COVID-19 Business Impact Survey results

In May 2020, the International Trade Centre carried out the COVID-19 Business Impact Survey to assess the pandemic’s impact on MSMEs (agribusinesses and farms) in the GRASP districts of Sindh and Balochistan. The survey was coordinated by Sukkur IBA University and University of Balochistan in Sindh and Balochistan respectively, and was implemented via telephonic interviews. The survey was a follow-up on the MSME competitiveness surveys carried out in the period of December 2019 - January 2020.

The respondents consisted of MSMEs operating in the GRASP priority value chains in the livestock and horticulture sectors. MSMEs in Sindh (around 95%) and Balochistan (around 92%) interviewed said their businesses operations had been affected by the pandemic, with majority of them being strongly affected. MSMEs also reported lower domestic sales, and difficulty in accessing inputs locally. Majority of the surveyed MSMEs said that they had temporarily shut down. MSMEs also temporarily reduced employment, used their own savings, and, to a lesser extent, increased their marketing efforts to combat the pandemic challenges.

Majority of respondents said they urgently needed help under GRASP to form strategies to foster the survival of their enterprises. They also stated other immediate needs including increasing input availability, market information dissemination, and support in accessing finance. Trainings in business and production management were also highlighted to improve their competitiveness.

The project’s response to COVID-19 focuses on enabling the most vulnerable stakeholders to continue to earn a sustainable livelihood. Activities include fostering MSMEs applications to available financing schemes, providing critical inputs and support actors to ensure proper functioning of the value chains, supporting investment in safety and hygiene, and providing emergency support through a matching grant facility. Finally, support will be provided for developing policy measures and recommendations for rural and agriculture development.
153 agribusinesses and 99 farmers were interviewed

Sindh

98 agribusinesses and 72 farmers were interviewed

Balochistan

- 98% of agribusinesses and 94% of farms have been affected in Sindh
- One out of two MSMEs strongly affected
- Lower domestic sales, and difficulty in accessing inputs domestically were top constraints
- Majority of surveyed MSMEs had temporarily shutdown

- 92% of agribusinesses and 92% of farms have been affected
- Three out of four MSMEs moderately to strongly affected
- Lower domestic sales, and difficulty in accessing inputs domestically were top constraints
- 50% of agribusinesses and 25% of farms had temporarily shutdown
Assessment of institutional and regulatory responses during COVID-19

MSMEs and smallholder farmers were hit hard due to slow down in economic activities and a drastic change in consumption patterns, triggered by the COVID-19 pandemic. Many federal and provincial government organizations were at the forefront to provide necessary support and guidance on protective measures to the public, MSMEs and smallholder farmers. This highlights the need to analyse the effectiveness and sufficiency of institutional support, capacities, and regulatory regime to devise a set of interventions for regulatory and institutional reform, with a view to be better prepared should a similar pandemic occur in future.

A study aimed at developing a chronological list of responses by the government at federal and in Sindh and Balochistan, targeting MSMEs and smallholder farmers in livestock and horticulture sectors to help them cope with the pandemic will be conducted. Understanding institutional capabilities and efficiencies, and how effectively those capabilities were deployed would remain another important aspect that the study will cover. Public sector organizations which were at the forefront such as Provincial Disaster Management Authorities (Sindh and Balochistan), National Disaster Management Authority, livestock, industries, agriculture, food, finance and health departments of the two provinces would remain under particular focus of the study. It will further analyse adequacies of response by the relevant departments and sufficiency of regulatory regime governing their responses. An important aspect of the research would be to identify the effects of sufficiency or insufficiency of regulatory and institutional responses and deployment of resources on MSMEs in particular.

It will provide a blue print of actions that need to be taken in the short term to augment institutional capacities and regulatory reform, to better respond to such pandemics in the future.

Government of Balochistan approves COVID-19 work plan

A series of discussions was held with the Government of Balochistan on the envisaged COVID-19 work plan. It was presented to the Planning & Development Department headed by Abdul Rehman Buzdar, Additional Chief Secretary (ACS development), who requested further details on the selection criteria of farmers and the support planned to provide immediate assistance to farmers and FMCs. GRASP team, in close coordination with its implementing partners provided a detailed response to the queries of the ACS, emphasizing on the need for an emergency response, selection criteria for farmers, type of support, and selection of districts for the COVID-19 response.

The COVID-19 Response plan was approved on June 13th 2020 by the Additional Chief Secretary Development through communications by the current focal point for engagement, Chief Foreign Aid Planning and Development Department Balochistan. The importance of the continued coordination with the Balochistan government was also highlighted.

Gender Adviser for Sindh on board

The GRASP team has a nuanced understanding of challenges women face in accessing more opportunities and resources as well as the complexity brought about by the variation between and within Balochistan and Sindh. This has been carefully translated into the project’s interventions, which will lead to sustainable inclusive growth and long-term measurable impact in the agriculture sectors of Sindh and Balochistan. For that purpose, GRASP gender advisor for Sindh province, Suwaibah Mehreen joined the team. She is a development sector professional with over nine years’ experience in WASH, Health, Education, Governance, Agriculture, and Private sector Development. We welcome her on board.
**News in brief**

**Sindh**

**Coordination with key stakeholders**

GRASP Sindh provincial lead met with Mr. Faisal Uqaili, Director General Urban Strategic Planning and Policy Unit, Sindh to discuss and explore synergies between GRASP and Sindh Poverty Reduction Strategy especially where Rural Growth Centres are established in GRASP districts. Dr. Uqaili gave a detailed presentation on piloting Rural Growth Centres in district Sujawal while GRASP Sindh Lead briefed about the GRASP project.

GRASP Sindh team also met with various local civil society organizations to build synergies and exchange ideas and information on project activities to minimize duplications and reinforce complementarities especially on COVID-19 Response to mitigate its impact on small businesses in rural Sindh. Meetings with Research and Development Foundation, HANDS and IRM (Institute of Rural Management) were conducted so far.

A discussion was held with Advisor Chief Minister Sindh Dr. Kaiser Bengali and Mr. Haris Gazdar, Coordinator to Chief Minister on social protection strategy to explore synergies between GRASP and Poverty Reduction Strategy, and the upcoming Social Protection Strategy of Sindh Government.

**Balochistan**

**The United Nations Provincial Team meeting in Quetta**

The United Nations Provincial Team (UNPT) meeting was held on 17th June 2020, chaired by Mr. Zulfiqar Durrani, Provincial Representative UNDP Sub-Office Balochistan. Mr. Atta Rehman, SME Development specialist GRASP represented ITC in this meeting and introduced the work of GRASP and ITC to the attendees. The team also collected data of farmers groups and farmer market collectives in Balochistan and shared them with the PMU Islamabad.

**Our Partners**

**Pakistan Poverty Alleviation Fund (PPAF)**

PPAF submitted its midterm report to ITC, where they received the comments according to which the report is being revised. The team also held coordination meetings with GRASP provincial teams of Balochistan and Sindh to discuss implementation of COVID-19 Response Plan, as well as the Project Management Unit and FAO representatives.

**Food and Agriculture Organization (FAO)**

The existing MoU/ IAA with FAO and PPAF have been amended and extended to cater for activities that constitute emergency response to the pandemic. Regular meetings are being held to coordinate effective implementation.

**Upcoming events:**

The virtual ceremony for GRASP launch has been scheduled for August 2020. The event will mark the formal inauguration of the project, and will be attended by the Delegation of European Union to Pakistan, International Trade Centre, Food and Agriculture Organization and Pakistan Poverty Alleviation Fund, and the Ministry of Commerce.

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The views expressed in this publication do not necessarily reflect the views of the European Commission.

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