SMES PAVING THE WAY FOR A MORE HUMAN ECONOMY

Datas analysis report of the impact of the small and medium enterprises (SMEs) participating in the Impact SME Development Programme in Egypt, Nigeria, Pakistan, Somaliland, Uganda, and Vietnam

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KEY FINDINGS

Portfolio (2015-2021)

370 SMEs have been supported

48% are in the fields of agriculture, fishery and forestry

Employment

9620 jobs have been created by the SMEs

41% of management positions are held by women

Access to Finance

43% of SMEs sought access to external financing

50 to 60% successfully got external financing

Impact Model*

77% of the SMEs have **social impact** at their core

78% prioritize **environmental impact** of their business

Improvement of the impact model after participation

Decent Work

4 out of 6 decent work policies are in place on average*

Positive correlation between share of women in senior management positions and decent work

* On a 1-10 scale, if impact is given 6.5 or more it is considered as a priority

*Including sick leave, minimum wage, parental leave, healthcare, payroll tax and pension

Disclaimer: The data is prone to selection bias and there are considerable skews in country representation for different indicators. Read more in Annexes **5.1** and **5.3**

1 INTRODUCTION

A human economy benefits everyone, and not just the privileged few. It is an economy in which the wellbeing of people is at its core and that promotes economic development within planetary boundaries. To work towards a human economy, the Oxfam Novib Impact Small and Medium Enterprise (iSME) Development Programme supports impact-driven small and medium-sized enterprises, or Impact SMEs, in Egypt, Nigeria, Pakistan, Somaliland, Uganda, and Vietnam. Impact SMEs are businesses that pursue a social and/or environmental mission through an entrepreneurial approach. They are not primarily driven by profit because their explicit aim is to benefit the community and individuals and to pursue the general interest and not make profits for the sake of profit. Using more human-centered business models, such as circular economy or fair governance, these enterprises tackle pressing issues such as ecological problems, unemployment, (re)integration into society, gender inequality, and so on, that are common among various regions in the world.

To support SMEs, Oxfam works with local partners for the provision of training and business development services (BDS) and the facilitation of financing. To measure the outcomes, and to the extent possible impacts, of the SMEs supported by the Programme, the iSME Development Programme and the Impact Measurement and Knowledge (IMK) team have designed and implemented the *SME Impact Measurement System*. Since 2020, the system has captured data for 219 SMEs on impact model, staffing, revenue, access to finance, decent work, and suppliers and clients. The analysis in this report primarily builds on data for reporting years 2019 and 2020. For more information about the design and approach of the SME Impact Measurement System, please refer to Annex 5.1.

Based on the submitted data so far (read more on SME cohorts and response rates in Annex 5.2), this report aims to understand whether SMEs, during and after participation in the Programme, have experienced growth, improved their impact model, and improved their access to financing; and whether they are creating a decent working environment for employees. Lastly, the report dives i nto employees' perception on gender equality at work. Please be referred to Annex 5.3 for more information on the methodology.

Please note that for many indicators, especially for the analysis of growth and changes over time, the sample is small and not representative for the overall SME portfolio. Rather, it is skewed by certain countries. Notes on sample size and representation of the six countries are provided in footnotes throughout the report. In the following sections, the report will first look into the characteristics of SMEs in the portfolio of the iSME Development Programme. Next, the report moves to results regarding changes experienced by SMEs after participation in the Programme.

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2 CHARACTERISTICS OF SMES

This chapter describes the characteristics of SMEs that provided data at the year of BDS support. Characteristics considered include eeconomic sector, revenue, staff, suppliers and clients, and impact model.

ECONOMIC SECTOR

In terms of sector, nearly half (48%) of the SMEs operate in the fields of agriculture, fishery and forestry (Figure 1). This sector is largest in most countries where the iSME Development Programme is implemented, including Nigeria, Pakistan, Somaliland, Uganda, and Vietnam. Meanwhile, in Egypt, the largest proportion of SMEs is part of the creative sector. In Uganda, Nigeria and Pakistan a considerable share of SMEs operates in fast-moving consumer goods and retail.

Most SMEs are registered (71%). By sector, 75% of SMEs in the fields of agriculture, fishery and forestry were formally registered, this proportion in the creative; fast-moving consumer goods and retail; and material and construction sectors was 80%, 68%, and 67%, respectively.

Figure 1. Business sectors
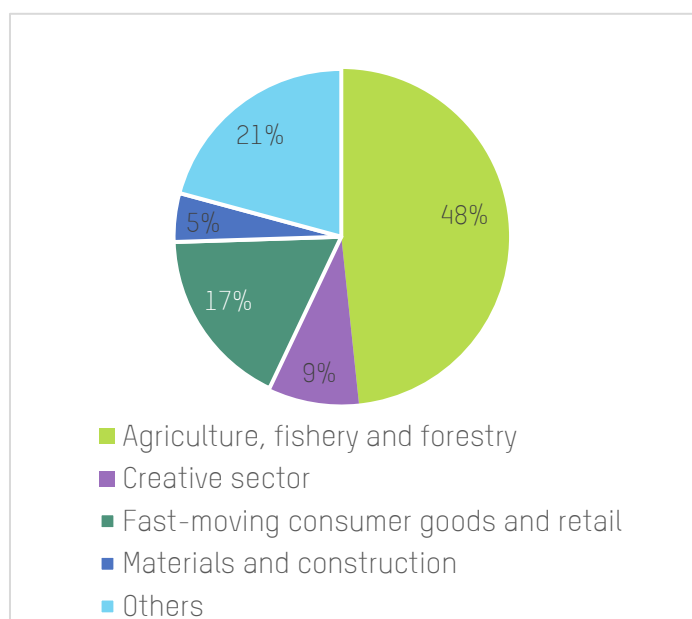
REVENUE

On average, SMEs participating in the Programme have a revenue of about 560,000 USD in the participation year (Figure 2).[1] SMEs in Vietnam have relatively large average amounts of revenue. Meanwhile, Pakistan, Somaliland, and Uganda have SMEs in the portfolio with relatively lower amounts of revenue.

**Figure 2. SME's revenue, by country (thousand USD)**

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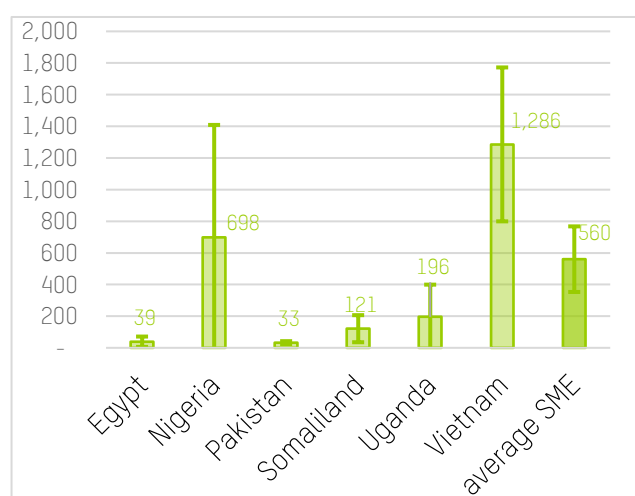
[1] Reported revenue has been converted to USD using yearly exchange rates. There are 140 SMEs reporting the revenue. The SMEs' average revenue is largely skewed by Vietnam (40 observations) and Nigeria (28 observations), accounting for nearly 50% of total observations.

STAFF

In terms of staffing, the average staff team consists of 26 employees, of which approximately 50% are female (Figure 3). In Vietnam, Egypt, and Nigeria, the percentages of female employees are the highest: averaging over 50%. Women represent about 40% of the senior management positions.

Figure 3. SMEs' staffing, by country
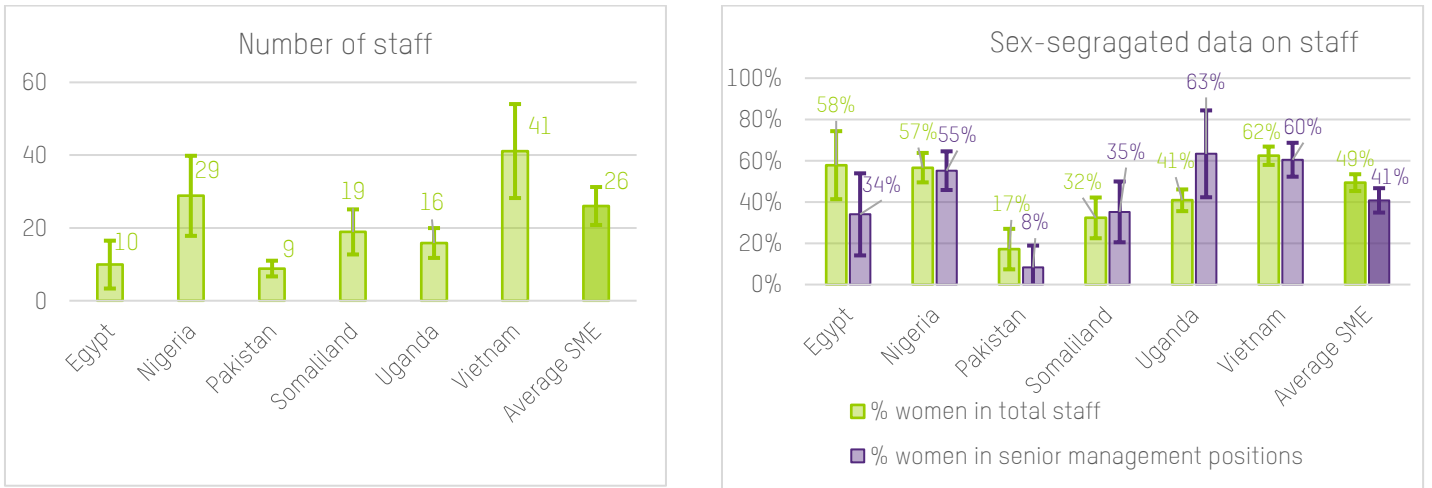
SUPPLIERS AND CLIENTS

On average, SMEs in the year of participating in the Programme have 134 suppliers and 2.255 clients; however, these two figures vary largely across countries (Figure 4). In addition, there are also high fluctuations between SMEs within countries, most notably, Uganda for the number of suppliers and Somaliland for the number of clients.

**Figure 4. SMEs' suppliers and clients, by country**

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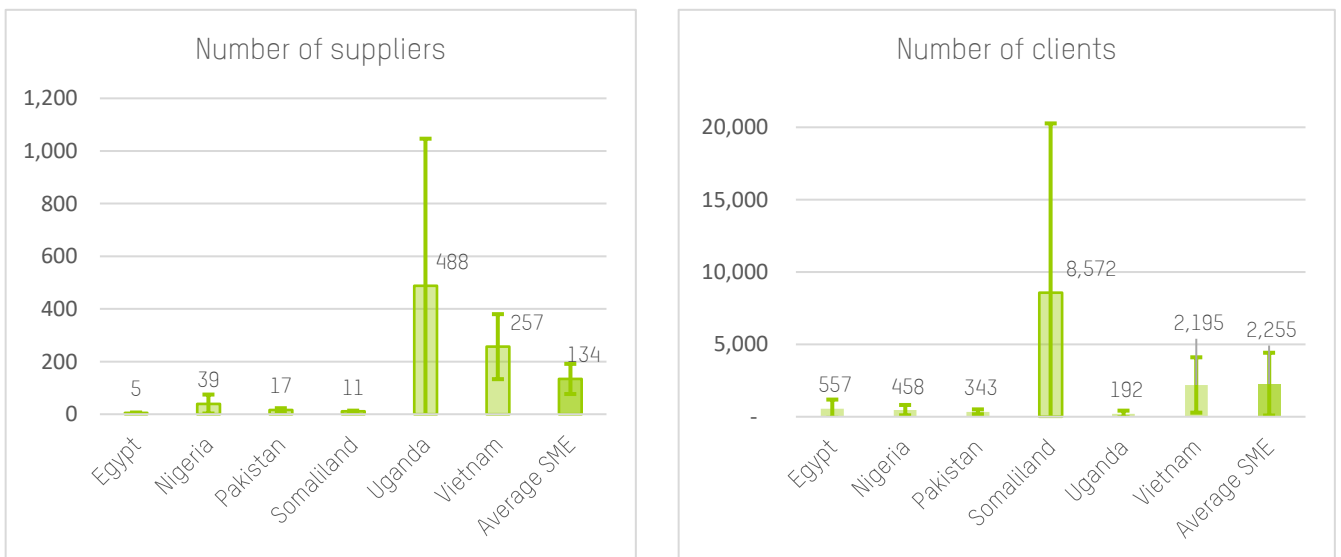
IMPACT MODEL

SMEs' impact model in both social and environmental aspects has been analysed. For the social impact model, SMEs were asked about six elements of social impact including provisions of (i) decent income opportunities for suppliers, (ii) hiring people who face barriers to employment (e.g. people living with disabilities, minority groups), (iii) a product or service for low-income people, (iv) a product or service that solves a problem people face, (v) active dialogue with communities SMEs serve, and (vi) a product or service in under-served areas. For each element, SMEs scale their priority model as 0 - not part of business model, 1 - somewhat part of business model, 2 - priority of business model. To assess the change in SMEs' general social impact model, this report estimated the sum of the above scores and translated this into a scale of 0 (not part of business model for all seven elements) – 10 (priority of business model in all seven elements).

For the environmental impact model, SMEs were asked about five elements of environmental impacts including provisions of (1) a product or service that reduces harm to the environment, (ii) a product or service for coping with climate change, (iii) sourcing inputs that were produced using environment-friendly methods, (iv) usage of renewable energy sources in regular business operations, and (v) reducing energy use, waste and pollution in regular business operations. To assess the change in SMEs' general environmental impact model, the report employs the sum of the above scores for a scale of 0 (not part of business model for all five elements) – 10 (priority of business model in all five elements).

As impact potential is a criterion for SME recruitment, participating SMEs on average put a relatively high responsibility to social and environmental impact (Figure 5). SMEs rate their social impact model as 7.7/10, and their environmental one as 7.9/10. When SMEs rate their impact model 6.5/10 or higher, they are considered to put impact at the core of their business model. Based on this analysis, 77% of the SMEs have social impact at the core of their business model. Similarly, 78% prioritize environmental impact in their business model.

Figure 5. **SME's impact model**
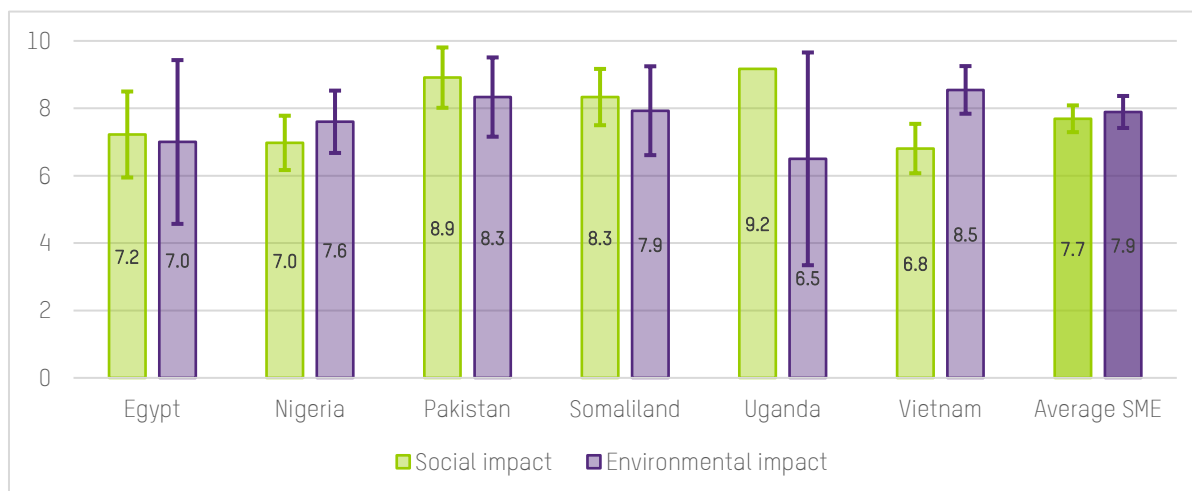
3 RESULTS

3.1 SMES' GROWTH

The first learning question analysed aims to answer whether SMEs have experienced growth. Here, growth is assessed in three main aspects: (i) revenue and the number of staff, (ii) proportions of women in staff and senior management positions; and (iii) numbers of clients and suppliers.

REVENUE

The COVID-19 pandemic has severely affected SMEs' operations, especially revenue. For instance, SMEs receiving support in 2020 experienced reduced revenue of 9% on average, with the most severe revenue reductions in Uganda (95%) and Somaliland (32%). Therefore, to exclude the effect of exogenous shocks such as Covid-19 when assessing potential contributions of the iSME Development Programme on SMEs' revenue, the report limited itself to the changes before 2020[2] – the year when the COVID-19 pandemic broke out.

SMEs participating in the Programme on average have increased their revenue after joining the Programme (Figure 6). There are statistically significant increases of 27% in a one-year change and 40% in a two-year change of SMEs' revenue before COVID-19.[3]

Figure 6. Percentage changes in revenue before the COVID-19 pandemic
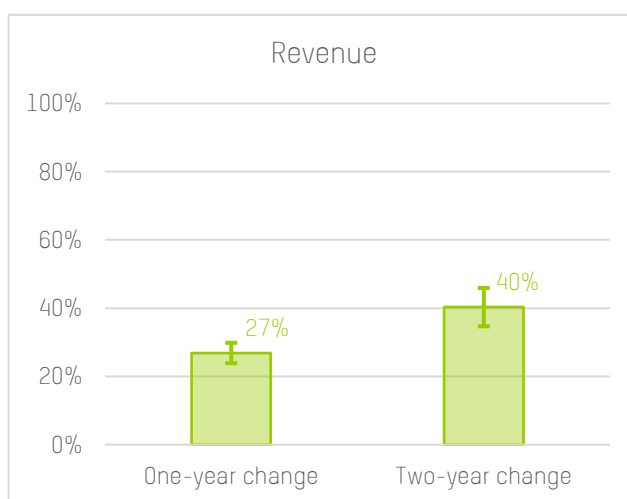
STAFFING

After receiving BDS, SMEs saw increases in their number of employees: the report estimated significant one- and two-year changes of 37% and 70%, respectively when comparing the year of and after receiving BDS to the year before receiving BDS (Figure 7).[4] This corresponds with an average increase of about 11 employees after two years.

In terms of percentages of women in total staff and senior management positions, there are no significant percentage point changes after both one and two year(s) of participation in the Programme (Figure 8).

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[2] In detail, one-year changes are analysed for SMEs receiving BDS in 2019 and before, two-year changes are analysed for SMEs receiving BDS in 2018 and before.

[3] The sample sizes only include 36 and 25 observations for one-year and two-year changes, and the majority of them are from Vietnam, 75% and 72% of the sample sizes, respectively.

[4] In these indicators, the number of observations for one-year change estimate is 41, in which, 39 are from Vietnam; the number for two-year change estimate is 32, in which, 31 are from Vietnam. As such, the mean increases are biased by Vietnam.

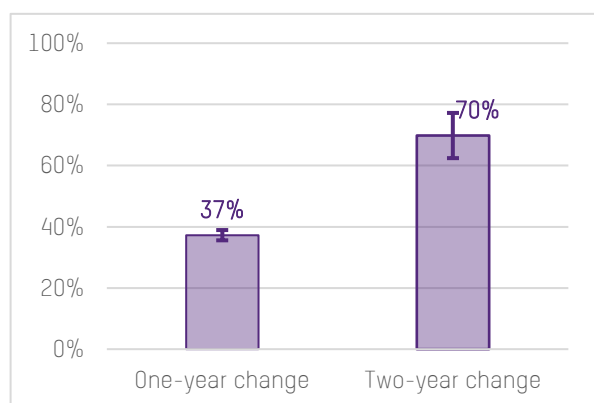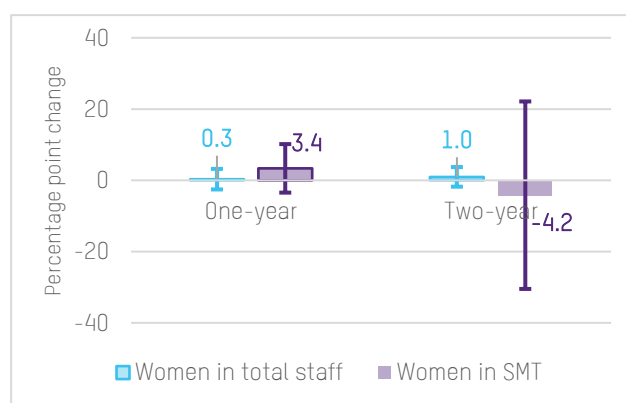Figure 7. Percentage changes in the number of staff

Figure 8. Percentage point changes for women in total staff and senior management positions

SUPPLIERS AND CLIENTS

The number of suppliers significantly increased by 173% and 201% on average after both one and two years, respectively (Figure 9).[5] However, there is large fluctuation in the percentage change between SMEs. For the number of clients, this report also found a large and significant average increase after one year by approximately 186%. Again, there is large fluctuation in percentage change between SMEs.[6]

All in all, the findings presented in this section suggest SMEs are experiencing growth after participating in the Programme, especially in terms of revenue, staffing, suppliers, and clients. Growth regarding employment opportunities for women is (so far) found to be limited.

Figure 9. Percentage changes in the numbers of suppliers and clients

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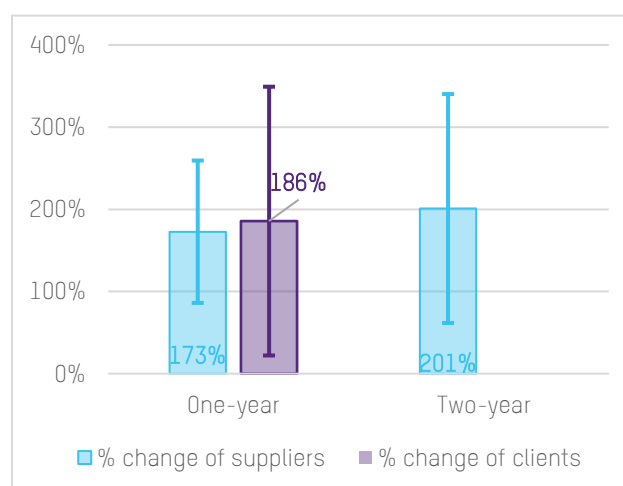
[5] The sample sizes are 66 for one-year and 27 for two-year analyses, in which there is major representation of Vietnamese SMEs (more than 50%).

[6] A two-year percentage change is not analysed due to just two available observations. For the one-year percentage change in the number of clients, the result is slightly biased by Pakistan as the total sample size is 30 and 11 SMEs are from Pakistan witnessing a three-fold mean increase.

3.2 SMES' ACCESS TO FINANCING

Next, the report looked into whether SMEs have improved their access to financing. SMEs were asked whether they seek external financing, and if yes whether they were successful in attracting it. On average, before the BDS training, 19% of SMEs sought different sources of external financing for their business operations. This rate increases to 43% in the year of receiving BDS support, which leads to a significant one-year difference of 24 percentage points (Figure 10). Similarly, there is a significant two-year increase of 20 percentage points in the businesses seeking external finance.[7]

Seeking finance is the first step. Successfully attracting it the second. Among SMEs that have sought external finance before and during BDS, the success rates of attracting financial resources are around 50-60%. There is no statistical evidence found for changes in the success rate of attracting financial resources after one or two years.

Figure 10. SMEs' access to financing
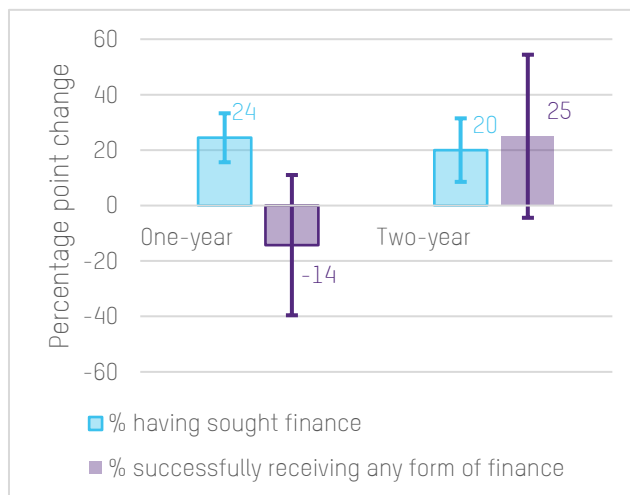
3.3 SMES' IMPACT MODEL

The next learning question assessed whether SMEs have improved their impact model in both social and environmental aspects. Figure 11 shows one-year increases in the priority of SMEs for both the social and environmental impact models.[8] SMEs significantly improve their social impact model by 0.7 points (or 8.9%) one year after participating in the Programme.[9] In terms of environmental impact, the report does not find statistically significant differences.

Figure 11. One-year change in SMEs' impact models

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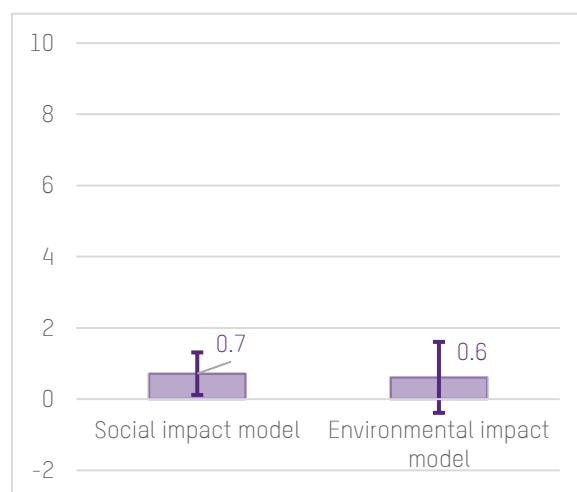
[7] For the one-year indicator, there are 90 data points. These are from Vietnam (46), Uganda (19), Pakistan (17), Somaliland (6) and Nigeria (2). For the two-year indicator, there are 45 data points. These are from Vietnam (35), Uganda (7), Nigeria (2), and Egypt (1).

[8] Two-year changes for both social and environmental impacts are not analyzed due to just one observation being available for these two indicators.

[9] There are 21 SMEs in the sample size for this indicator, from Pakistan (11), Vietnam (6), and Somaliland (4).

3.4 DECENT WORKING ENVIRONMENT

The next learning question assessed whether and how SMEs are creating a decent working environment for their employees in the years of and after participating in the Programme.

Figure 12. Decent working policies in place, years of and after participating in the Programme
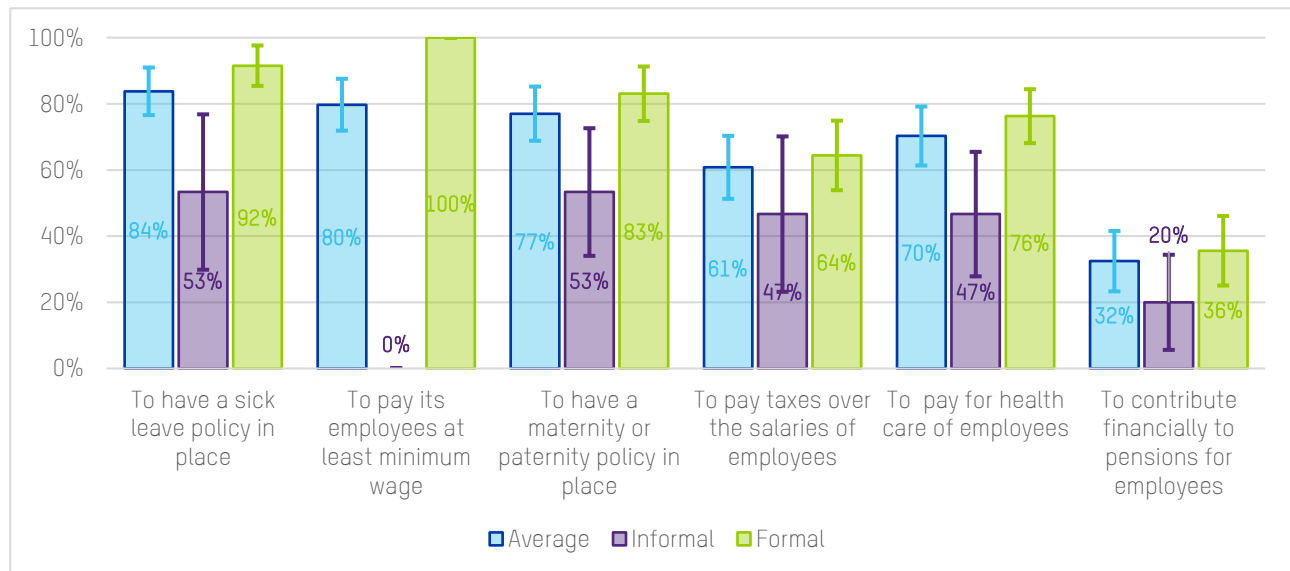
Six indicators of progressive decent work policies and practices are taken into account.[10] There is only one year data point for each SME on decent work (2020 or 2021), hence in this section the report only presents descriptive data instead of changes over time.

Overall, SMEs have on average four in six decent working policies in place. More than 70% of SMEs have policies and practices related to sick leave, minimum wage, parental leave, and healthcare payment for employees. However, these policies are mostly provided by registered SMEs (formal). In all four of these indicators, there are significant differences between SMEs with and without registration (formal vs informal; see Figure 12).[11] In addition, policies and practices on paying taxes over the salaries of employees and contributing financially to pensions for employees are less common at SMEs with on average just 61% and 32% of SMEs implementing those practices, respectively. There are no significant differences between formal and informal SMEs for these two indicators.

The report tested the association between the percentage of women in senior management positions and having a decent working environment in place and found positive and statistically significant correlations between the percentage of women in senior management positions and progressive practices on minimum wage, paying taxes, and healthcare payment for employees (see Annex 5.4). That is, SMEs with relatively more women in senior management positions are estimated to have a better decent working environment in place compared to SMEs with relatively fewer women in senior management positions.

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[10] These indicators are based on MEAL framework of Oxfam's Work in Progress! Programme.
[11] For decent working indicators in years of and after participating in the Programme, there are 15 informal SMEs, from Somaliland (8), Pakistan (5), Egypt (1), and Nigeria (1); and 59 formal SMEs, from Nigeria (20), Pakistan (13), Vietnam (12), Somaliland (8), and Egypt (6). They received BDS in 2019-2020 and provide their indicators for the most recent reporting year (2020 or 2021).

To further dive into SMEs' decent working environment from employees' and suppliers' perspectives, this report uses data from the employee and supplier Flashpolls (phase 2).[12] They rated statements on SMEs' decent working environment in different aspects, on a scale of 1- strongly disagree to 5 - strongly agree (see detailed explanations on indicators and sample size in Annex 5.5). Statements are to an extent overlapping in content with the statements on decent working policies, although there also are differences. Overall, both employees and suppliers agree on SMEs' decent working environment (Figure 13).

Figure 13. Perspectives of employees and suppliers on decent working
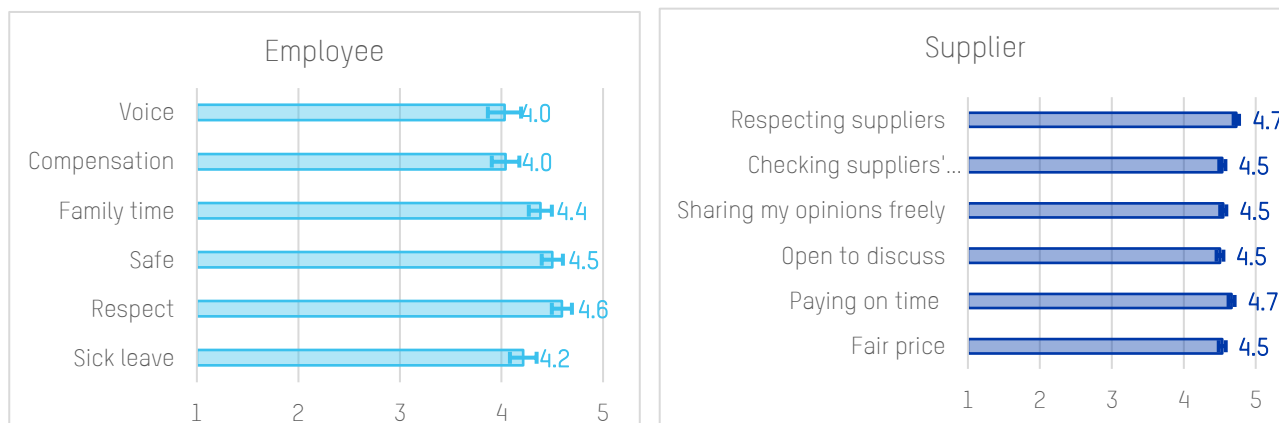
3.5 EMPLOYEE'S PERCEPTION OF GENDER EQUALITY AT WORK

Lastly, it is interesting to understand whether employees perceive their treatment as equal regardless of gender. To further dive into the perception of gender equality at work, again this report uses data from the employee Flashpoll (phase 2). This data does not necessarily reflect on the actual status of gender equality at work, but rather employees' perception of equal treatment at the workplace regardless of gender. Employees were asked whether they agreed with the statement that "*women and men are treated the same way at my workplace (e.g., get paid the same for doing the same jobs and have the same opportunities for promotion)*".

Figure 14. Perception on equal treatment in the workplace
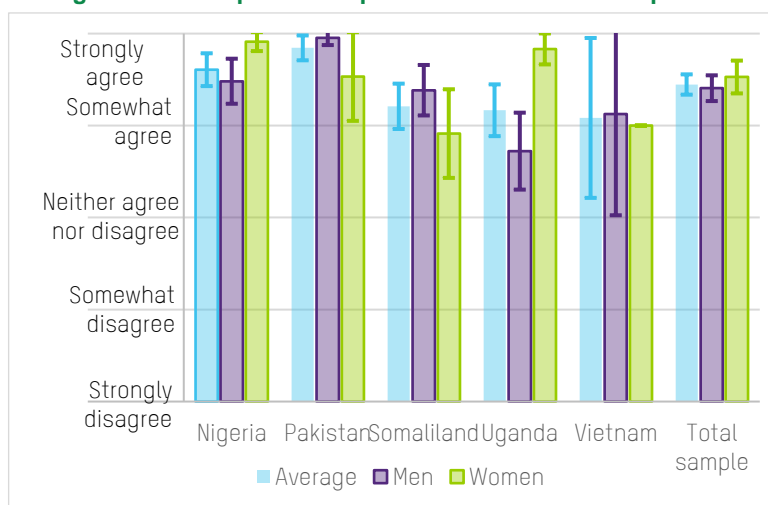
Employees rated their agreement on five levels: 1- strongly disagree, 2- somewhat disagree, 3- neither agree nor disagree, 4- somewhat agree, and 5- strongly agree. The results in Figure 14 show that both women and men perceive gender equality at their workplace at quite high levels, averaging 4.53 and 4.41 on a 5-point scale, respectively. In the total sample, there is no significant difference between the perception of male and female staff. However, in Nigeria and Uganda, there are significant differences between men and women. That is, in these countries female employees perceive gender equality at their workplace at higher levels than their male peers.

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[12] See Annex 5.1 for more information about these Flashpolls and see Annex 5.5 for sample size in involved countries.

4 CONCLUSION

This report aimed to understand whether SMEs, since their participation in the iSME Development Programme, have experienced growth, improved their access to financing, improved their impact mode, and whether they are creating a decent working environment for employees. The report also dived into employees' perception on gender equality at work.

The following key results are found:

- **Revenue:** Before the Covid-19 pandemic, SMEs experience significant increases in their revenue in both the years of and after participating in the Programme. During the Covid-19 pandemic, SMEs' revenue was severely affected and reduced.
- **Employment:** SMEs employ significantly more staff the years of and after participating in the Programme compared to the year before.
- **Clients and suppliers:** SMEs experience a large increase in their number of clients in the year of participating in the Programme compared to the year before. Significant increases are also found regarding the number of suppliers in both years of and after participating in the Programme.
- **Access to finance:** In the years of and after participating in the Programme, significantly more SMEs are seeking different sources of external financing for their business operations compared to the year before participation.
- **Impact model:** As impact potential is a criterion for SME recruitment, participating SMEs put priority to both social as well as environmental aspects of their impact model. In the year of participating in the Programme, SMEs significantly improve their social impact model.
- **Decent working environment:** Sick leave, minimum wage, parental leave, and healthcare payment are among the decent working policies and practices implemented by the majority of SMEs. However, these policies are more often introduced by registered SMEs compared to non-registered. In addition, SMEs with relatively more women in senior management positions are estimated to have a better decent working environment in place compared to SMEs with relatively fewer women in senior management positions.
- **Employees' perception on gender equality at work:** On average, staffing of SMEs is equally divided over men and women. However, senior management positions are more often occupied by men as compared to women. Both male as well as female staff perceive that men and women are treated equally in the workplace.

The SME Impact Measurement System is continuously being improved and developed, with the aim to set a standard for SME impact measurement within Oxfam and the development sector at large. This report covered the first analysis of data collected so far. Despite its limitations, the analysis helps to better understand the development trend of supported SMEs, thereby providing some insights about the Programme's effectiveness. Not all learning questions have been addressed in this report yet, due to missing data on certain concepts of interest. Another round of analysis in the future will be pursposely conductted when the 2021 and 2022 data is collected, addressing the remaining learning questions as well as new learning questions as they arise. Furthermore, by continuously expanding the database of the SME Impact Measurement System, the future analysis is aimed to keep diving into the growth and trend analysis for SMEs supported by the Programme.

5 ANNEX

5.1   SME IMPACT MEASUREMENT SYSTEM DESIGN, APPROACH, AND DATA COLLECTION

The SME Impact Measurement System builds on data collected through a so-called 'Flashpoll'. The Flashpoll was designed between May-July 2020 with input from the Programme and colleagues and partners in the six countries involved, informed by data collection systems used with SMEs elsewhere in the Oxfam Confederation and industry-leading examples such as IRIS+, GIIN, etc. The Flashpoll was initially designed to collect data from the previous reporting year on an annual basis, in a short and concise and easy to administer way.[13]

The Flashpoll was implemented for the first time between August-October 2020, collecting data for reporting year 2019. At the same time, to fill in the database of historical data for SMEs in the portfolio, historical data for SMEs was entered in when available, and SMEs are encouraged to report on data from previous years back to 2015 when possible.

In 2021, the SME Impact Measurement System was further developed. In May-July 2021 surveying employees and suppliers was piloted as a potential expansion of the System (so-called 'phase 2'[14]), and plans were developed to also include customers (so-called 'phase 3'). After an internal evaluation of this pilot, it was decided not to proceed with phase 2 and phase 3, primarily because of the labour intensiveness in getting sufficient response rates. The added value of insights from employees, suppliers and customers collected via the System was considered not to be worth the effort. Instead, the decision was made to continue only with 'phase 1', the Flashpoll, and put further effort in professionalizing and standardizing its design and process. This was done to simplify and improve the value add for SMEs, partners, and Oxfam teams, as well as to contribute to setting a standard for SME impact measurement within Oxfam and the development sector at large. In July-August 2021, the Flashpoll was slightly adjusted, for instance being expanded to include the concept of decent work. Another round of Flashpoll data, on reporting year 2020, was collected in September-October 2021.[15]

Currently, in Q1 of 2022, the Flashpoll is being further developed to ensure all relevant outcomes of the Theory of Change (ToC) of the iSME Development Programme are included. Also, there are adjustments in the approach of collecting data from the previous reporting year to collecting current-year data, to further simplify the data collection process and to align with reporting needs of individual countries. It is aimed at collecting another round of Flashpoll data in Q1 2022.

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[13] The Flashpoll is accessible via an online survey link. Furthermore, in Q1 2022 it is decided to open the data collection approach by providing data reporting sheets (in Excel). From now on, countries can choose if they prefer to participate in the SME Impact Measurement System via the Flashpoll or via the data reporting sheets.

[14] Concepts measured included decent work and job satisfaction/engagement. The poll was designed with input from the Programme and colleagues and partners in the six countries involved, including a handful of selected entrepreneurs in some countries. Additionally, the poll built on input from industry-leading examples.

[15] With two exceptions: in Uganda, instead of implementing another round of Flashpoll data collection, 2020 monitoring data from partners was inputted. This was done to avoid duplicate data collection efforts, since monitoring data largely overlapped Flashpoll data. In Egypt, instead of collecting 2020 data, 2021 data was collected. This was done to comply with reporting needs in the country.

5.2   OVERVIEW OF COHORTS AND COLLECTED DATA

The Programme has been active in Nigeria, Uganda, and Vietnam since 2014-15 and expanded to Somaliland and Egypt in 2016-17 and Pakistan in 2019, supporting in total 370[16] SMEs since 2015. The Programme is expanding to Cambodia and Kenya in 2022.

Each country has different selection criteria for SMEs to participate in the Programme. Minimum selection criteria included considerations such as legal registration, at least two years of business operations, and a minimum turnover (with some variation per country). In addition, the businesses had to have high impact potential. Each country adopted additional criteria as deemed important to their market, strategy and donor requirements (i.e.—agricultural value chains, women-led SMEs, youth, etc.). Some countries, such as Nigeria, had targets for women-led SMEs.

The numbers of supported SMEs are distributed rather equally across countries. In Pakistan, where Programme implementation started most recently, the Programme has supported 30 SMEs. In the other countries, the Programme has supported 60 SMEs or more (Figure A1).

So far, the Flashpoll collected data for the previous reporting year and followed SMEs for three years.[17] Hence, data was collected: (i) one year prior to BDS; (ii) the year of BDS; and (iii) one year after BDS[18]. Thus, by design, the data for the year 2019 should include SMEs that participated in the Programme from 2017 to 2020. Similarly, 2020 data should include supported SMEs between 2018-2021. All SMEs eligible based on the relevant timeframe are invited to participate in the Flashpoll.

Figure A2 shows the percentage of shortlisted SMEs, by country, providing their information in 2019 and 2020[19]

Figure A1. Number of participating SMEs, BDS year
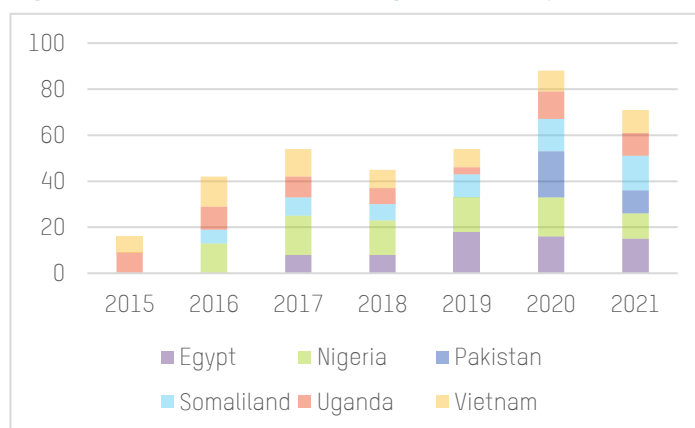
Figure A2. Response rates (%), reporting year 2019 and 2020

(that is, the response rate). In total, 219 SMEs submitted data to the system. For 2019 data, 132 SMEs out of 241 in the newly expanded portfolio submitted data, giving an overall response rate of 55%. This percentage was 52% for 2020 (133 out of 258 SMEs). Country-level response rates for

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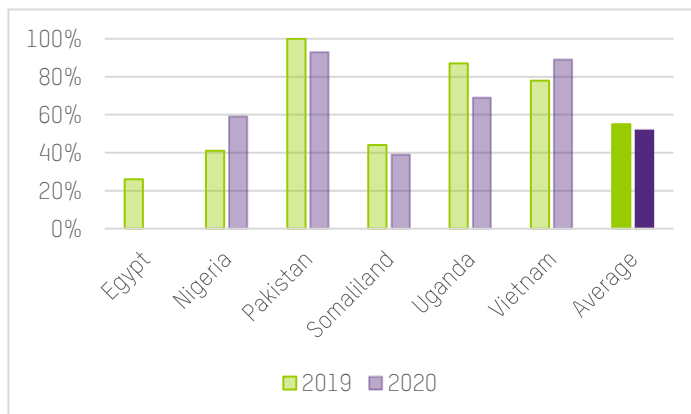
[16] This number comes from the company overview, last updated in December 2021.

[17] As also mentioned in Annex 5.1, at the time of writing this report the decision was made to change the approach to collecting current-year data instead of data from the previous reporting year. This deviation to the approach will only be implemented in future rounds of data collection, hence this report works with the previous approach.

[18] Some SMEs have also submitted their data two years after receiving BDS.

[19] Here, the denominator is the number of shortlisted SMEs. The shortlist is determined by the criterium that SMEs are followed three years upon participation in the Programme.

2019 and 2020 data varied from, respectively, a high of between 70% and 100% in Pakistan, Uganda, and Vietnam, to a low of 26% in Egypt[20].

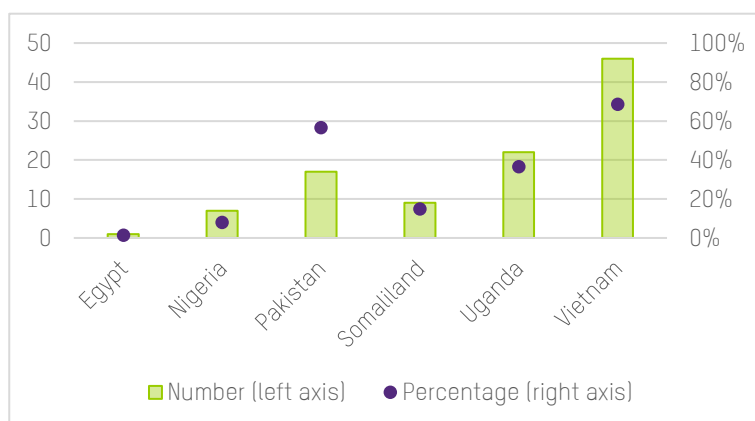**Figure A3. SMEs providing multiple year data points**

Figure A3 illustrates the numbers and percentages of SMEs with at least two data points: before, during and/or after receiving the BDS from the Programme. On average, 32% of SMEs (102 out 370) provided multiple year data points. Countries like Pakistan and Vietnam have quite high rates, at 69% and 57%, respectively. Because of the skews in country representation for the multiple year data points, the possibilities for country disaggregated change analysis are limited.

5.3 LEARNING QUESTIONS AND METHODS FOR ANALYSIS

The analysis is guided by the learning questions listed below (Table A1). These learning questions, which have been specified together with the iSME development team, subsequently determined the indicators needed for the analysis. As can be seen from the table, at this moment in time the report does not have all the necessary data to answer all learning questions; for instance, data on type of support received and organizational capacity is not available. This report only addresses learning questions for which the data is available, and hence selected questions in the output level and impact and ToC linkages are excluded.

Table A1. Overview of learning questions

Questions	Related Indicators	Note for analysis
Output level		
What is the relation between BDS that was provided, and SME's business performance, organizational capacity and their social and environmental impact?	- Business performance - Social and environmental impact - Different types of training - Organizational capacity	To be analysed later after collecting data on different types of training and organizational capacity
Outcome level		
To what extent did SMEs experience growth?	- Revenue - Staff - Suppliers/clients	Analysed in this report
To what extent did SMEs improve their access to financing?	- Access to financing	Analysed in this report
To what extent did SMEs improve their impact model?	- Social impact and environmental impact	Analysed in this report
Impact level & ToC Linkages		
To what extent do SMEs create a decent working environment for their employees?	- Decent work policies	Analysed in this report

[20] As also mentioned in a previous footnote, in Uganda, monitoring data of partners was inputted as a replacement for the 2020 data measurement. In Egypt, 2020 data has not yet been collected.

To what extent do SMEs provide equality of treating male and female employees at work?	- Perception on equal treatment at work regardless of gender	Analysed in this report
What is the relation between SME's revenue, staffing, organizational capacity and their social and environmental impact?	- Revenue - Staff - Social and environmental impact - Organizational capacity	To be analysed later after collecting data on organizational capacity
What is the relation between the gender of business owner, and business performance, organizational capacity and their social and environmental impact?	- Revenue - Social and environmental impact - Organizational capacity	To be analysed later after collecting data on gender of the business owner and organizational capacity. To a certain extent analysed in this report by looking at the percentage of women in senior management positions.

The quantitative analysis consists of two types: 1) descriptive analysis and 2) analysis of change over time. Regarding methods for the descriptive quantitative analysis, the report employs available data of SMEs in each indicator. For the overview of the SMEs, the report presents the characteristics of the SMEs at the year of receiving the BDS and uses 90% confidence intervals to describe the degree of deviation of the means estimated. These descriptions include both SMEs that do and do not provide multiple data year points.

For the quantitative analysis of changes over time, the report uses data of only those SMEs submitting multiple data year points: in the years before, during and/or after receiving the BDS.[21] The analysis focuses on comparing change by year with two types of differences:

- one-year change between the year before receiving BDS and the year of receiving BDS
- two-year change between the year before receiving BDS and the year after receiving BDS

The analysis tests statistical differences by year and group at confidence levels of 90% (alpha < 0.1) and 95% (alpha < 0.05). The report has performed simple t-tests to test for significant differences. The report uses the term "significant difference" if there is a measurable difference in the indicator between the groups and if, statistically, the probability of obtaining that difference by chance is very small (less than 10%).

The analysis has some limitations. First, many indicators have only few available observations, which reduces the statistical power of the analysis, meaning it is more difficult to confirm statistical changes. Second, inferences from data analysis are possibly prone to selection bias, since they are based on only those SMEs that have provided responses for each indicator; not all of the 370 supported SMEs. Finally, the selected overview descriptions of SMEs (analysis 1) may not be consistent with the analysis of change over time (analysis 2), due to the different numbers of available observations in these two samples. In particular, where much of the SMEs' data is available for overview description, it is not for change analysis when SMEs do not provide multiple data year points. Therefore, when interpreting the results, readers should be cautious about comparing figures for SMEs' key characteristics with their changes.

That said, the analysis helps to better understand the development trend of supported SMEs, thereby providing some insights about the Programme's effectiveness.

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[21] Abnormal increases in indicators are also removed to limit outliers' influence on the statistical analysis.

5.4 CORRELATION BETWEEN PERCENTAGE OF WOMEN IN SENIOR MANAGEMENT POSITIONS AND DECENT WORK

Table A2. Correlation between women in senior management positions and decent working environment

% Women in senior management positions and decent work	Number of observations	Correlation coefficient	P-value
To have a sick leave policy in place	52	0.2216	0.1143
To pay its employees at least minimum wage	52	0.237*	0.0907
To have a maternity or paternity policy in place	52	0.1425	0.3134
To pay taxes over the salaries of employees	52	0.3173*	0.0219
To pay for health care of employees	52	0.2673*	0.0554
To contribute financially to pensions for employees	52	0.2145	0.1268

Note: *: p-value<0.1

5.5 DECENT WORK FROM EMPLOYEE AND SUPPLIER PERSPECTIVES

Employee Flashpoll

In May-July 2021, surveying employees and suppliers was piloted to have a better understanding of SMEs' performance especially on providing a decent working environment. The employee Flashpoll collected 285 employees' opinions from five countries (Figure A4 and Table A3). Note that no employee data was collected for Egypt.

Figure A4. The number of employee respondents by country
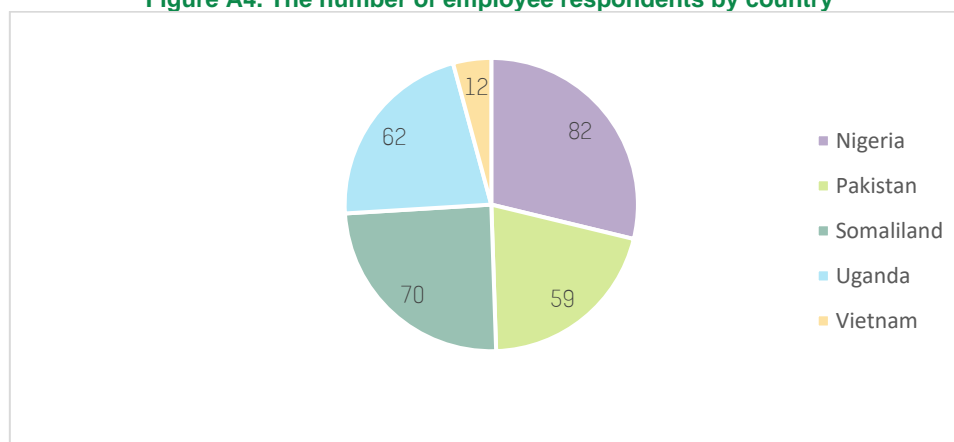
Table A3. The number of SMEs at which employee respondents work

Country	Number of SMEs	Distribution of SMEs by the number of employee respondents			
		Fewer than 5	5-9	10-14	15 and above
Nigeria	20	14	5	1	0
Pakistan	8	2	2	4	0
Somaliland	10	3	4	3	0
Uganda	7	4	0	2	1*
Vietnam	4	3	1	0	0
Total	49	26	12	10	1

*Note: *29 employee respondents in one SME.*

For employees' perspectives on decent work, the employee Flashpoll asked employees to rate their agreement with the statements on decent working and perceived gender equality at work (Table A4) on five levels: 1- strongly disagree, 2- somewhat disagree, 3- neither agree nor disagree, 4- somewhat agree, and 5- strongly agree.

Table A4. Statements to reflect employee's perspectives on decent work and gender equality in SMEs

Indicator	Statement
Sick leave	If I feel ill, I can take days off and I will still get paid
Respect	I am treated respectfully at my workplace (regardless of gender, age, ethnicity, religion, political orientation, etc.)
Safe	Overall, my work provides the things I need to do my work in a safe and healthy way (e.g., safety equipment; regular breaks to refresh; safe work culture)
Family time	Next to my work I am able to have time for my family/personal life
Compensation	I consider the salary I get paid to be fair and appropriate
Gender	Overall, women and men are treated the same way at my workplace (e.g. get paid the same for doing the same jobs and have the same opportunities for promotion)
Voice	At my work, or in my sector, I have the freedom to join a union or workers association, and/or to collectively negotiate labour rights

Supplier Flashpoll

The supplier Flashpoll collected 811 suppliers' opinions from five countries (Figure A5 and Table A5), more than half of them (480/811) come from Uganda. Note that no supplier data was collected for Egypt.

Figure A5. The number of supplier respondents by country
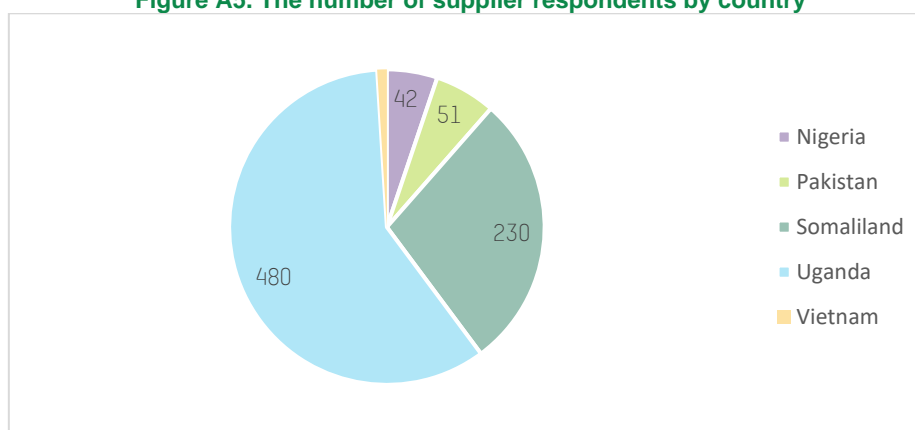
Table A5. The number of SMEs with which supplier respondents work

Country	Number of SMEs	Distribution of SMEs by number of supplier respondents		
		Fewer than 10	10-19	20 and above
Nigeria	15	14	1	0
Pakistan	7	4	3	0
Somaliland	4	1	2	1*
Uganda	11	6	1	4**
Vietnam	2	2	0	0
Total	39	27	7	5

Note: *197 supplier respondents work with one SME in Somaliland; **26, 38, 192, and 198 supplier respondents work with each of four SMEs in Uganda.*

For suppliers' perspectives on decent work, the supplier Flashpoll asked suppliers to rate their agreement with the statements on decent working of SMEs they work with (Table A4) on five levels: 1- strongly disagree, 2- somewhat disagree, 3- neither agree nor disagree, 4- somewhat agree, and 5- strongly agree.

Table A4. Statements to reflect supplier's perspectives on decent work in SMEs

Indicator	Question
Fair price	[SME] pays a fair price
Paying on time	[SME] pays on-time
Open to discuss	[SME] is open to discuss/negotiate pricing
Sharing my opinions freely	I can share my opinions freely with representatives of [SME]
Checking suppliers' decent work	[SME] checks to ensure that my operations are fair and/or environmentally friendly

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