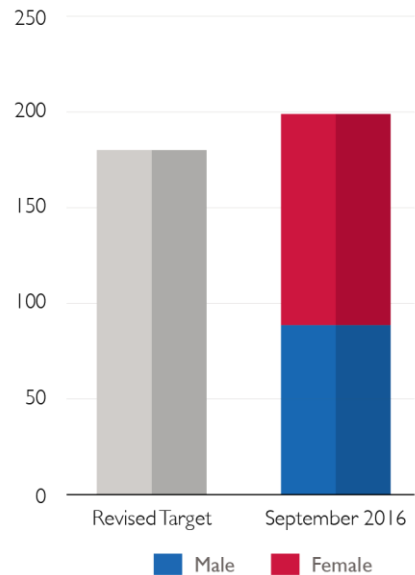
7. Number of capacity building service providers receiving U.S. government assistance

Definition: Number of partner's advisors, consultants and other providers of business capacity development services that have completed training events. Capacity-building service providers are already part of counterpart's staff or part of their consultants database

Unit: Number of consultants

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

201 capacity building service providers (consultants) have been trained through counterparts that provide development services, such as CDMYPEs, PROESA, FONDEPRO, and PROINNOVA. 72 percent of these consultants work for CDMYPEs. 56 percent were women and 44 percent men.



Revised target: 180
Actual cumulative as of Sep 2016: 201

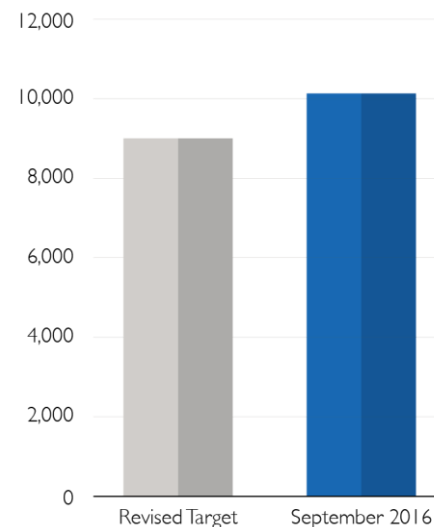
8. Number of firms receiving technical assistance and training from CDMYPEs

Definition: Number of firms and entrepreneurs that access services of advisory, technical assistance, training, and linking, provided by CDMYPEs

Unit: Number of firms

Source: CONAMYPE; CDMYPEs

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



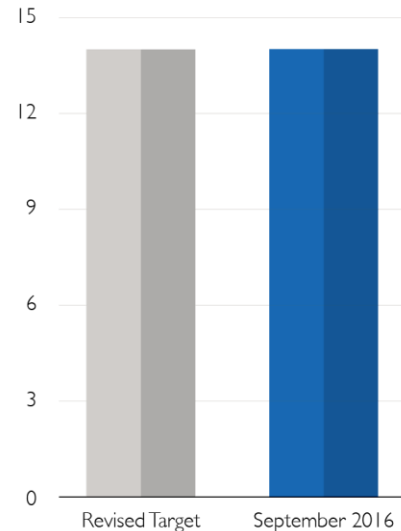
Revised target: 9,046
Act cumulative as of Sep 2016: 10,111

9. Number of CDMYPEs established

Definition: Number of CDMYPEs established (operational and already providing services to SMEs) according to CONAMYPE's model)

Unit: Number of CDMYPEs

Source: CONAMYPE; CDMYPEs



Revised target: 14
Actual cumulative as of Sep 2016: 14

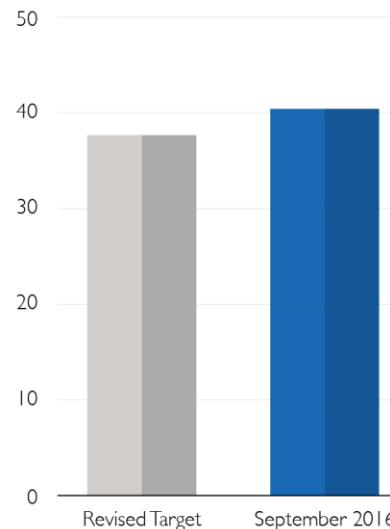
10. Number of PSOs working with the program to support SME groups

Definition: Number of PSOs working with SMEs in networks (e.g., forming clusters, trade companies, or value chains) taking advantage of trade opportunities in global markets. Includes lead firms.

Unit: Number of PSOs

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

From its inception, the program has established agreements with 41 companies and organizations: Coexport, Agrosania, Tropix, Chamber of Commerce and Industry, FUNDEMAS, FUNDES, Proinnova/Fusades, Vital Voices, Mayan Gift, Walmart, Los Quesos de Oriente, Moje Association, Acoproarte El Renacer, Qumbo, Callejas, El Salvador Produce, Cadena de la Miel de El Salvador, CROMA, Tropical View, Marka Moderna, APANC, Jose Matías Delgado University, Bpeace, Exporsal, TUDO, Siman, AmCham, AFP Confía, RAVEZ, Aspescu, FUPEC, AMEES, Geolac, ITCA, 3Puntos, Pollo Campestre, Fiagro, Domenech Foundation, Del Sur, ACDMYPE, Colibri Handmade



Revised target: 38
Actual cumulative as of Sep 2016: 41

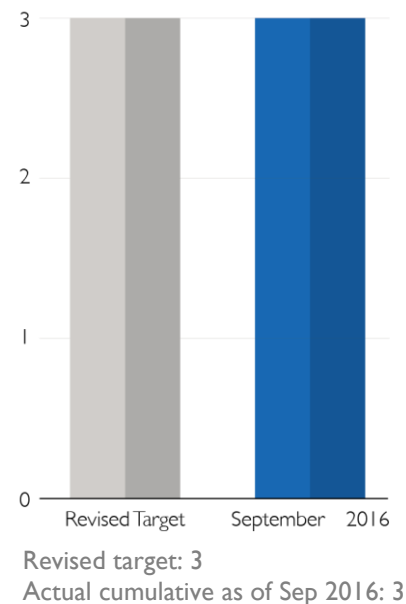
11. Number of local partners or subcontractors strengthened and eligible to receive direct USAID awards to implement SME development initiatives

Definition: Number of local partners or subcontractors considered as potential USAID contractors. They must have completed at least two OCA tool sessions and have overcome most gaps identified in the first session.

Unit: Number of organizations

Source: OCA reports from second assessment and program's recommendation

Based on the performance shown by the institutions strengthened through the OCA methodology, the program has recommended three counterparts as eligible organizations to directly receive USAID contracts: Fusades, Vital Voices, and AFP Confía's Sabios y Expertos Program. These partners stood out with better scores in critical areas such as: financial control, governance, management practices and service delivery, and showing a good level of improvement.



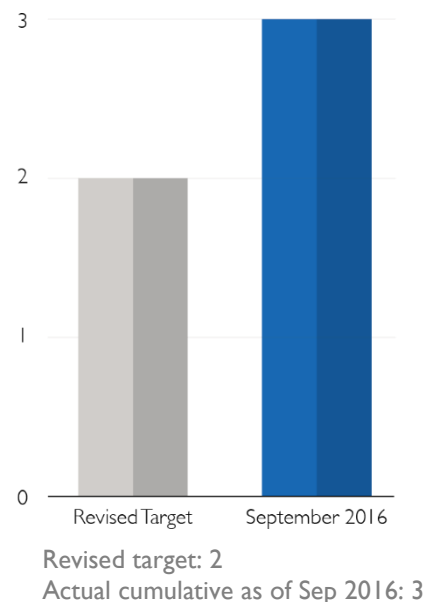
12. Number of business initiatives implemented in partnership with Salvadoran Diaspora organizations

Definition: Number of business initiatives implemented in partnership with Salvadoran diaspora organizations. Diaspora organizations refer to foundations, communities, institutions or groups of Salvadorans based abroad (most in the United States) oriented to benefit and develop SMEs in El Salvador.

Unit: Number of initiatives

Source: Memoranda of understanding, agreements and reports

The program carried out three Salvadoran diaspora initiatives: technical assistance to the fishers' association (ASPESCU, in Spanish) with the aim of helping them export fish to the United States; a business expo fair in Washington; and Proesas's third business meeting, through which Salvadoran buyers living in the United States were brought to San Salvador.



Other results

Number of certified companies: Seven SMEs were certified: one in HACCP; one baking company has certified personnel with AIB International in technology applied to bakery; four companies certified in the program for organic certification run by the U.S. Department of Agriculture (Biolatina), and one in OKO-BC Garantie certification for environmental production.

USAID SME Development Program Indicators: Fiscal Year and Cumulative Performance Against Targets

Indicator	A	B	C	D	E	F	G=A+B+C+D +E	H=A+B+C+D +F	I	J=G/H	K=G/I
	Performance					Target FY2016	Performance Cumulative LOP (FY 2012 to FY 2016)	Revised Target LOP ⁽³⁾	Contract Target	% Achieved (against target)	% Achieved (against contract)
	Original	Period of Performance (Years 1-4)			Extension Y5						
	FY2012	FY2013	FY2014	FY2015	FY2016						
1. Increased sales (export and domestic) of small and medium enterprises (SMEs) assisted under USAID programs⁽¹⁾	\$5,526,112	\$18,854,455	\$32,620,996	\$55,383,316	\$40,471,743	\$29,000,000	\$152,856,622	\$141,384,879	\$100,000,000	108%	153%
Local	\$3,542,231	\$12,873,731	\$25,292,807	\$42,109,912	\$30,574,217	\$21,628,726	\$114,392,898	\$105,447,407	\$74,581,813	108%	153%
Export	\$1,983,881	\$5,980,724	\$7,328,189	\$13,273,404	\$9,897,526	\$7,371,274	\$38,463,724	\$35,937,472	\$25,418,187	107%	151%
2. New jobs created by small and medium enterprises (SMEs) assisted under USAID programs⁽¹⁾	199	2,839	5,184	7,642	6,175	5,000	22,038	20,864	15,000	106%	147%
Male	110	1,458	2,636	3,952	3,258	2,571	11,414	10,727	7,712	106%	148%
Female	89	1,381	2,548	3,690	2,917	2,429	10,624	10,137	7,288	105%	146%
3. Amount leveraged to support SMEs, SME groups and networks	\$313,212	\$4,728,670	\$8,446,266	\$8,663,096	\$7,035,188	\$4,000,000	\$29,186,432	\$26,151,244	\$10,500,000	112%	278%
4. Number of firms receiving USG capacity building assistance to export⁽¹⁾⁽²⁾	125	386	648	734	801	800	801	800	700	100%	114%
Female %	44%	38%	33%	31%	30%	20%	30%	20%	20%	150%	150%
Male	70	239	437	506	561	640	561	640	560	88%	100%
Female	55	147	211	228	240	160	240	160	140	150%	171%
Innovations %	-	-	-	28%	33%	10%	33%	10%	10%	328%	328%
5. Number of USG supported trade and investment capacity building trainings events	32	99	173	23	119	22	446	349	80	128%	558%
6. Number of participants in USG supported trade and investment capacity building training⁽¹⁾	1,340	1,707	2,793	600	2,295	550	8,735	6,990	6,000	125%	146%
Female %	58%	48%	52%	56%	53%	48%	53%	48%	48%	110%	110%
Male	560	889	1,341	264	1,082	286	4,136	3,635	3,120	114%	133%
Female	780	818	1,452	336	1,213	264	4,599	3,355	2,880	137%	160%

Indicator	Performance					Target FY 2016	Performance Cumulative LOP (FY 2012 to FY 2016)	Revised Target LOP ⁽³⁾	Contract Target	% Achieved (against target)	% Achieved (against contract)
	Original Period of Performance (Years 1-4)				Extension Y5						
	FY2012	FY2013	FY2016	FY2015	FY2016						
7. Number of capacity-building service providers receiving USG assistance⁽¹⁾⁽²⁾	67	128	171	181	201	180	201	180	170	112%	118%
Male	27	55	97	80	89	80	89	80	75	112%	118%
Female	40	73	74	101	112	100	112	100	95	112%	118%
8. Number of firms receiving technical assistance and training from CDMYPEs	1,296	2,502	2,888	1,760	1,665	600	10,111	9,046	9,000	112%	112%
9. Number of CDMYPEs established	10	1	0	3	0	0	14	14	12	100%	117%
10. Number of PSOs working with the Program to support SME groups	8	19	6	5	3	0	41	38	30	108%	137%
11. Number of local partners or subcontractors strengthened and eligible to receive direct USAID awards to implement SME development initiatives	0	0	0	0	3	3	3	3	3	100%	100%
12. Number of business initiatives implemented in partnership with Salvadoran Diaspora organizations	0	0	0	0	3	2	3	2	2	150%	150%

(1) Denotes USAID/State Dept. standard foreign assistance indicators ("F" indicator)

(2) Cumulative indicator, result based on the actual data

(3) LOP target has been defined as the cumulative result to FY 2015 + FY2016 target

ANNEX B. INITIATIVES IMPLEMENTED BY PARTNERS

CONAMYPE
<i>Training to business advisers and directors of the CDMYPE network and staff from CONAMYPE:</i> “Buyer-Led Approach,” “Introducing SBDC model and the accreditation process,” “Implementation of the SBDC Global platform,” “tools to identify companies with high potential for internationalization,” “Fundamentals and mechanisms to capture and measure impact of the CDMYPE network” (2012); “Transfer of best practices from the SBTDC network of Puerto Rico,” “Induction to the CDMYPE model” (2013); “Extortions prevention” (2014); “Application of the gender approach,” “Writing of ToR,” and “Economy and gender” (2015).
<i>Workshops for business advisers and directors of the CDMYPE network and staff from CONAMYPE:</i> “Creating a results oriented culture,” “Redefining the monitoring and impact system of CONAMYPE” (2012); “Presentation of results of the pilot test to measure economic impact of the CDMYPE network,” “Training and linking of financial advisors from the CDMYPE network with financial institutions,” “Awareness of CDMYPE operator institutions for the creation of the CDMYPE Association” (2013); “Analysis of the results of monitoring impact of the CDMYPE network during 2013,” “Best practices of the SBDC network from Puerto Rico on leadership, strategic planning, and the Malcolm Baldrige model” (2014).
<i>Transfer of best practices to CDMYPE:</i> Visit from the director of the Mississippi SBDC to CDMYPE, study trip to the International Trade Centre of the University of Texas at San Antonio (UTSA), visit of experts from UTSA SBDC to nine CDMYPE (2012); participation of a delegation of representatives from CONAMYPE and CDMYPE for four consecutive years to the annual conference of the America’s SBDC (2012 to 2015); attendance of representatives from CONAMYPE to the 13th Conference of the Mexican Association of Small Business Development Centers, study trip of CONAMYPE representatives to the SBTDC Network of Puerto Rico (2013); visit from the experts from the Maryland SBTDC (2014).
<i>Consultancies to strengthen the CDMYPE model and management systems of CONAMYPE:</i> “Creating a specialized center for government procurement,” “Identification of legal alternatives for the establishment of agreements between CDMYPE operating institutions and CONAMYPE,” “Alternatives for including the demand-driven approach in CDMYPE (2012); “Design, development, and implementation of improvements in clients follow-up software of CONAMYPE and its CDMYPE network and of Exports Department of PROESA” (2012- 2013); “Design of the continuous improvement program and the accreditation system of CDMYPE” (2013 - 2014); “Capture and measurement of economic impact of CDMYPE for the years 2012 and 2013” (2014); “Redefining operation regulation of CDMYPE and Regional Centers of CONAMYPE” (2014 - 2015).
<i>Support to the strategy of CONAMYPE “Municipalities Flourishing,” in Ciudad Delgado:</i> visit of a violence prevention and security expert to the Town Hall of Ciudad Delgado (2015); consultancy to carry out a stakeholder mapping and coordinate institutional collaboration in Juan Bertis Avenue project (2015 - 2016); development of two business advisory sessions delivered by CDMYPE- UTEC and technicians of CONAMYPE, six training sessions for small businesses in Ciudad Delgado, four “Plaza Days” in Ciudad Delgado, support to the development of the training program “Juventud Emprende,” workshop of consolidation of business group for the movement “Un pueblo, un producto” (2016). In Soyapango and Mejicanos: support to the “Sierra Morena Gastronomic Festival” and the IX Yuca Festival, respectively (2016).
<i>Strengthening of the CDMYPE model:</i> implementation of four consecutive editions of the “Encuentro MYPE” (2012 to 2015); support to three forums to show achievements and challenges of the CDMYPE model in El Salvador (2012, 2014 and 2016); provision of software and hardware to CONAMYPE and the CDMYPE network, publication of material to communicate achievements of the CDMYPE model, development of a training course for new staff of CDMYPE (2013); creation and legalization of the CDMYPE Association, including awareness workshops, identification of legal alternatives, and legalization (2013 to 2016); development of audiovisual material on the CDMYPE model for the ASBDC Annual Conference (2014); support to the Fair “Consume lo que Oriente produce” (2015); development of the I and II International Conference of the CDMYPE Association (2015 and 2016).
CDMYPE Operator Institutions Association
Development of the best practices exchange program between the CDMYPE network (2015 and 2016), study tour of representatives from the CDMYPE Association to the SBTDC Network in Puerto Rico, establishment of a partnership between the ACDMYPE and America’s SBDC (2016).
FONDEPRO

<p><i>Support for FONDEPRO's institutional strengthening:</i> Consultancy to improve the working environment, team building workshop, advisory for defining evaluation criteria, design of a co-funding instrument that promotes territorial development (2012); support for the participation of six representatives from FONDEPRO to the conference: "The Franchise, the business model of the XXI Century" (2013); provision of software and hardware (2013 and 2015); development of the conference "Innovation in the face of future challenges and the search of new markets"; workshop in the methodology of capture and measure impact; support to the contest of suppliers development and workshop for the effective development of co-financing applications (2014); review and update of handbook of human resources and procedures; training; and advisory to improve capture and measurement of impact; and training on ASP.Net to the MINEC staff responsible for providing technical support and maintenance FONDEPRO's software (2015).</p>
PROESA
<p><i>Institutional strengthening of PROESA:</i> Introductory workshop to the Buyer-Led Approach, training on customer management, seminar on tools for identifying companies with high potential for internationalization, technical certification on best practices for a specialized center in exports promotion and travel to the International Trade Centre of UTSA, strengthening and adoption of a M&E system, improvements to customer follow-up software of the Exports of Department of PROESA (2012), use of the SBDC Global platform (2013 and 2014), consultancy to measure impact of PROESA and update of the National Directory of Exporters (2016).</p>
<p><i>Synergies with PROESA to promote SME exports:</i> Support to the implementation of EPAP program (2012, 2013, and 2015) and digital marketing program I and II (2013 - 2014 and 2016); support for the development of two SME meetings with international buyers in El Salvador (2015 and 2016); seven trade missions to Puerto Rico (2014); Dominican Republic, Guatemala, Honduras, Nicaragua, Costa Rica (2015), and Mexico (2016); four international fairs in the United States: Expocomida America (2013 and 2014), Biofach America (2013), and Washington Business Expo (2016); three fairs in Panama: Expocomer (2014 to 2016) and support to participate in the Los Angeles Corridor Fair (2015). Training to SMEs on business opportunities with Peru, Ecuador, Chile, and Colombia (2012); workshop for women exporters; conference "Tips for selling technology products in the United States," effective negotiations on trade missions (2015); requirements and regulations for exporting to Mexico; techniques to do business in new markets (2016); SBDC Global launch event (2014).</p>
COEXPORT
<p>Technical assistance to 38 SMEs in the food and beverage sector to meet market regulations (2012 to 2015)</p>
<p><i>Support for the participation of SMEs in trade fairs:</i> 11 in Guatemala - New World Crafts (2012 to 2015), Agritrade (2013), Expocalzado (2013 to 2015), Expo Walmart (2014) and Manufexport (2014 and 2016); four in Mexico - Food Fair (2013), ExpoAntad (2014 to 2016); two in Germany - Biofach (2012 and 2013); and five fairs in the United States (Expocomida Latina, 2012), France (Sial, 2012), Canada (Sial, 2015), Nicaragua (Expoapen, 2013), and Italy (World of Coffee, 2014). Support for the participation of SMEs in an international business conference in El Salvador (2012).</p>
<p><i>Training to SMEs:</i> Exporting to the European market (four sessions), knowledge of business opportunities in Peru, Ecuador, Chile, Colombia (2012), business opportunities in Sweden (2013); and European market trends in food and beverages (2015). Two seminars to SMEs on the Modernization Act of Food Safety (2014) and a training program and advisory on U.S. FDA requirements (2013).</p>
<p><i>Other activities include:</i> Organic certifications for food exporting SMEs, prospection study of business opportunities in five cities of the United States, linkage of SME suppliers of agro industrial products with All Foods (USA) (2012); support to the Annual Gala of Exporters (2013 to 2016); exporter day and seminar "Strategies for women exporters" (2014); support for the design and launching of a virtual sales platform (2013); export products and services catalog and directory (2014); and ExpotNet (2015).</p>
CHAMBER OF COMMERCE AND INDUSTRY OF EL SALVADOR
<p>Support to five supplier chains through the Supplier Development Program (2013 to 2015)</p>
<p>Support to participate in six trade missions to Guatemala, Honduras, and Nicaragua (2013 and 2016), and Dominican Republic (2015).</p>
<p>Support to the design and implementation of the first two editions of Innovexport Program (2014 to 2016).</p>
<p>Support to the development of the "II MSME Congress" (2013) and Congress "women and leadership" (2014).</p>
<p>Workshop on lessons learned in commercial missions (2014 and 2015).</p>
<p>Four technical assistance activities to companies participating in trade missions (2015).</p>
<p>Support to the Entrepreneur Bootcamp "The value of an idea" (2016).</p>
<p>Printing of Innovexport Handbook and Trade Missions Guide (2016).</p>
FUSADES
<p>22 technical assistance activities to companies in the agribusiness and food sectors (2014 to 2016), technical assistance to producers of handmade sweets from Usulután (2013), certification of SMEs in bakery (2014 - 2015) training on candy production to SMEs (2016).</p>

Collaboration in qualitative study “Furthering women’s empowerment through labor force participation” (2015).
Support for the development of business contests: Mobile Contest (2012), FIAGRO Innovative Entrepreneurship (2013), and First Tuesday’s App Challenge in (2014).
Support for the development of the platform First Tuesday (2014), and a congress of food and beverages (2015).
CENTROAMERICAN TECHNICAL INSTITUTE (ITCA)
Support to SMEs of the metalworks sector: Seminar “CNC technology, evolution, and vanguard” (2014); first course in metalworks and an international certification in metrology (2016).
Development of the First Business Encounter, roundtable with buyers, and catalog of the metalworks sector (2015).
Support to 20 entrepreneurs with the Empretec training program (2014 to 2015)
CHAIN OF HONEY, MINISTRY OF AGRICULTURE AND LIVESTOCK, OIRSA, and OSARTEC
<i>Training and technical assistance for beekeeping SMEs:</i> Beekeeping Course (2012) and advanced beekeeping program I and II (2014 and 2016).
<i>Support for the participation of beekeeping SMEs in:</i> XII and XIII Central American and the Caribbean Beekeeping Congress (2013 and 2016), XI Latin American Congress of Apiculture (2014). Development of the I and II Beekeeping Congress (2015 and 2016).
Reproduction of the Technical Regulation for Good Beekeeping Practices and development of five workshops to spread it (2015 - 2016).
Development of the Beekeeping National Monitoring System (2016).
VITAL VOICES
<i>Supported women-led SMEs in:</i> II Exporter Development Program (2013); strengthening entrepreneurs program and networking workshops (2014); 13 technical assistances (2015); development of business roundtable (2015); mentoring program in digital marketing (2016).
<i>Other activities:</i> Support to CreceMujer Congress (2014 and 2015); support of VVES participation in the first meeting of organizations supporting women economic development, conference in extortion prevention for women-led SMEs in alliance with the anti-extortion unit of the National Civil Police; campaign to communicate success stories; and development of VVES strategic plan (2014).
ORGANIZATIONAL STRENGTHENING WITH OCA METHODOLOGY (FUSADES, ACDMYPE, CCIES, Vital Voices and Sabios and Expertos Program)
First self-assessment and definition of improvement plan through five OCA workshops (2015).
<i>Support to the implementation of improvement plan:</i> 92 hours of training and 280 days of level of effort from consultants to bring specialized advisory and technical assistance (2016). Topics included: strategic planning; fundraising and sustainability plans; processes designing, development of handbooks and policies; development or improvement of monitoring and evaluation systems; development of communications strategies; human resources advisory; USAID regulations and funds management, mainly.
Second self-assessment and update of improvement plan through five OCA workshops (2016).
OTHER INITIATIVES
BPeace - 49 specialized technical assistance activities with volunteers from the United States (2013 to 2016).
Sabios & Expertos Program - 31 specialized technical assistance with volunteers from France and Netherlands (2013to 2016).
Jose Matias Delgado, Sabios y Expertos Program, and CCIES - Design of ESCALA Program, targeted to business women and implementation of the first three programs (2015 and 2016).
AMCHAM - Support to SMEs in two business roundtables in Guatemala (2013) and Panama (2014).
CROMA - Support for the development of “Bienal Contempo Fair 2013” and support for the participation of associated SMEs within The Carrot Concept in “The Wanted Design Fair” (2013).
Marka Moderna - Support for participation in “The Wanted Design Fair” (2013) and “International Contemporary Furniture Fair” (2014).
The Carrot Concept - Support to design SMEs in "The Wanted Design Fair" (2014).
FUPEC and ASPESCU – Technical assistance to achieve purchase requirements from Walmart (2013) and exports regulation to the United States (2015).
IDB - Linking SMEs with the Diaspora Market Place Project (2015).
ADEL Morazán - Training in design trends and craft innovation for SMEs (2015).
Exporsal - Support to participate in fairs: SPOGA FAGA, NWC, and Environment (2013 and 2014); Las Vegas Market and Dubai Gifts & Premiums (2015).

LULA MENA - Support for participation in the Artisan Resource Fair (2014 and 2015), VIP Grammy Awards (2015), support to the “Weaving Hopes” program (2015), and technical assistance for the identification of suppliers and development of new products (2016).
Tropical View - Training for producers of specialty honey and natural coffee, and technical assistance to improve coffee quality (2013 and 2014); support to participate in the SCAA and SCAE fairs (2013).
RAVEZ - Technical assistance for providers to increase sales in the supply chain (2013 to 2014).
TROPIX - Support to participate in Expocomer Fair (2013).
SIMAN - Promotion of handicraft SMEs as providers for three editions of ArteCA festival (2013 to 2015) and establishment of commercial linkages with AMEES entrepreneurs and SIMAN's Gourmet Station (2013 to 2015).
ASI - Support for XI and XII Industrial Fair (2015 and 2016) and the women leaders forum (2016).
3Puntos – Technical assistance for companies linked with 3PUNTOS (2014 and 2015).
Mayan Gifts - Consultancy to design 20 leather products and provide technical assistance to supplier SMEs (2016).
Colibri Handmade - Technical assistance to artisans SMEs in the design of new products and linkage with Colibri (2016).
Fundación Doménech - Technical assistance to Callotl workshop in the development of new products for its new collection (2016).
Technoserve – Impulsa tu Empresa (ITE) Program - Support for recruiting women entrepreneurs participating for the first edition of ITE(2015), Technical assistance to women entrepreneurs supported by ITE (2015 - 2016).
American Investment Corporation, PROESA, BPeace, Sabios & Expertos Program - Promotion of financial options for women-led companies (2015).

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, D.C. 20523

Tel.: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov