

Poverty Alleviation and Inclusive Development Across Rural Sindh (PAIDAR)

Brief on Programme Grant Windows

Context:

The programme is implementing a comprehensive strategy to alleviate poverty in rural Sindh and assist the Government of Sindh in executing its Poverty Reduction Strategy (PRS). The strategy focuses on social and economic sectors and provides technical and financial support to underprivileged communities.

To this end, the programme has rolled out three grant windows, including:

1. Communal Infrastructure Development in selected villages:

In response to the 2022 floods, the programme has established the Communal Infrastructure Grant Window for the most affected villages within its target districts. The groundwork for this grant began with the creation of settlement plans for approximately 200 villages in the pilot districts of Thatta, Sajawal, Badin, and Tharparkar. Village selection was based on Sindh People's Housing for Flood Affectees (SPHF) beneficiary data and involved choosing villages within a 10-15 km radius of the respective RGCs in the target districts. Each settlement plan includes GIS mapping, drone surveys, and subsequent physical verification of households, along with identifying communal and social needs. After completing this initial work, cost estimations are developed, and all this information is integrated into an interactive and user-friendly online dashboard. All this exercise is being carried out in close consultation with the communities. For the settlement planning, the programme has collaborated with the SPHF.

Alongside the settlement planning activities, the programme is working in partnership with SPHF to implement the village settlement plans. UNIDO has conducted a HACT micro-assessment of SPHF to determine its eligibility for PAIDAR's communal infrastructure grant window. Following the successful HACT micro-assessment, the programme has developed detailed Terms of Reference (ToRs) to formally engage SPHF as its implementing partner. In response to these ToRs, SPHF has submitted a proposal valued at EUR 5 million to the programme. After evaluation and approval by UNIDO's relevant authorities, the programme will sign the grant agreement with SPHF for implementation of Communal Infrastructure Grant Window in selected number of villages of PAIDAR's target districts.

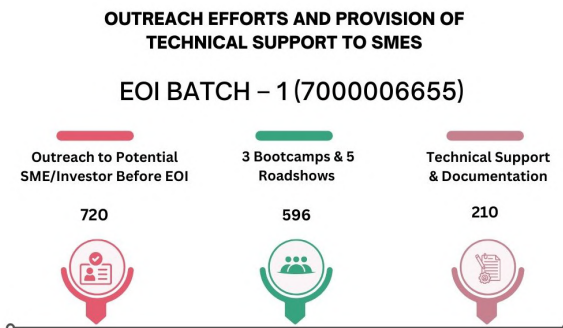
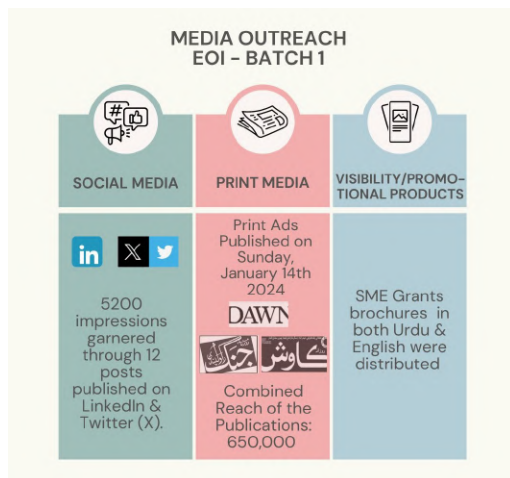
This is important to note that the purpose of collaborating with SPHF is to complement the Government of Sindh's (GoS)' housing reconstruction initiative through the provision of communal infrastructure and social services at a pilot level to realize the objective of model village development. In addition, by using the already available implementation infrastructure of the SPHF, the programme will be able to take advantage of economies of scale and avoid duplication of efforts and resources.

2. Small and Medium Enterprise (SME) Development Grant Window:

Simultaneously, the programme recognized that reducing poverty in the target districts would be unattainable without creating job opportunities for the underprivileged, especially youth and women. One strategy to achieve this objective is by encouraging private sector investments in sustainable businesses. To facilitate this, the programme established a grant window for SME business development, offering matching financial support between EUR 11,000 and 200,000. This grant window operates in two phases. The first phase involves issuing a Call for Expression of Interest (EOI) to attract business ideas from potential investors. In the second phase, a restricted Call for Proposals is initiated, allowing SMEs who qualified in the first phase to submit their finalized business plans and necessary documentation. The programme has already launched two cycles of this grant window, with the details of each cycle outlined below:

SME Development Grant Window – Cycle 1

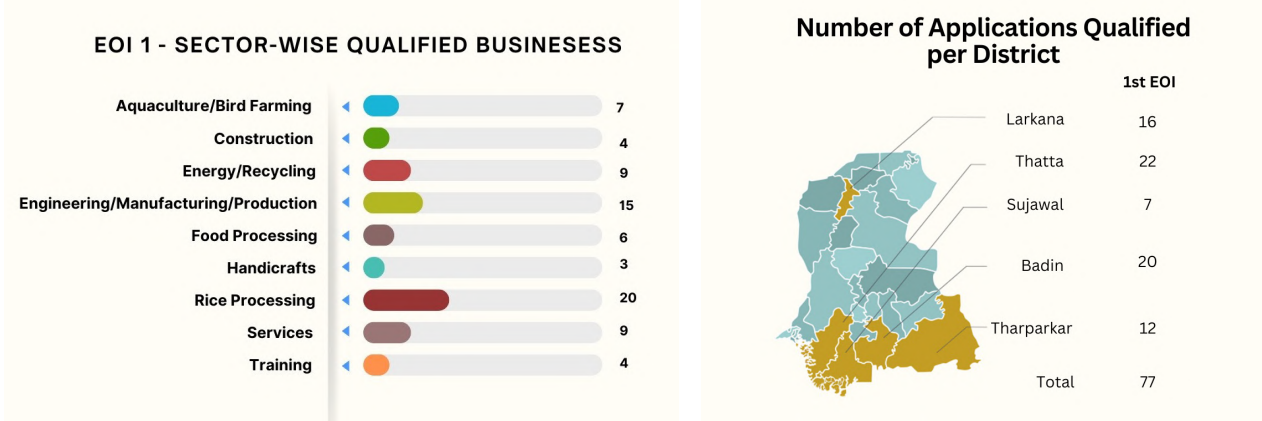
In the first step, a Call for Expression of Interest (EOI) was launched in January 2024, which was widely advertised in major newspapers across the country. The programme also disseminated this information through social media, one-on-one meetings with SMEs, and by engaging professional bodies such as business associations and chambers. During this outreach effort the programme engaged over 700 personnel from all the target districts. To encourage interest and submission of business ideas, PAIDAR organized various awareness campaigns, including five roadshows across the target districts, printing and disseminating brochures and flyers, and collaborating with business associations and the Sindh Enterprise Development Fund. These activities equipped SMEs with the necessary tools and knowledge to navigate the grant application process and improve their chances of success. 596 participants, including MSMEs, investors, chamber of commerce members, trade association members, and local activists, participated in the roadshows, resulting in the submission of 221 proposals from all target districts.



Out of the 221 applications, 77 were shortlisted after preliminary examination (graph below). To support these selected SMEs, the programme engaged three technical assistance companies to help them develop business plans and prepare the necessary documentation for their business ideas. These TA provided remained actively engaged with the SMEs during the development of business plans and documentation.

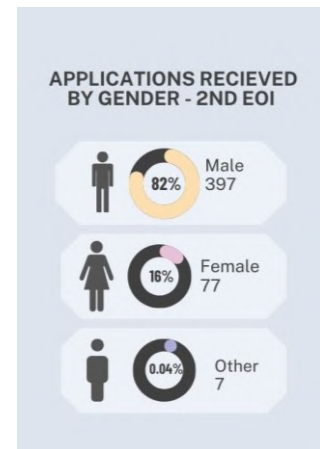
In the second step, the programme launched a restricted Call for Proposals in June 2024, receiving business plans and other documentation from the SMEs that were qualified in the first step. Nine SMEs opted not to participate in the restricted call for proposals. The remaining 68 proposals are currently under evaluation by the programme.

The list of these businesses is attached at ANNEX-I.

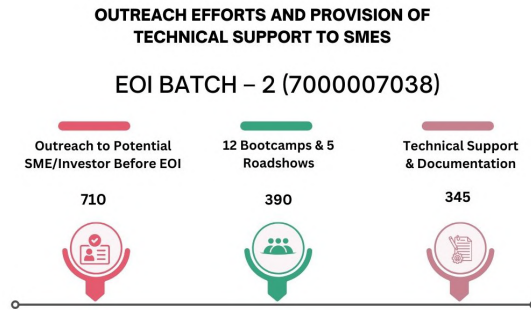
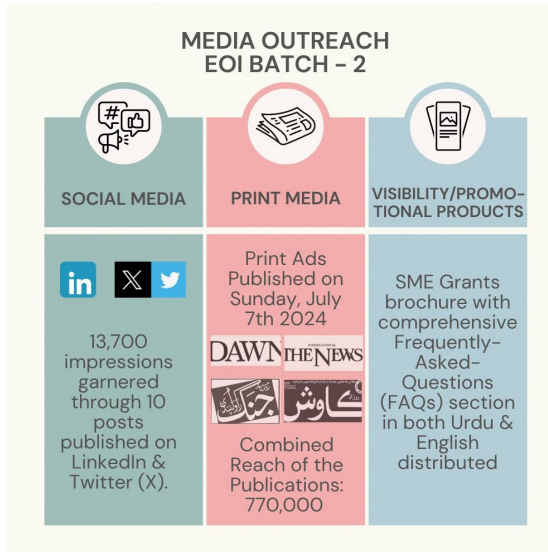


SME Development Grant Window – Cycle 2

The second cycle of this grant window began with a call for Expressions of Interest (EOI) in July 2024. The programme reached out to over 780,000 individuals for the second EOI through social media posts (which garnered 13,700 impressions) and print advertisements (in Daily Jang, The News, Dawn, and Daily Kawish) that reached 770,000 individuals. This was followed by personal meetings with SMEs and their groups, reaching a total of 710 individuals, including men, women, and transgender participants. As part of its investment promotion efforts, the PAIDAR programme successfully organized 12 boot camps, five roadshows, and multiple targeted sessions across the programme districts, engaging 986 participants, including 99 women and one transgender group.

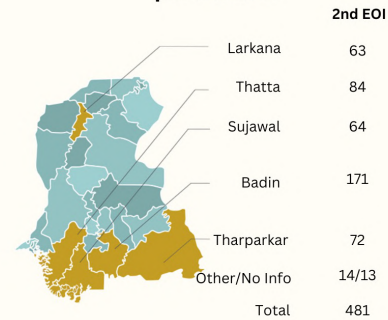


The following figures illustrate the PAIDAR team's outreach efforts and provision of technical support in attracting potential investors:



As a result, the programme received 481 applications for the second EOI of this window. These applications are now under evaluation, after which the qualified ideas will be paired with technical assistance providers to develop their business plans and prepare documentation for submission in response to the restricted call for proposals planned for the last quarter of 2024.

Number of Applications Received per District



The spread of the applications received from gender, business type and business sector are presented in the following figure (The detailed list is attached as Annex-II):

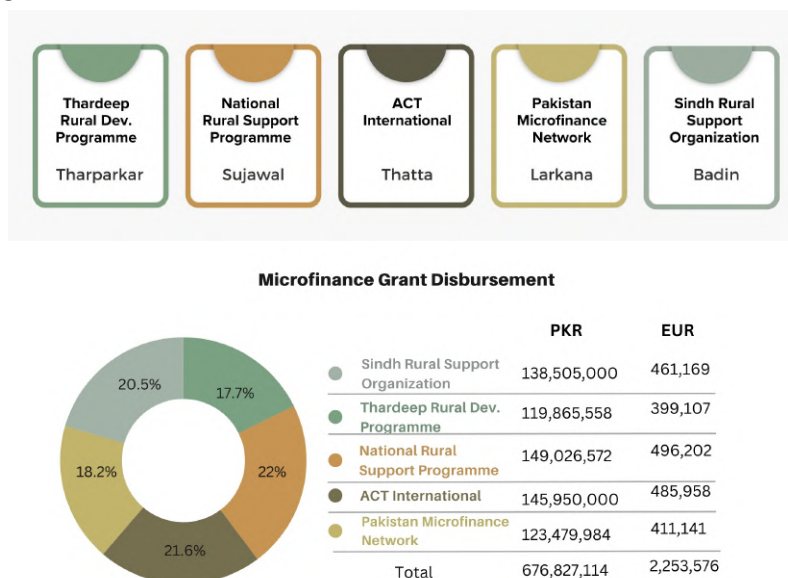


3. Microenterprises Development Grant Window through Intermediary Organizations:

To comprehensively address the business landscape, the programme has recognized the unique needs and challenges faced by micro and cottage enterprises. As a result, deliberate efforts have been made to tap into the potential of this vital segment of economic development. The design of this grant window considers the geographical diversity and economic activities across the target districts. This grant window is being implemented by selected Intermediary Organizations, chosen through a rigorous and thorough selection process.

The programme team developed detailed Terms of Reference (ToRs), outlining the complete requirements regarding organizational experience, capacity, approach, and competence to achieve the intended objectives of this grant window. Input and feedback were also obtained from relevant public sector departments to ensure these ToRs were aligned with the overall goal of the Government of Sindh's Poverty Reduction Strategy (PRS). The programme then reached out to approximately 70 potential intermediary organizations across Pakistan, inviting them to participate in the micro-grant call for proposals.

To enhance understanding of the grant processes, PAIDAR hosted a Pre-bid Conference after launching the micro-grant window in November 2023. The conference attracted 164 individuals representing 110 intermediary organizations and served as a platform to educate potential IOs about the grant programme, addressing any questions or concerns they had. Following this, the programme received 26 proposals from IOs for implementing micro-grants activities. Out of these, 16 IOs qualified the preliminary examination. After completing the evaluation process, the programme has signed contracts with the following organizations :



All five IOs have submitted their inception reports, as part of the first deliverable of the grant agreement. Following the finalization of the inception reports, these IOs will be initiating the grant activities in their respective districts.