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# Accelerate Prosperity in Central and South Asia (AP Asia) Project

(Final Endline Assessment Report)

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## List of Acronyms and Abbreviations

<b>Acronyms/Abbreviation</b>	<b>Full Form</b>
<b>ADB</b>	Asian Development Bank
<b>AKF</b>	Aga Khan Foundation
<b>AKDN</b>	Aga Khan Development Network
<b>AKFEED</b>	Aga Khan Fund for Economic Development
<b>AKRSP</b>	Aga Khan Rural Support Programme
<b>AP Asia</b>	Accelerate Prosperity in Central and South Asia
<b>B2B</b>	Business-to-Business
<b>BDS</b>	Business Development Services
<b>DEI</b>	Diversity, Equity and Inclusion
<b>EU</b>	European Union
<b>EUD</b>	European Union Delegation
<b>FGD</b>	Focus Group Discussion
<b>GNI</b>	Gross National Income
<b>GDI</b>	Gender Development Index
<b>GDP</b>	Gross Domestic Product
<b>DAC</b>	Development Assistance Committee
<b>EC</b>	European Commission
<b>EUD</b>	European Union Delegation
<b>EET</b>	Executive Entrepreneurship Training
<b>FTE</b>	Full-Time Equivalent
<b>GIZ</b>	German Agency for International Cooperation
<b>HBL</b>	Habib Bank Limited
<b>ICT</b>	Information and Communication Technology
<b>IIRC</b>	Internal Investment Review Committee
<b>IPS</b>	Industrial Promotion Services
<b>KICB</b>	Kyrgyz Investment and Credit Bank
<b>KII</b>	Key Informant Interview
<b>KPI</b>	Key Performance Indicator
<b>LUMS</b>	Lahore University of Management Sciences
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MFI</b>	Microfinance Institution
<b>MoU</b>	Memorandum of Understanding
<b>MSDSP</b>	Mountain Societies Development Support Programme
<b>NIC</b>	National Investment Committee
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PMU</b>	Project Management Unit
<b>PSC</b>	Project Steering Committee
<b>IDI</b>	In-Depth Interviews
<b>SDGs</b>	Sustainable Development Goals
<b>SME</b>	Small and Medium Enterprise
<b>SMEDA</b>	Small and Medium Enterprise Authority
<b>SPCE</b>	School of Professional and Continuing Education (UCA)
<b>UCA</b>	University of Central Asia
<b>UNDP</b>	United Nation Development Programme
<b>VA</b>	Virtual Accelerate

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## 1. Introduction

This Endline Assessment Report was prepared by Himat Consulting Private Limited (HCPL), in partnership with DEVYIELD Europe. The assessment was commissioned by the Aga Khan Foundation (AKF) Pakistan, under the European Union-funded Accelerate Prosperity in Central and South Asia (AP Asia) project. Conducted between January and April 2025, the assessment evaluates the project's performance, outcomes, and contribution to enterprise development in economically underserved areas of Afghanistan, Pakistan, Tajikistan, and the Kyrgyz Republic.

The AP Asia project was coordinated by AKF (UK) in collaboration with AKF country offices in Afghanistan, Pakistan, Tajikistan, and the Kyrgyz Republic. It aimed to promote equitable economic growth by supporting entrepreneurship, developing small and medium enterprises (SMEs), and facilitating investment. The project supported startups, small, and growing businesses—particularly those led by women and youth—through improved access to finance, markets, and technical expertise. It sought to foster self-employment, innovation, and job creation in underserved and fragile regions of Afghanistan, Pakistan, Kyrgyzstan and Tajikistan.

The purpose of the evaluation is to generate evidence on the initiative's effectiveness, efficiency, impact, and sustainability. This evidence will inform learning, strengthen accountability, and support strategic planning for future programming. Intended users of this report include the AKF-AP, its implementing partners, the EU Delegations, and other development stakeholders in the region.

The evaluation is guided by the Development Assistance Committee (DAC) evaluation criteria of the Organisation for Economic Co-operation and Development (OECD)—relevance, coherence, effectiveness, efficiency, sustainability, and impact—and responds to the following key evaluation questions:

- To what extent did the project achieve its objectives and address the needs of target groups?
- How efficiently and effectively were resources used?
- What sustainable and unintended changes did the project contribute to?
- How can lessons from the project inform future interventions?

The assessment scope covers the full implementation period including a one year no-cost extension period (2020–2024) and focuses on the regions where AP Asia was implemented. It also examines the project's alignment with policy frameworks, its design, and its contribution to broader development outcomes.

Following the introduction, Section 2 outlines the broader context in which the project was launched, highlighting the key socio-economic challenges it aimed to address. Section 3 describes the project's objectives, overall approach of the project and key activities. Section 4 presents the Theory of Change, while Section 5 explains the evaluation methodology, including the conceptual framework and data collection methods. Section 6 provides an analysis of the findings based on the OECD Development Assistance Committee (DAC) evaluation criteria. Finally, Section 7 consolidates the key lessons learned and provides recommendations.

## 2. Overview of the Context

Across Central and South Asia, including Pakistan, Afghanistan, Tajikistan, and the Kyrgyz Republic, job creation remains a key government priority, viewed as essential for promoting socio-economic stability, reducing youth migration, and mitigating the risk of youth radicalisation. Despite the growing significance of trade, export growth in the region has been slow. Economies in these countries depend on a narrow range of commodities and export markets such as the European Union, China, India, and Russia. In Tajikistan and

Kyrgyzstan, metals and minerals dominate GDP contributions, while most small and medium enterprises (SMEs) focus on agriculture, livestock, and garments.

SMEs are widely recognised as critical to economic growth, employment, and poverty reduction across the region. However, several challenges hinder their development, including underdeveloped markets, opaque regulations, limited access to financing, and barriers to cross-border trade. Gender-specific barriers also limit the participation and success of women entrepreneurs. Social norms, weaker networks, and limited access to resources exacerbate the gender gap, particularly in Pakistan and Afghanistan, where women face significant disadvantages in the entrepreneurial landscape.

In this context, regional trade, especially in agriculture and textiles, plays a pivotal role in economic diversification and integration. The SME sector is seen as a key driver for achieving sustainable development goals (SDGs), with targeted interventions needed to overcome existing barriers and enhance economic opportunities for both men and women.

The EU-funded **Accelerate Prosperity in Central and South Asia (AP Asia)** project was launched to address some of these challenges. Its focus was on leveraging small and medium enterprises (SMEs) as engines of regional growth, enhancing women's participation in the economy, and promoting inclusive development. The project commenced in January 2020 and concluded in December 2024 with a no-cost extension of one year.

### **3. About Accelerate Prosperity in Central and South Asia (AP Asia) project**

The Accelerate Prosperity in Central and South Asia (AP Asia) project is part of the broader Accelerate Prosperity (AP) initiative, a joint endeavour of the Aga Khan Fund for Economic Development (AKFED) and Industrial Promotion Services (IPS). AP Asia is implemented in Pakistan, Afghanistan, Tajikistan, and the Kyrgyz Republic, with overall coordination provided by the Aga Khan Foundation United Kingdom (AKF UK), in collaboration with national AKF offices in each country. Funded by the European Union (EU), AP Asia is designed to promote inclusive economic growth by supporting entrepreneurship, business development, and investment facilitation in the targeted regions of the four programme countries. The project specifically targets startups, small and medium enterprises (SMEs), and entrepreneurs—particularly women and youth—to improve their access to financial resources, market linkages, and technical expertise. By promoting a culture of innovation and enterprise, AP Asia seeks to advance sustainable economic development, enhance self-employment, and generate job opportunities across the programme countries.

#### **Objectives of AP Asia**

The overall objective of AP Asia is to contribute to enhancing the equitable economic well-being of women and men in the targeted countries by promoting entrepreneurship and improving access to business growth opportunities. The specific objective of the project is to increase self-employment and employment opportunities for women and men in supported enterprises by fostering the growth of startups and SMEs. To achieve this objective, AP Asia set the following two expected intermediate outcomes:

- iOc1: Increased growth of supported enterprises.
- iOc2: Increased trade between supported enterprises, producers and clients in targeted areas. This includes creation of new start-up enterprises, the growth of small businesses with a focus on youth and women led ventures.

#### **Approach and Key Activities**

The following section draws on the project design documents of the AP Asia to describe its intended approach and key activities.

The *Accelerate Prosperity in Central and South Asia (AP Asia)* project was designed to follow a multi-faceted approach to enhance equitable economic well-being in rural Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan. It primarily focused on fostering entrepreneurship, facilitating business growth, and improving access to financial resources for startups and small enterprises. By targeting women and youth-led businesses, AP Asia aimed to promote inclusive economic development and job creation in these regions. The initiative is aligned with the Sustainable Development Goals (SDGs), particularly SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth), by supporting businesses that contribute to local economies and create employment opportunities.

A core component of the project's design is capacity building and training, intended to equip entrepreneurs with the skills and knowledge necessary to establish and grow their businesses. Through business incubation and acceleration programmes, AP Asia planned to deliver structured training, mentorship, and business model development support. Entrepreneurs would be guided through market research, investment readiness preparation, and lean business model refinement, allowing them to test and adapt their ideas based on real market feedback. Innovation was to be promoted through entrepreneurship challenges (e.g., *Prosperity Cup™* and *UpStart™*) to stimulate creative enterprise development. The project also sought to facilitate networking by connecting entrepreneurs with experienced business leaders for mentorship, industry insights, and potential investment linkages.

Another key pillar outlined in the project design was financial support and investment facilitation. Recognising the barriers small businesses face in accessing capital, AP Asia intended to provide seed funding, startup capital, and early-stage growth financing to promising enterprises. The project also aimed to connect entrepreneurs with angel investors and financial institutions through dedicated investment platforms and to promote co-financing and blended finance models to support business scalability and long-term viability.

The project also sought to strengthen market linkages and support trade among businesses in the target regions. It planned to build business-to-business (B2B) platforms for SMEs, enhance supply chains, and facilitate cross-border trade across Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan. To support this, a key innovation included the operationalisation of Virtual Accelerate (VA)—a digital platform developed with initial funding from the AP Aisa project—which was designed to enable remote delivery of business development services, mentorship, and investment matchmaking. Through VA and other digital tools, the project aimed to connect entrepreneurs, investors, and partners across geographies, thereby expanding access and fostering inclusive growth.

Sustainability is a central consideration in the project's design. AP Asia planned to ensure long-term impact by documenting lessons learned, supporting knowledge-sharing platforms, and developing open-source investment tools and resources for replication. Research and evaluation were intended to be embedded across activities to promote continuous learning and adaptive management. In parallel, a small policy dialogue activities were envisioned to influence an enabling environment for small enterprise development. Through this integrated approach, AP Asia sought not only to provide immediate support to entrepreneurs but also to lay the foundation for a more resilient, inclusive entrepreneurial ecosystem that would thrive beyond the project's lifecycle.

#### **4. Programme Theory of Change**

The project does not include a formally stated Theory of Change (ToC); the ToC presented here has been reconstructed based on the project's logframe matrix and Description of Action (design document). It sets out the anticipated causal pathway from inputs and activities to outputs, outcomes, and long-term impact, with particular emphasis on fostering inclusive economic development and improving the economic participation of women and youth.

Reconstructing the ToC at the endline stage was important to ensure a clear, shared understanding of the project's intended change pathway, and to assess the coherence and plausibility of its design in light of the outcomes achieved. This ToC serves as a conceptual model that illustrates how the project was expected to contribute to broader development goals. It outlines the logical sequence of changes foreseen in the design and highlights the assumptions and potential risks that were considered likely to influence the achievement of results.

### **Pathway from Inputs to Impact**

#### **Inputs:**

AP Asia was designed to invest in three core areas:

- **Entrepreneurial support and capacity building** (e.g., incubation, acceleration training, and technical assistance)
- **Financial access and investment facilitation** (e.g., seed funding, blended finance models, and investor matchmaking)
- **Market and trade linkages and policy engagement** (e.g., B2B platforms, regional trade promotion, and policy dialogue)

#### **Expected Outputs:**

The project inputs and activities were expected to generate the following nine outputs:

#### **Outputs: Strengthened Entrepreneurial Capacity**

1. Startups and SMEs (especially women and youth) gained access to incubation and acceleration programmes.
2. Entrepreneurs (especially women and youth) were trained in business development and management.
3. SMEs received targeted coaching and technical assistance (Executive Entrepreneurship Training) to improve operations.

#### **Outputs: Improved Access to Financing**

4. Seed funding and investment support were provided to entrepreneurs and SMEs.
5. New financial products (e.g., impact investing, credit schemes) were developed to cater to SME needs.
6. More SMEs secured growth capital for expansion.

#### **Outputs: Expanded Market Linkages & Policy Support**

7. Regional trade opportunities were facilitated for SMEs.
8. B2B networking to help connect startups with supply chains and buyers.
9. Governments and investors were engaged in policy dialogue to promote SME funding and support.

**Intended Outcomes:** The above outputs were expected to lead to three mutually reinforcing outcomes:

#### **Outcome 1: Enhanced Entrepreneurial Capacity for Business Launch and Growth**

*(Linked to Outputs: 1, 2, 3)*

Improved access to tailored training, coaching, and business development services was expected to enhance the entrepreneurial capacity of start-ups and early growth stage enterprises—particularly those led by women and youth—resulting in greater business survival and growth.

#### **Outcome 2: Increased Market Access and Regional Trade Participation**

*(Linked to Outputs: 4, 5, 6, 7, 8)*

Financial support, combined with access to markets through trade facilitation and B2B networks, was anticipated to enable SMEs to expand their operations and engage in cross-border trade.

### **Outcome 3: Strengthened Policy and Financial Ecosystem for SMEs**

*(Linked to Outputs: 5, 6, 8, 9)*

Dialogue with financial institutions and governments, along with the introduction of SME-oriented financial products, expected to create a more enabling environment for inclusive enterprise development.

### **Long-Term Impact (as Defined in the Project Design)**

Realisation of the project outcome collectively are expected to contribute to its overarching development goal: **To contribute to enhanced equitable economic well-being and increased economic participation of women and youth in Afghanistan, Pakistan, Tajikistan, and Kyrgyzstan.**

This long-term change can be reflected in:

- Increased employment rates and SME profitability
- Greater resilience of rural and underserved economies
- An increase in the number and success of women-led and youth-led enterprises
- A narrowing of gender and generational gaps in entrepreneurship and access to finance
- Improved social and economic empowerment of marginalised populations

### **Assumptions and Risks**

The success of the project depended on several key assumptions. These included:

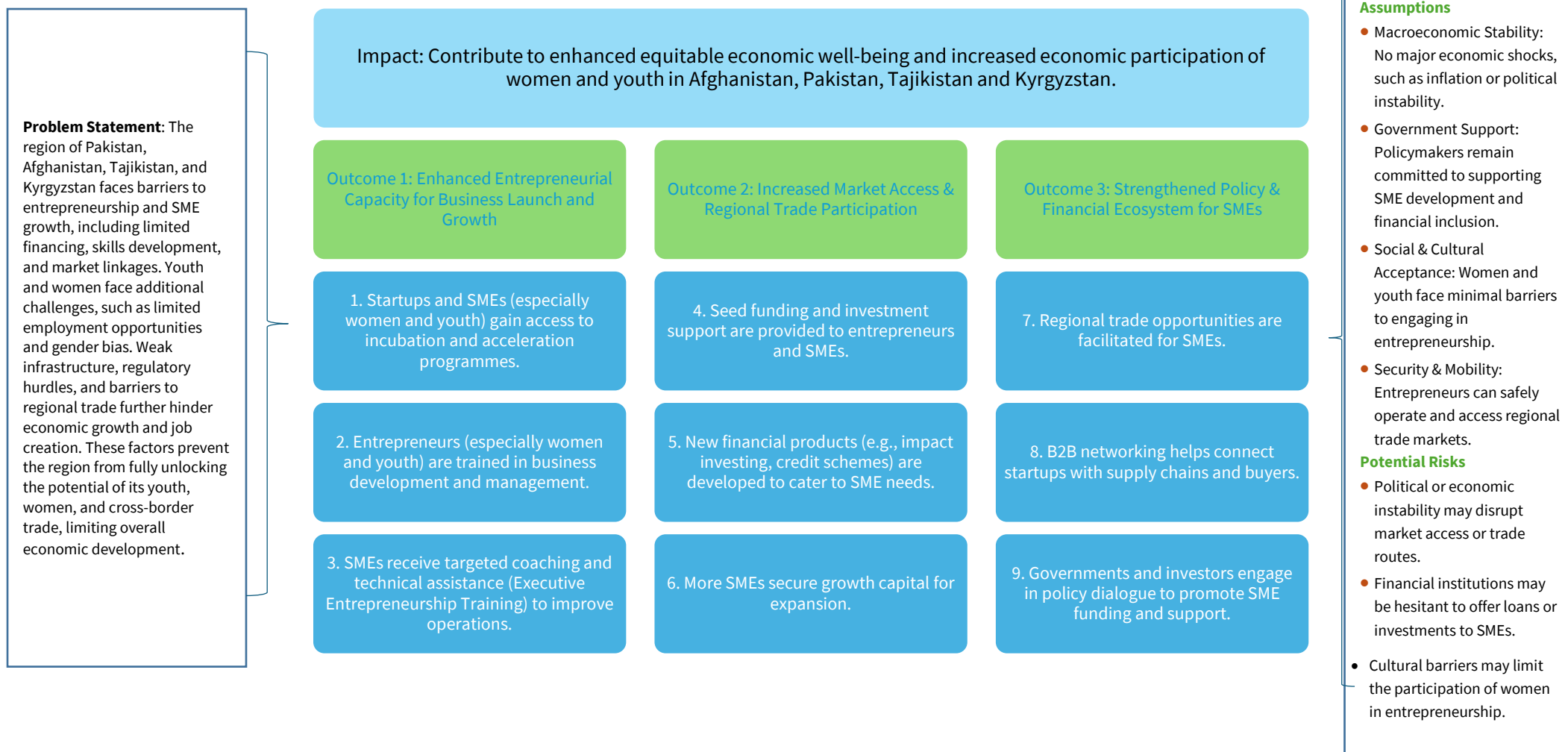
- That there would be sufficient market demand for the products and services offered by supported businesses.
- That entrepreneurs would apply the skills and knowledge gained through training and mentorship.
- That financial institutions, investors, and policymakers would stay engaged throughout the project.
- And that the broader environment—economic, political, and regulatory—would remain stable enough to support enterprise growth and regional cooperation.

The Theory of Change acknowledged several external risks that could affect these outcomes. These included political and economic instability, limited infrastructure (particularly digital access), trade barriers, and socio-cultural norms that could constrain women's participation in enterprise development.

To manage these risks, the project adopted an adaptive implementation approach. It engaged stakeholders continuously, remained responsive to context, and adjusted delivery mechanisms where needed. These actions helped sustain progress and support the long-term impact of the intervention.

**Figure 1** presents an illustrated summary of the project theory of change.

Figure 1: Theory of change diagram for AP (Asia) Project, based on its Logframe



## 5. Evaluation Approach and Methods

This endline assessment of the *Accelerate Prosperity in Central and South Asia (AP Asia)* project was conducted between January and April 2025, immediately following the conclusion of project activities in late 2024. The timing was chosen to capture final project results while allowing sufficient proximity to closure to ensure data availability, stakeholder access, and institutional memory.

The evaluation is designed as a performance and learning-focused assessment, rather than a strict counterfactual impact evaluation. Its primary purpose is to assess how well the project delivered against its intended outputs and outcomes, to understand what worked and what did not, and derive practical lessons to inform future programme design and scale-up. The evaluation focuses on project implementation, relevance, effectiveness, and contribution to anticipated outcomes, while acknowledging attribution limits due to the non-experimental nature of the design.

The findings are intended to serve multiple stakeholders, including the European Union (EU) as the project’s donor, the Aga Khan Foundation (AKF) as lead implementing partner, and the wider Accelerate Prosperity (AP) teams across Central and South Asia. The results are expected to inform strategic planning, resource mobilisation, and future iterations of entrepreneurship support programmes in fragile and underserved contexts.

The evaluation approach is grounded in the OECD-DAC evaluation criteria—Relevance, Coherence, Effectiveness, Efficiency, Impact, and Sustainability—which offer a comprehensive and widely accepted framework for assessing development interventions. Mixed methods were employed, combining qualitative data collection from primary sources and data from secondary sources to ensure rigour and contextual depth.

To ensure credibility and robustness, the evaluation process was designed to be iterative and participatory. It incorporated triangulation of data sources (including administrative data, existing survey data, interviews, and document review), cross-validation through stakeholder consultations, and feedback loops with implementing partners during the data analysis and synthesis phases. These processes helped refine findings, validate interpretations, and strengthen the reliability and utility of the conclusions and recommendations presented.

To ensure the link between the evaluation framework and the project’s intended results, a summary of AP Asia’s logframe targets and Key Performance Indicators (KPIs) is provided below. This summary serves as the primary reference for the subsequent assessment of performance across the OECD-DAC dimensions.

Category	Details
Overall Objective (Impact)	Enhance equitable economic wellbeing of women and men in rural Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan
Indicators	<ul style="list-style-type: none"> <li>• Positive trends in Gross National Income (GNI) per capita in target countries</li> <li>• Improved Gender Development Index (GDI) scores in target countries</li> </ul>
Specific Objective (Outcome)	Improve self-employment and employment opportunities in supported enterprises
Outcome Level Targets	<ul style="list-style-type: none"> <li>• 3,000 jobs created and sustained</li> <li>• 1,500 indirect jobs created through backward and forward linkages</li> </ul>
Intermediate Outcome 1 (iOC1)	Increased growth of supported enterprises
iOC1 Targets	<ul style="list-style-type: none"> <li>• 67.5% profitability rate among supported SMEs</li> <li>• €3.5 million in co-financing secured</li> <li>• 80% entrepreneurs reported positive perception about AP support</li> </ul>
Intermediate Outcome 2 (iOC2)	Increased trade among supported enterprises, producers, and clients

Category	Details
iOC2 Targets	<ul style="list-style-type: none"> <li>• 11,250 rural producers and 36,000 clients reached</li> <li>• 25% of enterprises engaged in cross-border trade</li> </ul>
Key Outputs Targets	<ul style="list-style-type: none"> <li>• 1,230 entrepreneurs supported with ideation training</li> <li>• 378 entrepreneurs completed acceleration programmes</li> <li>• 104 enterprises provided seed and 104 growth financing</li> <li>• 8 open-source investment tools developed and shared</li> <li>• 11 lead firms engaged for supply chain development</li> <li>• 85 entrepreneurs trained in regional trade through executive entrepreneurship training</li> <li>• 21 SMEs facilitated through B2B networking</li> <li>• 13 case studies and learning products produced and disseminated</li> </ul>

### Evaluation Framework

The OECD-DAC evaluation framework was applied to assess the AP Asia project's relevance, coherence, effectiveness, efficiency, impact, and sustainability. This structured approach enables a comprehensive analysis of the project's performance and results. By addressing key evaluation questions under each criterion, the framework provides a systematic assessment of the project's objectives, implementation processes, and outcomes.

The Evaluation Matrix, presented in **Annex - 1**, outlines how each evaluation criterion is applied and is further elaborated in the following section:

### Relevance

<p><b>Objective:</b> To determine how well the AP Asia project's goals align with the needs of the target populations (rural communities, women, youth, and SMEs), country and regional development priorities.</p> <p>Given the fragile and dynamic contexts, particularly in Afghanistan, the evaluation will also examine how the project's relevance evolved over time in response to shifting needs. Special attention is given to the programme's responsiveness to external shocks, changing socio-economic conditions, and emerging community priorities throughout the 60-month timeline.</p>		
<p><b>Evaluation Questions:</b></p> <ol style="list-style-type: none"> <li>1. Do the project's objectives align with the economic needs of the target groups, including women, youth, and rural communities, and with local priorities and policies?</li> <li>2. Did the planning and implementation of interventions adequately consider local contexts, including needs assessments and understanding the livelihoods, capacities, and socio-economic conditions of the target populations?</li> <li>3. Did the project team and local partners have the necessary institutional capacity (e.g., staffing, local knowledge, and experience) to effectively implement the project and respond to the evolving needs of the communities?</li> <li>4. To what extent did community and key stakeholders (e.g., women-led enterprises, youth groups, local business associations) participate in the planning and implementation of the project interventions? Were their insights integrated into the project design?</li> <li>5. Did the AP Asia project effectively address gender-specific economic barriers, foster youth employment, and adapt to changes in needs over the project's 60-month timeline?</li> <li>6. How effectively are the principles of diversity, equity, and inclusion (DEI) integrated into the project?</li> <li>7. How have changing needs or external factors influenced the project's relevance over time?</li> </ol>		
<p><b>Methods:</b></p>		
<p><b>Document Review:</b> We thoroughly reviewed the project proposals, progress reports, and relevant policy documents from the AP Asia project, EU,</p>	<p><b>Stakeholder Interviews:</b> We conducted interviews with key stakeholders, including representatives from the EU, local partners, government officials, and community</p>	<p><b>Focus Group Discussions (FGDs):</b> We organised FGDs with entrepreneurs, particularly women and youth, to explore how the</p>

governments, and other stakeholders to understand how the project aligns with community and regional needs.	members, to gather insights on how well the project addressed the needs of the target populations and regional socio-economic goals.	business support services met their specific needs and addressed their challenges.
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## Coherence

<b>Objective:</b> Our aim is to assess how well the AP Asia project integrates with other initiatives and aligns with broader regional and national strategies for economic development, gender equality, and youth empowerment.		
<b>Evaluation Questions</b>		
<ol style="list-style-type: none"> <li>1. Does the programme’s logic and theory of change present a coherent and plausible pathway for achieving its stated objectives, ensuring consistency in both the vertical logic and horizontal logic?</li> <li>2. Were the targets set by the AP Asia project, such as the growth of supported enterprises and increased trade, realistic given the socio-economic conditions in the four target countries (Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan)?</li> <li>3. How well does the AP Asia project align with and support national development strategies and policies in Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan aimed at promoting rural economic growth, enterprise development, and gender equality?</li> <li>4. To what extent does the project coordinated with and complemented other donor-funded programmes and initiatives implemented by AKF, focusing on economic development, employment generation, and gender equity? Are there any overlaps or synergies?</li> <li>5. To what extent did the project support or align with local and regional trade policies or initiatives aimed at fostering cross-border trade and economic collaboration among enterprises in the target countries?</li> <li>6. Does the project avoid conflicts or contradictions with other ongoing programmes in the region, particularly those focused on economic development, rural enterprise growth, and employment creation?</li> <li>7. How effectively did the project build partnerships and leverage existing networks of private sector, governmental, and non-governmental organisations to ensure cohesive efforts toward enterprise growth and self-employment in rural areas?</li> <li>8. Were there any coordination challenges between the AP Asia project and other initiatives in the region? If so, how were these challenges addressed to maintain coherence across the different programmes?</li> <li>9. How does the project align with broader international initiatives or policies?</li> <li>10. What measures were taken to avoid overlap or duplication with other projects in the same sector?</li> <li>11. How effectively has the EU’s role and contribution been communicated to stakeholders associated with the action?</li> </ol>		
<b>Methods:</b>		
Stakeholder Mapping: We mapped related projects and initiatives, including government policies, regional trade programmes, and donor-funded projects, to evaluate how the AP Asia project aligns with broader development goals.	Document and Policy Review: We reviewed national and regional strategies, trade policies to assess how well the project complements and enhances existing frameworks, particularly in economic integration, gender equality, and youth employment.	Theory of Change Analysis: We examined the project’s result framework, ToC to ensure that the intended outcomes logically connect to the activities and outputs, and assumption for each result hierarchy are valid to ensuring internal coherence.

## Effectiveness

**Objective:** To evaluate the extent to which the AP Asia project achieved its intended objectives, such as job creation, enterprise growth, trade facilitation, and promoting gender equality and youth inclusion.

Recognising the complex operating environments across the four countries, the evaluation primarily adopted a contribution analysis approach. Rather than seeking strict attribution, we assessed the extent to which AP Asia’s interventions plausibly contributed to observed changes in beneficiaries’ economic status, enterprise growth, and regional trade facilitation, triangulating data from the project’s administrative data, key stakeholder interviews, focus group discussions and in-depth interviews with project supported entrepreneurs.

### Evaluation Questions

1. To what extent did the programme achieve its outputs, outcomes, and goals?
2. Did the project’s interventions lead to significant changes in the economic status of the target beneficiaries, particularly women and youth in rural areas? Were there observable improvements in income, employment, or enterprise growth?
3. To what extent did the project’s interventions, such as business training, mentorship, and financial support, directly contribute to the growth of women-led and youth-led ventures? Were these interventions effective in overcoming barriers to economic participation for these groups?

### Methods:

<p>Comparative Analysis: We analysed baseline and endline, year wise target achievement data from the project’s MIS to assess progress on key indicators, and on Life of Project (LoP) targets, for example growth of supported enterprises, improved capacity of supported enterprises to move to the next stage, jobs generated, and the inclusion of women and youth. The evaluation also explored differential effectiveness by country context, gender, and enterprise stage.</p>	<p>Key informant interviews (KIIs) and in-depth interviews: We conducted interviews with project managers, partners, and project supported enterprises to gather qualitative insights on key outcomes, such as job creation, enterprise growth, and trade facilitation, with a focus on regional economic growth and inclusion.</p>	<p>Focus Group Discussions (FGDs): We engaged with enterprise owners, employees, and women and youth entrepreneurs to gather their experiences and assess the project’s impact on their livelihoods, economic opportunities, and promoting the culture of entrepreneurship as a viable career option.</p>
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## Efficiency

**Objective:** To assess how effectively the project utilised resources (financial, human, and time) to achieve its intended results, including how adaptive management responded to external shocks such as COVID-19.

### Evaluation Questions:

1. To what extent did the AP Asia project effectively utilise its financial and human resources to achieve its objectives of enterprise growth, employment creation, and trade facilitation in rural areas? Were the resources allocated appropriately across the four target countries (Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan)?
2. How cost-effective were the project’s interventions in achieving the desired outcomes, such as increased enterprise growth, self-employment opportunities, and enhanced trade? Did the outcomes justify the financial and human resources invested in the project?
3. Were there opportunities for cost-saving without compromising the quality or effectiveness of the project’s outcomes? Were there alternative approaches that could have delivered similar results at a reduced cost?

4. How timely and efficient were fund flows and how successfully did AP Asia adapt to external shocks like COVID-19 to sustain progress towards its targets across different country contexts??		
<b>Methods</b>		
Financial Review: We analysed financial reports and expenditure records to evaluate cost-effectiveness and resource allocation across major programme components (e.g., incubation, acceleration, financing). Where feasible, we examined unit costs — such as cost per SME supported — to allow indicative comparisons of cost-efficiency across interventions and countries.	Partner Interviews: We discussed with implementing partners and beneficiaries to evaluate the adequacy of resources and the timeliness of project activities.	Process Mapping: We mapped the workflows used during project implementation to identify bottlenecks or delays, including those caused by COVID-19 or financial constraints, and assess their impact on efficiency.

## Impact

<b>Objective:</b> To assess the broader and long-term effects of the project on the target communities, focusing on economic empowerment, job creation, regional integration, and outcomes related to gender and youth inclusion.		
<b>Evaluation Questions</b>		
<ol style="list-style-type: none"> <li>1. To what extent has the AP Asia project influenced broader policy or systemic changes, particularly in relation to rural economic growth, enterprise development, and gender equality in the target regions?</li> <li>2. What were the positive and negative, intended, and unintended, changes brought about by the AP Asia project? How did these changes impact the target beneficiaries, including women, youth, and rural communities in the four countries (Pakistan, Afghanistan, Kyrgyzstan, Tajikistan)?</li> <li>3. Did the AP Asia project contribute to systemic changes in the entrepreneurial ecosystem within the target countries, such as improved market access, enhanced business networks, or increased support for start-ups and small and growing businesses (SGBs)?</li> <li>4. What unforeseen positive or negative consequences (if any) have resulted from the project's interventions? How have these impacts influenced the local economic, social, or environmental conditions in the target regions?</li> </ol>		
<b>Methods:</b> The assessment adopted a contribution-based lens, focusing on how AP Asia plausibly influenced observed changes in business performance, employment generation, regional integration, and gender and youth inclusion outcomes. Given the absence of a control group, the complexity of the operating environments, and the influence of external factors, this evaluation cannot establish a counterfactual scenario or directly attribute impacts to the project. Instead, findings are based on triangulation of quantitative and qualitative evidence to assess the programme's contribution to observed results.		
Key Informant Interviews: We evaluate the project's lasting impact on businesses and beneficiaries, focusing on job sustainability, survival of business, and impact on gender roles, and the development of regional trade networks.	Impact Case Studies: We conducted in-depth interviews of women-led and youth-led enterprises to explore how the project influenced their entrepreneurial journeys and socio-economic status of women.	FGDs and Stakeholder Discussions: We conducted FGDs with women and youth entrepreneurs to collect qualitative data on the broader socio-economic impacts, including livelihood, entrepreneurial ecosystem, youth and women empowerment. Additionally, interviews with stakeholders provided insights into the project's regional impact.

## Sustainability

<p><b>Objective:</b> To evaluate the sustainability of the project’s outcomes, including the long-term viability of supported enterprises, ongoing job creation, cross-border trade practices, and the financial and institutional systems supporting them.</p>			
<p><b>Evaluation Questions</b></p> <ol style="list-style-type: none"> <li>1. To what extent are the benefits of the AP Asia project, such as enterprise growth, self-employment, and increased trade, likely to be sustained beyond the project’s completion? What factors may influence the sustainability of these benefits?</li> <li>2. Have the project’s interventions, such as training, capacity building, and business development services, effectively equipped women, youth, and rural entrepreneurs with the necessary skills, knowledge, and resources to continue growing their businesses independently, without external support?</li> <li>3. What mechanisms have been established (e.g., partnerships, business networks, access to finance, market linkages) to ensure the ongoing success and scalability of the enterprises supported by the project? Are these mechanisms likely to be sustainable over time?</li> <li>4. To what extent has the project fostered local ownership and strengthened the capacity of key stakeholders (e.g., local governments, business associations, educational institutions) to sustain and build upon the project’s impacts, particularly in promoting economic well-being and enterprise development in rural areas?</li> <li>5. How well-equipped are local institutions to maintain, expand, and scale the project’s impacts? Are there any gaps in their capacity that could limit the long-term sustainability of the project’s results?</li> </ol>			
<p><b>Methods:</b></p>			
<p>Interviews: We interviewed business owners and stakeholders to assess the financial and operational sustainability of supported enterprises, focusing on profitability and ongoing trade relationships.</p>	<p>Exit Strategy Review: We reviewed the project’s exit strategy and closing processes to determine whether sustainable support structures, such as business networks, mentoring, and financing, have been established. The AP’s overall approach is reviewed to assess the sustainability of project benefits beyond the life of the project.</p>	<p>Partner Discussions: We engaged with local partners, including financial institutions, business service providers, representatives of AP, and government representatives, to explore their plans for continuing support for enterprises and sustaining the project’s benefits.</p>	<p>Field Observations: During visits to selected enterprises, we assessed their ongoing operations, green practices, innovation, and adaptation to market changes.</p>

### 5.1. Data Collection Methods and Tools

**Desk Review:** During the inception phase, the AP Asia Project Management Unit (PMU) team provided the following documents: the Project Proposal Document, Logframe, Annual Interim Reports (Years 1–4), Gender Strategy, M&E Plan, and Exit and Sustainability Strategy, and last audited budget and expenditure data. An initial review of these documents informed the preparation of the inception report and served as a foundation for refining the evaluation framework and designing data collection tools, such as FGDs, KIIs, and surveys.

In the analysis and synthesis phase, the desk review focused on extracting secondary data from these documents and other project-related documents to evaluate the coherence, relevance, effectiveness,

efficiency, impact, and sustainability of the AP Asia project. It also played a crucial role in triangulating findings from primary data sources (e.g., FGDs, KIIs, and IDIs) and in strengthening the evidence base for the evaluation recommendations. For the in-depth desk review we focused on the following Key Questions:

Type of Documents	Key Questions
Project design and implementation documents	What were the original objectives and key indicators of success for the AP Asia project? How well have these been achieved?
	Are there any mid-term evaluations or progress reports that provide insight into the project's progress? What do these reports indicate about challenges and successes?
	How were the project's resources allocated, and does the project financial reporting align with actual expenditures?
	Are there any indications of sustainability plan for the project's interventions after its completion? What strategies have been proposed for post-project sustainability?
Project M&E documents	What monitoring tools and methods were used to track progress during the project? How consistent was the data collection process?
	What data points and indicators were most frequently tracked, and how did these inform project decision-making?
	How effective were the M&E systems in tracking gender and youth inclusion outcomes?
Regional/National Policy Documents	How does the AP Asia project align with national/regional development goals or priorities, particularly in terms of trade, economic empowerment, gender equality, and youth employment?
	Are there any complementary initiatives or programmes that are linked with the AP Asia project? How have these synergies been leveraged?

**Qualitative Data Collection:** Qualitative data were collected across Afghanistan, Kyrgyzstan, Pakistan, and Tajikistan through Key Informant Interviews (KIIs), Focus Group Discussions (FGDs), and In-Depth Interviews (IDIs). A purposive sampling strategy was used across all tools to ensure representation from key stakeholders and diverse beneficiary groups, including women, youth, and enterprises at different stages of development. All engagements followed a semi-structured approach with core thematic guides, allowing flexibility to probe deeper based on participant experiences.

Prior to each interview or discussion, participants were informed about the evaluation's purpose, the voluntary nature of their participation, confidentiality, and the intended use of the information. Informed consent was obtained, and responses were anonymised. In total, 28 KIIs, 20 FGDs, and 43 IDIs were conducted, providing a robust evidence base for triangulating findings. Details of each tool used is presented below:

**Key Informant Interviews (KIIs):** We conducted semi-structured interviews with key stakeholders, including AP Asia PMU team, project staff, government officials, and representatives of partner financial institutions across all four countries, as well as representatives of the European Union Delegation (EUD) in Pakistan and Afghanistan. A total of 28 KIIs were carried out across the four countries: 6 in Afghanistan, 5 in Kyrgyzstan, 11 in Pakistan, and 6 in Tajikistan.

Respondents were selected using a purposive sampling strategy, targeting individuals directly involved in project design, implementation, or oversight, as well as policy-level stakeholders capable of providing informed perspectives on the alignment of the project with national and regional priorities. The selection process ensured representation across project management, implementing partners, policymakers, and financial sector actors to triangulate insights from multiple dimensions of the programme.

All interviews followed a semi-structured format, using predefined thematic questions while allowing flexibility to probe specific areas in greater depth according to the expertise and experiences of each respondent. Interviews were conducted either face-to-face or virtually, depending on the availability of participants.

Prior to each interview, respondents were informed about the purpose of the evaluation, the voluntary nature of their participation, the confidentiality of their responses, and the intended use of the information collected. Informed consent was obtained verbally and interview responses audio recorded with the consent of the participants.

These interviews provided in-depth perspectives on key evaluation areas, including project performance, relevance to national and regional priorities, and potential for sustainability. The KII tools are included in **Annex - 2**, and the key themes and questions are summarised below:

Key Themes	Key Questions
Policy Alignment and Coordination	How well does the project align with national policies, and is there effective coordination with other initiatives?
	How does this project align with national or regional goals for social inclusion and economic development, particularly regarding youth and women?
Effectiveness in Meeting Objectives	What observed outcomes can be identified, and what specific successes or challenges have emerged, and how were they dealt with?
	What indicators are used to assess the project's impact on youth and women's employment, and how do you measure the success of new and expanded enterprises?
Sustainability and Local Ownership	What concrete efforts are being made to build local capacity and ownership for sustained impact?
	What challenges hinder youth and women from participating in economic opportunities, and how did the project address these barriers?
Overall Impact on Social Inclusion	In what ways has the project contributed to the creation of employment opportunities for youth and women?
	Can you provide specific examples of how the project has fostered social inclusion?
Overall Impact on Economic Development	How has the project contributed to the creation of new enterprises and the expansion of existing ones?
	What is the project's role in enhancing the overall enterprise ecosystem in the region?
Lessons Learned and Recommendations	What are the key lessons learned from the implementation of the project, and how can these lessons be incorporated into future programmes?
	What are the next steps to enhance the project's contributions to social inclusion and economic development?

**Focus Group Discussions (FGDs):** We conducted 20 Focus Group Discussions (FGDs) across the four target countries to gather feedback from male and female youth and adults regarding the project's perceived impact on their communities. A total of 6 FGDs were conducted in Afghanistan, 4 in Kyrgyzstan, 4 in Pakistan, and 6 in Tajikistan, with each session involving 6 to 10 participants.

Participants were selected using a purposive sampling strategy, ensuring representation across key beneficiary groups. Participants included individuals from the Pre-Incubation/Ideation, Incubation, and Acceleration cohorts supported by the project, as well as youth (both male and female) and adult (both male and female) members. This approach ensured diversity in experiences, capturing perspectives from different stages of enterprise development and different demographic and socio-economic groups.

FGDs were guided by a semi-structured discussion guide aligned with the evaluation framework. While a core set of questions was used across all groups to ensure consistency, facilitators allowed flexibility to probe deeper into emerging themes based on participant responses. FGDs were conducted either face-to-face or virtually, depending on the availability and accessibility of participants to participate in the discussions.

Before each discussion, participants were informed about the evaluation's purpose, the voluntary nature of their participation, confidentiality measures, and the intended use of the information collected. Informed consent was obtained from all participants. The FGD discussion were audio recorded where participants gave their consent to record.

The FGDs provided a platform for collective feedback and shared insights among beneficiaries and community members, focusing on the contextual relevance of project interventions, the perceived benefits and challenges, and the prospects for long-term sustainability. The FGD guides are presented in **Annex – 3**, and the key themes and questions are summarised below:

Key Themes	Key Questions
Alignment with Community Needs	Do participants believe the project addresses the most pressing needs of the community?
	How has the project created job opportunities for youth and women in your community?
Observed Benefits	Have they experienced tangible benefits in terms of economic stability, social structures, or enterprise growth?
	Can you provide examples of individuals who have benefited from these opportunities?
Overall Impact on Social Inclusion	How has the project impacted social inclusion within your community?
	Are there specific changes in attitudes or behaviours towards youth and women because of the project?
Overall Impact on Economic Development	In what ways do participants perceive the project has contributed to the creation of new enterprises or the expansion of existing ones?
	What feedback does participants have about the overall health of the enterprise ecosystem in the region?
Long-Term Sustainability	How likely do they think the project's benefits will continue after funding ends?
	What do you foresee as the long-term effects of the project on social inclusion and economic development?

**In-depth Interviews (IDIs):** We conducted 43 In-Depth Interviews (IDIs) across the four target countries to gather detailed, individual-level perspectives on the AP Asia project's outcomes, focusing on enterprise growth, financial sustainability, market access, gender and youth empowerment, and prospects for long-term success. A total of 11 IDIs were conducted in Afghanistan, 11 in Kyrgyzstan, 9 in Pakistan, and 12 in Tajikistan.

IDIs were conducted with beneficiaries from the Executive Entrepreneurship Training cohorts and enterprises that received financial support for start-ups and SMEs, including both male and female entrepreneurs and both youth and adult participants.

Efforts were also made to gather information through interviews from non-beneficiaries, including enterprises that dropped out at any stage of business training or financing process. For these respondents, the primary objective was to understand the reasons behind their decision not to participate fully or to withdraw, whether they accessed alternative support mechanisms, and how their entrepreneurial journey evolved independently. However, relatively few non-beneficiaries agreed to participate.

IDIs were conducted using a semi-structured interview guide (see **Annex – 4**) to ensure consistent coverage of the core thematic areas while allowing flexibility to probe deeper into issues specific to each respondent's context. Interviews were held either face-to-face or virtually, depending on local conditions and accessibility.

Participants were informed about the purpose of the evaluation, the voluntary nature of participation, confidentiality protocols, and the intended use of their responses. Informed consent was obtained verbally or in writing. All data were anonymised to protect participant identities in accordance with EU evaluation ethical standards.

The IDIs provided valuable insights into both the successes and the challenges of enterprise support under the AP Asia project, highlighting not only the programme's impact but also the barriers that limited full engagement for some participants.

The IDIs explored the following key dimensions, structured to capture rich narratives from the IDI participants:

Key Themes	Key Questions
Enterprise Background and Motivation	Can you briefly describe your enterprise, including your products/services, target market, and motivation for starting your business?
Engagement with the AP Asia Project	How did you first get involved with the project?
	What type of support (training, financial, networking) did you receive?
Impact of Project Support on Enterprise Growth	How did the project's support influence your enterprise's operations, productivity, profitability, or innovation?
	Were there any improvements in customer base, market access, or financial management?
Access to Markets and Finance	Did the project help you access new buyers, suppliers, distributors, or financial services?
	What partnerships or opportunities resulted from the project?
Gender and Youth Inclusion	How did the project promote the role of women or youth in your enterprise?
	Were there any specific barriers overcome through project support?
Sustainability and Long-Term Prospects	What strategies or mechanisms do you have in place to ensure your enterprise's sustainability post-project?
	What challenges remain?
Non-Beneficiaries/Dropouts (Special Focus)	Why did you decide not to continue participating in the project or opt out?
	Did you seek or receive support from other programmes or institutions?
	How has your entrepreneurship journey continued independently?
Lessons Learned and Recommendations	What worked well, and what could have been improved?
	What advice would you offer for future projects supporting entrepreneurs like yourself?

Table 1 presents a summary of the data collection activities across the four target countries for this evaluation.

*Table 1: Country and tolls wise distribution of qualitative sample*

Training Type	Country-wise number of FGDs, IDIs, and KIIs				
	Afghanistan	Kyrgyzstan	Pakistan	Tajikistan	Total
FGDs	6	4	4	6	20
IDIs	11	11	9	12	43
KIIs	6	5	11	6	28
<b>Total events</b>	<b>23</b>	<b>20</b>	<b>24</b>	<b>24</b>	<b>91</b>

## 6. Analysis and Findings

### 6.1. Relevance

This section assesses the relevance of the AP Asia project at both the design and implementation stages. The evaluation examined the extent to which the project's objectives initially aligned with stakeholder needs, national priorities, and broader development frameworks, and how this alignment was revalidated throughout implementation. Particular attention was given to the project's adaptability to evolving socio-economic and political conditions, especially in fragile contexts such as Afghanistan. Below are the definitions that guided the evaluation framework and provided the basis for assessing the alignment of the project's objectives with stakeholder needs and wider development priorities.

**EU Evaluation Methods, Vol. 1:** Relevance refers to the extent to which the objectives of a development intervention align with beneficiaries' needs, national priorities, global goals, and the policies of partners and the European Commission (EC).

**OECD-DAC Glossary of Terms:** Relevance is defined as the degree to which a development intervention's objectives correspond to beneficiaries' needs, country priorities, global goals, and donor policies. Retrospectively, relevance also considers whether the intervention's objectives or design remain appropriate in response to changing circumstances.

### Alignment with National Development Challenges, Strategies, and Policies

**Evaluation Question:** Do the project's objectives and expected outcomes effectively align with the economic priorities and needs of its target groups—women, youth, rural communities, and SMEs—while also reflecting local development policies?

The *Accelerate Prosperity in Central and South Asia (AP Asia)* project is strategically aligned with the national development strategies of Afghanistan, Pakistan, Kyrgyzstan, and Tajikistan, focusing on promoting rural economic growth, enterprise development, and gender equality. The project directly supports national economic priorities by addressing barriers to SME growth, youth unemployment, and gender disparities in entrepreneurship.

**SME Development and National Policies:** In Pakistan, the government's National SME Policy 2021-2025 aims to create a conducive environment for SMEs, focusing on simplified regulatory frameworks, increased financing, and infrastructure development (Government of Pakistan, 2023). SMEs account for 99% of all businesses in the country, contributing 40% to GDP and 25% to exports (SMEDA, 2023). The government has introduced collateral-free SME loans up to Rs 10 million and a tax relief framework for women-led businesses, encouraging female entrepreneurship (State Bank of Pakistan, 2023).

Similarly, Kyrgyzstan and Tajikistan have national SME development programmes embedded in their long-term economic growth strategies. Kyrgyzstan's National Development Strategy (2018-2040) identifies SMEs and digital entrepreneurship as drivers of economic diversification (Government of Kyrgyzstan, 2023). A new E-Commerce Development Programme (2023-2026) was launched to boost exports and financial access for small businesses (ADB, 2023). Tajikistan's National Development Strategy (2016-2030) prioritises private-sector job creation and SME financing reforms, aiming to increase the contribution of SMEs to GDP through business incubation and investment incentives (World Bank, 2023).

In Afghanistan, SME development faces extreme challenges due to political instability and financial sector disruptions. Prior to 2021, SMEs contributed 50% of GDP and employed 75% of the workforce (World Bank, 2021). However, the collapse of the banking system, restrictive policies on women, and a deteriorating business environment have severely impeded entrepreneurship (UNDP, 2023). The private sector remains deprived of meaningful access to financing, as commercial banks have stopped lending, and businesses struggle to access capital due to regulatory uncertainty (ADB, 2023).

**Challenges Facing Entrepreneurs and SMEs:** Despite these policy frameworks, entrepreneurs across these countries face systemic barriers, including:

- Underdeveloped financial markets – SMEs struggle to obtain credit due to high interest rates, strict collateral requirements, and lack of financial inclusion programmes (World Bank, 2023).
- Regulatory barriers and bureaucratic inefficiencies – Complex tax structures and inconsistent business regulations increase the cost of doing business, discouraging startup activity (ADB, 2023).

- Limited access to markets – Cross-border trade constraints, logistical bottlenecks, and currency volatility hinder the expansion of small businesses, especially in landlocked Tajikistan and Kyrgyzstan (UNDP, 2023).
- Shortage of entrepreneurial mentors and business development services – SMEs often lack access to technical support, digital literacy programmes, and innovation networks, preventing scalability (World Bank, 2023).

**Gender Disparities in Entrepreneurship and Employment:** The underrepresentation of women in business leadership and labour markets significantly impedes economic development across all four countries. Globally, women entrepreneurs face structural barriers, including cultural norms, mobility restrictions, limited financial access, and weaker business networks (UNDP, 2023). In Pakistan, only 1% of SMEs are owned by women, highlighting the stark gender gap in business participation (State Bank of Pakistan, 2023). In Tajikistan, only 33% of companies are female-owned, and just 9% are led by women, despite 45% of the workforce being female (World Bank, 2023).

In Kyrgyzstan, women constitute 43.1% of the workforce but hold only 28.6% of managerial positions, and earn only 75.1% of men’s wages, reflecting entrenched gender pay gaps (ADB, 2023). Moreover, unclear business laws regarding female entrepreneurship prevent many women from accessing SME tax benefits or credit programmes (UNDP, 2023).

The situation in Afghanistan is particularly dire. Women’s labour force participation has plummeted to just 5% in 2023, following the Taliban’s restrictions on female employment and business ownership (Financial Times, 2023). Approximately 73% of women entrepreneur’s report that they cannot travel to markets without a male escort, further limiting their ability to conduct business (UNDP, 2023).

**Youth Unemployment and Labor Market Integration:** Youth unemployment remains a critical challenge across the region. In 2023, youth unemployment remained a major challenge across South and Central Asia, with Tajikistan at 16.9% (ADB, 2023), Kyrgyzstan at 8.2% (World Bank, 2023), and Pakistan at 9.65%, where young women faced 22.5% unemployment compared to 9.4% for men (Pakistan Bureau of Statistics, 2023). Afghanistan recorded the highest rate at 18.08%, driven by political and economic instability (World Bank, 2023). These disparities highlight the urgent need for employment and entrepreneurship initiatives. With over 60% of the population under the age of 30, the region faces a serious employment crisis, particularly in Afghanistan and Tajikistan, where many young people seek work abroad due to limited opportunities at home (ADB, 2023). Governments have responded by introducing youth entrepreneurship programmes and vocational training initiatives, but job creation remains insufficient to meet the growing demand.

**The AP Asia Project’s Role in Addressing These Challenges:** The AP Asia project directly tackles these pressing economic challenges by:

- Providing targeted SME financing solutions – enabling women, youth, and small business owners to access credit, technical training, and business networks.
- Strengthening entrepreneurship ecosystems – supporting over 2,900 entrepreneurs, leading to the creation of 3,976 full-time equivalent jobs.
- Promoting gender-inclusive economic participation – Increasing female employment (32% of jobs created by the project) and offering mentorship and training programmes for women entrepreneurs.
- Fostering youth-led startups – With 55% of the new jobs created by AP Asia held by young people, the project is helping to reduce youth unemployment and support self-employment opportunities.
- Aligning with national SME development strategies – Supporting governments in enhancing business environments, improving financial inclusion, and promoting entrepreneurship-driven job creation.

### Local Conditions Integration in Project Planning and Implementation

Evaluation Question: Were local conditions—including livelihoods, capacities, and socio-economic challenges—thoroughly assessed and integrated into the planning and implementation of project interventions?

The AP Asia project is highly relevant in addressing the economic and entrepreneurial challenges faced by entrepreneurs across Afghanistan, Pakistan, Kyrgyzstan, and Tajikistan. By focusing on job creation, financial inclusion, and business development, the project aligns with the socio-economic needs of local communities. The project supported SMEs, youth entrepreneurs, and women-led businesses in overcoming barriers to market access, financing, and capacity building. However, while AP Asia successfully tailored interventions to local conditions, challenges remain in policy engagement, systemic gender barriers, and long-term sustainability in highly restrictive environments like Afghanistan.

The project demonstrated varying degrees of proactive planning and reactive adaptation in response to changing conditions. For example, the project quickly developed and launched initiatives like the Virtual Accelerate platform during the early phase of COVID-19 to maintain continuity through digital learning and remote business support. This reflected proactive adjustment to emerging needs. However, in fragile contexts such as Afghanistan, many adaptations were necessarily reactive, responding to sudden political changes, mobility restrictions, and collapse of financial systems. Overall, the project combined forward-looking innovations with responsive measures to evolving socio-economic and political realities.

In Afghanistan, the project successfully resonated with cultural values of community upliftment, with entrepreneurs expressing strong aspirations to create jobs and expand businesses. Many participants highlighted their commitment to generating employment opportunities and supporting education in their communities.

*"I would like to provide employment opportunities to at least more than a hundred people from my province and district so that they can earn a living."*

*"I want to support people from my region by giving them opportunities to study, as my region is very remote, and the people are poor and left behind."*

AP Asia addressed key gaps in financial literacy, business incubation, and market access, equipping entrepreneurs with the skills needed to scale. However, Afghanistan's political instability, restrictive policies on women, and the collapse of financial institutions limited the project's full impact. Women entrepreneurs faced severe regulatory constraints, including inability to register businesses, rent commercial spaces, or operate in public markets. One male entrepreneur participating in the study described these challenges:

*"I wanted one of the founders to be female, but currently, they are not allowing women to be listed on company licenses."*

While the project provided alternative pathways through digital learning and Islamic financing models such as Murabaha, the lack of policy engagement meant that systemic barriers like low level of literacy, access to internet and unavailability of diverse Islamic financing products and financial institutions remained unaddressed.

In Tajikistan, the project effectively tackled entrepreneurial barriers, particularly for women and youth, through business training, mentorship, and financial literacy programmes. Many women entrepreneurs initially lacked confidence and business knowledge due to limited mentorship and restrictive cultural norms. AP Asia helped bridge this gap by offering technical support and networking opportunities, leading to higher confidence and business success. One participant shared her experience:

*"For us as women, the first stage was quite difficult since there are not many female entrepreneurs in this space, and entrepreneurship is not always encouraged. Often, when deciding to start a business, I find myself asking: Will I succeed?"*

Youth migration due to unemployment remains a significant challenge, as many young people seek work opportunities abroad instead of investing in local enterprises. The project's entrepreneurship support programmes helped reduce dependency of the supported enterprises on external labour markets, but further

integration with national employment strategies could enhance retention of young talent. A participant highlighted the impact of training programmes:

*"These trainings were a turning point for us in developing and launching our business. They not only gave us the necessary knowledge but also gave us the confidence to start and grow our own business."*

In Kyrgyzstan, AP Asia responded well to financial transparency issues, bureaucratic hurdles, and lack of investor education by introducing financial literacy training, investment-readiness programmes, and access to affordable financing. Entrepreneurs reported difficulties in securing investment due to poor financial reporting and lack of business planning skills. AP Asia's capacity-building initiatives helped startups enhance credibility with investors, improving their growth potential. A participant explained:

*"One of the biggest challenges is the lack of a venture capital ecosystem. Investors here are more familiar with providing loans than making equity investments. I believe AP and similar programmes should focus on educating potential investors about venture capital through media and PR campaigns to help build a stronger startup ecosystem."*

However, the absence of a strong venture capital ecosystem remains a major challenge, and AP's efforts could be complemented by broader policy-level advocacy to develop a sustainable investment climate for startups.

In Pakistan, AP Asia leveraged its strong community engagement model to mobilise participants and align interventions with government economic strategies. The project successfully integrated with national youth employment programmes and business incubation centres, ensuring that young entrepreneurs received structured guidance and investment opportunities. Additionally, the project expanded into underserved regions, such as Gilgit-Baltistan and Chitral, and second-tier cities, where business potential is high but often overlooked. A participant from a remote area described the project's importance:

*"What's particularly frustrating is that while the government claims to want to focus on these areas, the reality is quite different. If NGOs and Organisations like AP step in and work in these regions, it could significantly impact the overall economy."*

However, brain drain remains a persistent issue, as many educated young people migrate to larger cities or abroad due to limited local opportunities. While the project encouraged entrepreneurship as an alternative career path, stronger policy integration with national labour market reforms could enhance its long-term impact. A participant emphasised the need for more local job opportunities:

*"Educated young people often feel compelled to leave their hometowns in search of better job opportunities in larger cities. In these regions, where Accelerate Prosperity operates, there are virtually no local companies, let alone multinational corporations, which can absorb these educated individuals."*

Overall, the AP Asia project successfully aligned with the economic priorities and challenges of its target countries, providing critical support for SME development, youth entrepreneurship, and women's financial inclusion. However, gaps in policy engagement, systemic financial barriers, and limited integration with national labour strategies highlight areas for improvement in ensuring long-term sustainability and impact.

### **Institutional Capacity of Implementing Partners**

**Evaluation Question:** Did the project team and local partners have the necessary expertise, staffing, and local knowledge to implement the project effectively and adjust to evolving community needs?

The AP Asia project leveraged a strong institutional foundation by partnering with established agencies within the Aga Khan Development Network (AKDN) and collaborating with academic and private sector entities. These partnerships provided deep regional expertise, long-standing networks, and a robust framework for business development interventions. However, gaps in financial inclusion partnerships, policy engagement, and gender-balanced staffing may constrained the project's ability to maximise outreach and long-term sustainability.

**Strength of Institutional Partnerships and Local Knowledge:** The project effectively utilised AKDN's extensive regional experience through partnerships with Aga Khan Foundation (AKF), Aga Khan Rural Support

Programme (AKRSP) in Pakistan, Mountain Societies Development Support Programme (MSDSP) in Kyrgyzstan and Tajikistan, and the University of Central Asia (UCA) in Kyrgyzstan. These institutions, with their long-standing presence on the ground and strong community outreach through existing programmes, played a crucial role in identifying and engaging potential entrepreneurs. They contributed critical local knowledge, networks, and technical expertise, enabling the project to tailor entrepreneurship training to the local contexts, accessing financial products, and integrate regional development priorities such as youth employment, women's economic participation, and SME growth.

Collaborations with executive education providers such as the Lahore University of Management Sciences (LUMS) in Pakistan and UCA in Kyrgyzstan helped enhance training programmes and technical mentorship. The project also engaged financial institutions (mainly AKDN affiliated) for entrepreneurial financing, offering SME-specific financial solutions. However, relying predominantly on AKDN-affiliated financial institutions limited access to broader financing networks within each country. Expanding partnerships with other national financial institutions, microfinance banks, and fintech companies could have broadened access to capital for entrepreneurs, particularly women and youth.

The absence of a strong policy advocacy component in the project design reduced the project's ability to influence regulatory reforms and financial policies that could have improved SME lending and financial inclusion for women-led enterprises. Without systemic financial and policy interventions, the scalability and sustainability of AP Asia's financial services remain constrained.

**Gender Representation and Staffing Gaps:** While the AP Asia project design demonstrated a strong commitment to gender inclusion by promoting women's and youth entrepreneurship, yet staffing gaps—particularly the limited representation of women in management and technical roles in Afghanistan and Tajikistan—may have constrained deeper engagement with women entrepreneurs. Limited female staff likely reduced access to gender-sensitive mentorship and trust-building with women participants. According to the project management to partially address this, the project outsourced some technical trainings to external institutions and consultants, bringing in gender-balanced trainers where needed. Country specific observations based on **Table 2** on staffing are present below:

- Afghanistan: The low female representation (11%) across all staffing levels, particularly in management (25%) and professional roles (7%), likely limited the project's ability to engage women entrepreneurs effectively. While the project introduced gender-segregated training and Islamic financing, the lack of women in decision-making roles may have restricted the customisation of interventions for female-led businesses.
- Pakistan: With 33% female participation and gender-balanced management (50%), Pakistan demonstrated stronger gender inclusion than Afghanistan but still lacked women in technical advisory roles. The presence of women mentors in some regions supported female entrepreneurs' access to leadership roles and decision-making platforms.
- Kyrgyzstan & Tajikistan: With higher female representation in professional roles (56% in Kyrgyzstan, 50% in Tajikistan), these countries may contribute to better engagement with women entrepreneurs. However, the complete absence of women in management in Tajikistan indicates a lack of leadership pathways for women in decision-making roles, potentially affecting gender-responsive policymaking within the project.

Despite regional variations, the overall workforce composition (31% female) reveals a gender gap in leadership and technical positions, limiting direct representation and mentorship opportunities for women entrepreneurs.

Table 2: Sex-Disaggregated Staffing Data for AP Asia Project Across Four Countries

Staff Category & Gender	Afghanistan	Pakistan	Kyrgyzstan	Tajikistan	All Countries
A. Management:					
Men	3	2	1	3	9
Women	1	2	4	0	7
Percent Women	25%	50%	80%	0%	44%
B. Professional:					
Men	14	8	4	4	30
Women	1	5	5	4	15
Percent Women	7%	38%	56%	50%	33%
Total Management & Professional Staff	19	17	14	11	61
Percent Women	11%	41%	64%	36%	36%
C. Support Staff:					
Men	0	4	1	4	9
Women	0	0	0	0	0
Total Staff:					
Men	17	14	6	11	48
Women	2	7	9	4	22
Percent Women	11%	33%	60%	27%	31%

Source: AP Asia Project Management Unit

Notes:

<sup>a</sup> The management category includes positions such as Managers and section heads

<sup>b</sup> Professional staff include technical staff at the PMU and in the field teams.

<sup>c</sup> Support staff include drivers, security guards and office support.

**Adaptability and Response to Community Needs:** The project team made the following adjustments in training models, financial services, and networking opportunities to align with country-specific socio-economic conditions.

- In Afghanistan, the team responded to mobility restrictions and security concerns by introducing Virtual Accelerate (VA), an online training platform, ensuring that entrepreneurs could continue business development support despite external challenges.

*"Despite political instability and economic constraints in Afghanistan, the project successfully adapted its approach by launching Virtual Accelerate (VA), an innovative online training platform."*

- In Tajikistan and Kyrgyzstan, the team tailored interventions to address high youth migration, ensuring that entrepreneurship training provided a viable alternative to external labour markets.

*"The AP Asia project's focus on entrepreneurship helps create business opportunities that address demand-side barriers while encouraging educated youth to remain in Tajikistan."*

- In Pakistan, the project leveraged government partnerships to integrate with youth employment programmes and business incubation centres, aligning with national priorities for job creation.

**Gaps in Policy Engagement for Financial Inclusion and SME Growth:** Despite the AP Asia project's strong institutional partnerships and technical expertise, the project's ability to influence broader regulatory frameworks for SME development and financial inclusion remained limited. This was primarily because the project's design, consistent with Accelerate Prosperity's broader operational approach, placed emphasis on direct enterprise support—such as incubation, acceleration, and financing— without a strong focus on systemic policy engagement. This strategic focus allowed AP Asia to rapidly deliver tailored support to entrepreneurs across diverse and often fragile contexts. However, it also meant that opportunities to address

structural barriers at the policy level, even in relatively stable environments, were not fully explored. In Afghanistan, the situation was further complicated by the 2021 regime change; engaging with the de facto authorities was neither feasible nor appropriate due to international donor guidance, effectively precluding any meaningful policy-level work on financial inclusion or enterprise development.

**Afghanistan:** Women remained unable to register businesses, rent commercial spaces, or operate independently despite AP Asia's efforts to support them through training and AP's financing models. Without policy space and advocacy to address these legal barriers, women's economic participation remained constrained. *"The overall business environment remains unfavourable for women, with growing concerns that continued restrictions will further limit opportunities."*

**Tajikistan and Kyrgyzstan:** Youth migration remains high, and while the project helped equip youth with entrepreneurial skills, a lack of integration with national employment strategies meant that broader labour market issues persisted.

**Pakistan:** The project successfully engaged with national startup incubators and financial institutions but did not directly influence policy reforms that could support women-led and youth-led businesses in scaling their ventures.

Without a dedicated policy engagement strategy, the project's impact on regulatory barriers and financial inclusion remained limited, affecting long-term sustainability for SMEs, women and young entrepreneurs.

### **Stakeholder Engagement**

*Evaluation Question: To what extent did key community stakeholders (e.g., women-led enterprises, youth groups, local business associations) actively participate in shaping and executing the project? Were their perspectives and feedback adequately integrated into the project design?*

The AP Asia project actively engaged a wide range of community stakeholders, including women-led enterprises, youth entrepreneurs, business associations, and Chambers of Commerce, throughout the implementation phase. These groups participated in business incubation and acceleration programmes, networking events, training activities, and market linkage initiatives, helping to strengthen the entrepreneurial ecosystem across the four target countries.

Stakeholder involvement was primarily focused on project implementation rather than co-creation during the design phase. The initial design was informed by AP's earlier experience in the region, partner consultations, and market analyses, with limited direct participation from community stakeholders in setting project priorities or structures. According to project staff during implementation, AP Asia introduced adaptive feedback mechanisms, such as post-training surveys, business advisory sessions, and focus group discussions. These feedback loops enabled the project to make mid-course adjustments—for example, adapting financial products for women-led enterprises, tailoring mentorship approaches to improve youth engagement and identify new sectors for entrepreneurship.

Government authorities participated primarily by attending events and knowledge-sharing platforms organised by AP Asia. Their involvement was largely ceremonial or supportive rather than operational or strategic. As discussed in the policy engagement section, the project did not pursue direct collaboration with government ministries to influence systemic reforms, focusing instead on strengthening entrepreneurial capacity at the enterprise level. This approach was consistent with AP Asia's project design and operational model, especially given the political sensitivities in contexts such as Afghanistan after the 2021 regime change.

Through its multi-level stakeholder consultation strategy, AP Asia contributed to fostering inclusive entrepreneurship ecosystems, even though broader systemic policy influence remained limited.

### **Addressing Gender-Specific Economic Barriers**

*Evaluation Question: How effectively did the project address gender-specific economic barriers and promote youth employment, while also adapting its strategies to changing needs over its 60-month implementation period?*

The AP Asia project made meaningful contributions to supporting women entrepreneurs by improving their access to training, financial resources, and mentorship. Women constituted 28% of total beneficiaries, and in highly restrictive contexts such as Afghanistan, 18% of supported businesses were women-led—an achievement that reflects both the project’s targeted efforts and the determination of women to overcome structural barriers.

Tailored interventions such as training in digital marketing, business registration, financial literacy, and access to startup capital helped many women build the skills, confidence, and networks needed to start and grow businesses. These efforts created real opportunities for women who might otherwise have remained excluded from the formal economy. In doing so, the project made a tangible difference in the lives of individual women and their families, particularly in fragile and underserved areas.

However, while AP Asia succeeded in supporting a substantial number of women-led enterprises, it could not address the broader, deeply entrenched challenges that continue to limit women’s full economic participation across the region. Legal, financial, and socio-cultural barriers—particularly in Afghanistan and rural parts of Pakistan and Tajikistan—remain significant. Restrictions on business registration, access to commercial spaces, and financial products, as well as persistent gender biases, hinder the scalability and sustainability of women-led enterprises. These systemic issues fall outside the scope of a single project and require sustained policy engagement and institutional reform.

The project also made commendable efforts to promote youth employment, surpassing job creation targets and ensuring that 55% of new FTE jobs benefited young people. Youth-focused initiatives such as incubation, investment readiness training, and startup financing helped many develop viable business models. Yet, challenges such as youth migration and limited integration with national labour market policies curtailed the long-term impact of these efforts.

Despite these constraints, AP Asia demonstrated adaptability through hybrid delivery models during COVID-19, expansion into underserved areas, and a focus on sustainability-oriented entrepreneurship. To build on these gains, future programmes must complement direct enterprise support with broader systemic interventions—particularly those aimed at removing gender-specific structural barriers and aligning efforts with national labour market strategies. Only then can initiatives such as AP Asia contribute to transformative and lasting empowerment for women and youth across the region.

### **Integration of Diversity, Equity, and Inclusion (DEI) Principles**

Evaluation Question: How well were diversity, equity, and inclusion principles incorporated into the project’s design, planning, and implementation processes?

The AP Asia project was designed with a strong emphasis on inclusion, aiming to ensure that at least 50% of participants were women and youth. To operationalise this commitment, the project implemented gender and youth quotas within its training and support programmes, helping to address systemic barriers that often limit the participation of these groups in entrepreneurship. By ensuring equitable access to technical and financial resources, the project provided women and young entrepreneurs with tailored training, mentorship, and support—laying the foundation for more inclusive economic participation.

In Afghanistan, where mobility restrictions and socio-cultural norms present additional challenges for women entrepreneurs, the project introduced specific interventions such as online business training and virtual mentoring. This approach allowed women to develop business skills, access financial literacy programmes, and participate in networking opportunities without facing physical and social constraints. By leveraging digital solutions and adaptive learning models, AP Asia successfully provided an inclusive platform for digitally literate women and youth to engage in entrepreneurship and economic development, reinforcing its commitment to diversity, equity, and inclusion (DEI) principles across all four target countries.

The AP Asia project incorporated Diversity, Equity, and Inclusion (DEI) principles into its design, planning, and implementation by prioritising gender inclusivity, youth empowerment, and outreach to marginalised communities. The project actively worked to ensure equitable access to entrepreneurial resources, financing,

and training for underrepresented groups, particularly women and youth. By the end of its implementation period, women employees made up 32% of the FTE jobs created under the project, while youth accounted for 55% of the FTE jobs created. Additionally, the project introduced gender-responsive training programmes, targeted mentorship, and financing mechanisms, demonstrating its commitment to DEI principles.

A key strength of the project's DEI approach was its adaptability to different socio-cultural and economic contexts across Afghanistan, Pakistan, Kyrgyzstan, and Tajikistan. The project implemented culturally appropriate solutions to increase participation from women and youth, such as gender-segregated training in Afghanistan, mentorship programmes for female entrepreneurs in Pakistan, and expanded access to financing for youth-led enterprises in Kyrgyzstan and Tajikistan. Special attention was given to reducing barriers for women entrepreneurs, particularly through financial literacy programmes, mentorship, and investment readiness training. Additionally, the project's efforts to promote inclusive financing, such as Islamic finance models in Afghanistan, demonstrated a contextually sensitive approach to addressing some of the systemic economic barriers that women in these region face.

While the AP Asia project achieved significant results in promoting high-growth enterprises, its design did not fully address the needs of small and traditional businesses in remote rural areas. This was by design: according to *AP's Investment Policy 2022*, the initiative prioritised businesses offering "highly value-adding, scalable, and technological solutions," particularly those with strong potential for market growth, value chain impact, and investment-readiness. The selection and financing criteria emphasised businesses with clear market niches, innovative products, scalable models, and the ability to attract co-financing<sup>1</sup>.

The AP Asia project achieved significant outcomes in supporting entrepreneurship across diverse sectors, with a particular emphasis on promoting innovative and growth-oriented businesses. While *AP's Investment Policy 2022* offers overall strategic guidance—encouraging support for scalable, high-value, and tech-enabled solutions—it does not define the scope of individual initiatives within AP. AP Asia's design was adapted to the contexts and priorities of the regions it operated in, which included both rural and urban entrepreneurial ecosystems.

In practice, the selection and financing approach in AP Asia balanced support for innovation and market growth with the realities of the enterprise landscape in target geographies. Among the 203 enterprises that received investment during the implementation of the project across the four countries, many were in sectors such as ICT and digital services (20%), fashion, apparel and crafts (11%), healthcare and allied services (10%), and ECD and education (7%), reflecting opportunities in emerging and growth sectors. At the same time, enterprises in more traditional rural sectors—such as livestock, aquaculture and apiculture (12%), and crops and horticulture (3%)—were also supported, albeit to a lesser extent.

This strategic orientation contributed to strengthening the entrepreneurial ecosystem in both peri-urban and some rural areas. However, enterprises in remote rural communities—often smaller in scale, informally structured, and less investment-ready—faced greater challenges in accessing support. Key informant interviews and focus group discussions indicated that some rural entrepreneurs encountered barriers in engaging with investment-oriented mechanisms, underscoring the need for differentiated approaches and complementary programming to better reach and serve these segments in the future.

Gaps in financial inclusion and policy engagement limited the full realisation of DEI objectives. While the project successfully provided training and funding for women and youth, it largely relied on AKDN-affiliated financial institutions, which restricted access to a wider range of financial services, including microfinance options for smaller businesses. Furthermore, systemic barriers such as restrictive gender policies in Afghanistan and a lack of formal employment integration for youth in Tajikistan and Kyrgyzstan could not be fully addressed without a strong policy advocacy component. Expanded financial partnerships, targeted engagement with policymakers to remove systemic legal and financial barriers and incorporate more

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<sup>1</sup> Investment Policy – Accelerate Prosperity 2022

inclusive business development models that serve both high-growth enterprises and small rural businesses remains untapped.

### **Adaptability to Changing Needs and External Factors**

**Evaluation Question:** How have shifting community needs and external factors influenced the project's relevance over time, and to what extent has the project adapted to these changes?

The AP Asia project has demonstrated relatively strong adaptability to evolving socio-economic and political conditions across Afghanistan, Pakistan, Kyrgyzstan, and Tajikistan. Over the years, the project has navigated external shocks, political instability, economic fluctuations, and the COVID-19 pandemic, continuously adjusting its strategies to remain relevant and impactful. Through hybrid training models, expanded financial support, targeted inclusivity efforts, and green business initiatives, AP Asia has sustained its mission of fostering entrepreneurship, job creation, and financial inclusion for women and youth. However, persistent structural barriers, particularly in Afghanistan and rural Tajikistan, as well as financial and infrastructure limitations, have continued to challenge the project's long-term sustainability.

**Adaptability to Economic and Political Shocks:** From its inception, the AP Asia Project has faced external challenges that required strategic adjustments. In 2020, the COVID-19 pandemic disrupted in-person training, delayed supply chain linkages, and hindered B2B networking. The project responded by pivoting to hybrid and online training models, ensuring continuity. Despite financial strain on businesses due to reduced demand, AP Asia exceeded its job creation targets, creating 489 jobs, including 191 for women and 79 for youth in the first year.

By 2021 and 2022, political instability in Afghanistan and border conflicts between Tajikistan and Kyrgyzstan posed additional barriers. The regime changes in Afghanistan in August 2021 severely impacted women's mobility and participation in business. AP Asia responded by engaging 314 women in entrepreneurship awareness activities and introducing tailored regional programmes to sustain operations. However, systemic policy restrictions on women's employment in Afghanistan and conservative socio-cultural norms in rural Tajikistan continued to limit female entrepreneurship.

Economic instability also influenced project implementation. Inflation, exchange rate fluctuations, and limited market linkages constrained business growth. Despite these hurdles, AP Asia continued to expand financing efforts, disbursing €1.3 million in 2023 and leveraging over €5 million in external investments, demonstrating its resilience in securing funding for entrepreneurs.

**Innovations in Programme Delivery to Meet Community Needs:** As the project evolved, it introduced innovative interventions to align with changing community needs. In Pakistan, the project expanded into Sindh and Khyber Pakhtunkhwa, introducing specialised business acceleration programmes like the Venture+ and launching incubation initiatives such as the Green Solutions Incubators to promote sustainable entrepreneurship and ensure alignment with global environmental priorities.

In Kyrgyzstan, recognising the need for youth-focused business models, AP Asia introduced tailored business acceleration programmes and cross-border trade facilitation. The SlingShot competition further strengthened regional networking and entrepreneurial exposure. However, a shortage of mentors and trainers remained a capacity gap, limiting knowledge transfer for emerging entrepreneurs.

To support businesses during the COVID-19 recovery phase, AP Asia provided hybrid learning opportunities and digital mentorship, helping enterprises maintain continuity. However, rural digital infrastructure limitations, particularly in Tajikistan and Afghanistan, restricted the scalability of these initiatives, highlighting a need for further investment in digital connectivity and virtual entrepreneurship support.

**Lessons:** Proactive adaptations, such as pivoting to hybrid learning and expanding into new regions, effectively maintained relevance and supported achievement of key targets like job creation and SME growth. However, reactive measures, particularly in response to Afghanistan's political changes, were less effective, as systemic barriers such as restrictions on women's economic participation could not be overcome without broader policy shifts. The project's experience with digital learning also revealed the critical need for early investment in rural digital infrastructure and mentor capacity building. Future programmes would benefit from proactively anticipating connectivity, inclusion, and institutional capacity gaps, embedding flexibility into their design to better withstand shocks and sustain impact across fragile and rural contexts.

**Enhancing Women and Youth Inclusion Amid Structural Barriers:** Women and youth have been a central focus of the AP Asia Project, with significant progress in job creation and entrepreneurial support. By end of the project, the project had created 3,976 full-time equivalent jobs, with 32% of those benefiting women and 55% benefiting youth. However, gender disparities in participation persisted, particularly in Afghanistan and rural Tajikistan.

Women's economic participation remained severely restricted in Afghanistan due to mobility bans and business ownership limitations. While AP Asia engaged women in entrepreneurship awareness activities, these efforts were constrained by systemic barriers. *"The overall business environment remains unfavourable for women, with growing concerns that continued restrictions will further limit opportunities."*

In Pakistan, gender-inclusive programmes were strengthened through women-led business incubators and mentorship programmes. Gender-balanced staffing (50% women in management) may have facilitated in better engagement with female entrepreneurs.

In Tajikistan and Kyrgyzstan, high youth migration rates remained a challenge, as many young professionals left for employment abroad. AP Asia introduced entrepreneurial training as an alternative to labour migration, but stronger integration with national employment strategies could have improved retention rates.

Despite these efforts, persistent economic and policy barriers continued to restrict full inclusivity. In Tajikistan and Afghanistan, socio-cultural factors limited women's participation in business and investment opportunities, while in Kyrgyzstan, access to venture capital remained a significant challenge.

### **Conclusions on Relevance**

1. The AP Asia project was well-conceived and aligned with national priorities and stakeholder needs at both design and implementation stages, effectively promoting scalable SME growth, youth employment, and women's entrepreneurship.
2. Proactive adaptations, such as the shift to hybrid learning and regional expansion, maintained relevance, while reactive adaptations, particularly to Afghanistan's political crisis, faced structural limitations.
3. The project's design, focusing on scalable enterprises, limited outreach to micro-entrepreneurs and informal businesses in remote rural areas.
4. Lack of a policy engagement component, especially where feasible, constrained the project's systemic impact on SME financing and women's financial inclusion.
5. Gender and youth inclusion were promoted, but staffing imbalances in fragile contexts and limited financial partner diversification reduced full inclusivity and sustainability.

### **Recommendations on Relevance**

1. **Expand Financing Models to Reach Rural and Traditional Entrepreneurs:** Develop tailored financial products for traditional, rural, and small-scale enterprises alongside high-growth startups. Explore partnerships with microfinance institutions, cooperatives, and local development banks to broaden financial access.
2. **Design Tiered Support Programmes for Diverse Enterprise Types:** Introduce differentiated enterprise development pathways — such as basic capacity-building for rural micro-businesses and advanced scaling support for startups — through partnerships with vocational institutes, women's cooperatives, and regional business associations.
3. **Incorporate Policy Engagement Where Feasible:** Without shifting AP's core enterprise focus, identify opportunities for policy engagement, such as advocating for credit guarantee schemes, reduced tax rates for women-led businesses, or streamlined SME registration processes — particularly in stable contexts like Pakistan, Kyrgyzstan and Tajikistan.
4. **Proactively Address Digital and Infrastructure Gaps:** Embed digital access strategies early in project design by collaborating with telecom operators, digital education providers, and rural connectivity initiatives. Strengthen digital training and infrastructure support to make hybrid models more inclusive.
5. **Strengthen Stakeholder Engagement in Early Project Design:** Integrate direct consultations with women, youth, and rural entrepreneurs during project inception to ensure that support packages reflect community-specific needs, thereby enhancing project ownership, uptake, and relevance.

## 6. Enhance Gender-Sensitive Staffing and Mentorship

- Proactively recruit more female staff in management and technical roles, particularly in fragile and conservative contexts.
- Establish structured mentorship networks linking experienced women entrepreneurs with emerging ones to build confidence, leadership, and business growth pathways.

### 6.2. Coherence

This section assesses the internal and external coherence of the AP Asia project, focusing on how well its design, implementation, and partnerships aligned with broader development policies, national strategies, and complementary initiatives. It evaluates both the project's internal and external coherence. To guide this assessment, the evaluation draws on established definitions of coherence from recognised sources, ensuring consistency with international evaluation standards:

- EU Evaluation Methods, Vol. 1: Coherence refers to the extent to which an intervention aligns with other policies and initiatives within a country, sector, or institution. It aims to minimise contradictions and build synergies, ensuring effective development cooperation. Policy Coherence for Development (PCD) is emphasised to integrate development objectives across different policy areas.
- OECD-DAC Glossary of Terms: Coherence examines whether an intervention is compatible with other initiatives in a country, sector, or institution. It considers both internal coherence (alignment within the intervention itself) and external coherence (alignment with other actors and policies in the same context).

#### **Internal Coherence - Project Design, Theory of Change and Logic Model**

Evaluation Question: To what extent does the AP Asia project's Theory of Change and Logic Model demonstrate strong internal coherence — both vertically and horizontally — to effectively support its objectives of promoting economic well-being and increasing employment opportunities for women and youth in rural areas?

This section focuses solely on the design of the AP Asia project, evaluating whether its Logic Model and Theory of Change (ToC) are structured in a way that effectively supports its objectives of promoting economic well-being and increasing employment opportunities for women and youth in rural areas.

The *Accelerate Prosperity in Central and South Asia (AP Asia)* project's Theory of Change (ToC), as presented in Section 3, was developed based on the project's Logical Framework (logframe) and Description of Action (DoA). The analysis examines the internal coherence of the project's strategic framework, the alignment between inputs, outputs, and expected outcomes (vertical logic), and the consistency and reinforcement across different intervention components (horizontal logic), while identifying potential gaps that could affect its long-term relevance and sustainability.

The project design reflects a clear and logical progression from inputs (capacity building, financing, and market linkages) to outputs (trained entrepreneurs, funded SMEs, and expanded trade opportunities), leading to expected outcomes such as increased SME sustainability, higher employment, and greater economic inclusion for women and youth. This vertical coherence is well-articulated in the Logframe, where specific inputs such as technical assistance, financing, and business development services are directly linked to measurable outputs and intermediate outcomes.

However, a key assumption underlying this vertical logic — that stable political and regulatory environments would enable smooth implementation across countries — proved optimistic, particularly after the regime

change in Afghanistan and border tensions between Tajikistan and Kyrgyzstan. These disruptions significantly challenged the expected smooth progression from business support to regional trade facilitation.

The design also integrates entrepreneurial support, financial interventions, and trade facilitation, making it a comprehensive model that targets multiple dimensions of SME development across rural and peri-urban contexts. The Logframe's outputs and outcome indicators are logically sequenced, providing a feasible pathway to achieving the project's overall objectives.

The inclusion of gender-sensitive interventions, such as targeted mentorship programmes, specialised credit schemes, and executive training for women and youth entrepreneurs, ensures that the project is well-aligned with its goal of inclusive economic growth. Gender and youth inclusion targets were embedded throughout the Logframe, demonstrating strong horizontal coherence by systematically reinforcing the project's focus on marginalised groups across all outputs and activities.

However, the assumption that digital delivery platforms like the Virtual Accelerate could effectively reach women and youth in remote, rural areas underestimated challenges related to internet access and digital literacy — particularly for female entrepreneurs in fragile environments like Afghanistan. While pivoting to virtual models was an adaptive response, this assumption about digital readiness affected inclusivity despite the strong design intention.

The project design combined capacity-building, financing, and market linkages, ensuring that entrepreneurs received holistic support rather than isolated interventions. This multi-faceted approach increases the likelihood of business sustainability, as beneficiaries gain both knowledge and access to capital while being connected to market opportunities:

- **Capacity Building:** The design included business development training, mentorship, and technical support, equipping entrepreneurs with practical skills for financial and operational management. The inclusion of Executive Entrepreneurship Training through institutions like the UCA and LUMS further strengthens the scalability potential of businesses. According to the Logframe, targets for basic training and acceleration training show an appropriate balance between early-stage and growth-stage enterprise development.
- **Financial Access:** The design incorporated seed funding, credit facilitation, and impact investment models, aiming to make financing accessible to SMEs that traditionally struggle to obtain formal credit. However, an implicit assumption — that local financial institutions would readily partner to extend financing to small, high-risk enterprises — proved challenging. In practice, AP Asia faced limitations due to partner banks' risk-averse lending practices, high interest rates and high collateral requirements, constraining financing outcomes despite the strong initial design.
- **Market Linkages:** The project facilitated B2B connections, regional trade opportunities, and supply chain linkages, enabling SMEs to scale beyond local markets. Indicators related to regional trade engagement and international buyer linkages highlight the ambition of AP Asia to extend market access. Nevertheless, the assumption that business-to-business networks alone could overcome trade regulatory barriers underestimated the entrenched nature of cross-border restrictions in Central and South Asia.

**Overestimated Feasibility of Regional Trade Facilitation:** While the project design included a regional trade component, it did not sufficiently account for the geopolitical complexities that impact cross-border trade. The assumption that private-sector networks alone could drive regional trade overlooked critical regulatory and policy-related barriers that affect market access. Political tensions between Afghanistan and

Pakistan, and Tajikistan and Kyrgyzstan, as well as inconsistent trade regulations, created structural obstacles that were not addressed in the project's design.

The logframe's regional trade target (25% SMEs engaged in cross-border trade) appears overly ambitious given these constraints. Without a policy advocacy component to complement business support, the feasibility of achieving substantial cross-border trade was limited.

Future project designs should incorporate proactive trade policy engagement strategies or concentrate trade facilitation efforts on regions where political and regulatory environments are more conducive to regional integration.

**Reliance on a Limited Financial Model for SME Support:** The financial design relied heavily on a small number of banks associated with the Aga Khan Development Network (AKDN) as primary lending partners, creating accessibility challenges for SMEs. Many entrepreneurs, particularly startups with high debt-to-equity ratios, were unable to secure funding due to conservative lending practices.

The Logframe indicators targeting SME access to finance assumed that risk capital would be readily available through financial partners. However, local banks' reluctance to extend credit to early-stage businesses exposed a gap in the financial ecosystem that the project design did not sufficiently mitigate through diversification of financial partnerships or by integrating alternative financing options such as microfinance institutions or impact investors.

While the adaptation to Islamic finance models such as Murabaha in Afghanistan shows some flexibility, the initial design underestimated the systemic financial barriers in fragile contexts, leading to slower disbursement and limited credit outreach.

**Lack of Systemic Policy Engagement for Long-Term Sustainability:** The project design primarily focused on direct business support but did not integrate a systemic policy engagement strategy to address regulatory and financial sector barriers. Although the ToC and Logframe mention ecosystem strengthening, they operationalised it largely through private-sector initiatives without activities aimed at systemic reform.

An underlying assumption — that improvements at the firm level would organically influence broader enabling environments — proved insufficient. Without mechanisms to address financial regulations, trade restrictions, and SME policy gaps, the sustainability of AP Asia's outcomes remains vulnerable to external constraints.

In conclusion, the AP Asia project logic demonstrate strong vertical and horizontal coherence in linking project activities to intended outcomes, particularly in enterprise development, financial access, and market linkages. However, several design assumptions — particularly around political stability, private sector responsiveness, financing availability, and trade facilitation — were over-optimistic, exposing structural vulnerabilities that impacted full realisation of the project's ambitious goals.

### **Achievability of Growth, Profitability, and Trade Targets**

**Evaluation Question: Were the growth and trade targets set by the project realistic and achievable within the socio-economic contexts of Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan?**

The AP Asia project significantly outperformed its job creation targets, generating 3,976 new full-time equivalent (FTE) jobs — more than the initial target of 3,000 FTE jobs. This achievement highlights the project's effectiveness in fostering entrepreneurship and supporting small and growing businesses across Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan. Despite political instability and economic constraints in Afghanistan, which posed major challenges to in-person capacity-building efforts, the project successfully adapted its approach by launching the Virtual Accelerate (VA) platform, an innovative online training platform that ensured continued access to business incubation and acceleration services.

In 2024, 67% of the AP Asia supported businesses reported profitability, reflecting strong financial resilience in challenging environments. While precise global benchmarks on SME profitability in fragile contexts are limited, evidence from the World Bank and IFC suggests that SME survival and consistent profitability rates are typically below 50% in such settings due to structural barriers like limited financing, regulatory challenges, and political instability (World Bank, 2022; IFC, 2021).<sup>2</sup> This result demonstrates that the project's financial targets were both ambitious and achievable. The strong financial performance indicates that participating enterprises are on a sustainable growth trajectory, reinforcing AP Asia's contribution to strengthening local economies and expanding employment opportunities in rural and underserved communities.

The AP Asia project aimed at supporting national and regional trade policies by enhancing SME trade readiness and strengthening cross-border business connections with a target of 25% supported business engage in cross border trade.

It provided market intelligence and facilitated networking opportunities to connect SMEs with potential foreign buyers and investors. Notably, the University of Central Asia's (UCA) School of Professional and Continuing Education (SPCE) and the Lahore University of Management Sciences (LUMS) conducted an entrepreneurship course for 117 entrepreneurs against the project target of 85 business owners from Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan, aiming to foster formal trade partnerships and joint ventures.

AP Afghanistan supported SMEs in participating in a seven-day trade exhibition in Kabul, while AP Tajikistan and AP Kyrgyzstan facilitated business engagement at events like the Sughd-2023 Economic Forum, enabling enterprises to secure international clients.

Despite these efforts the project did not achieve significant cross-border trade outcomes, as most supported businesses remained focused on domestic markets. The key reasons and challenges include but not limited to the following:

- The feasibility of regional trade among Afghanistan, Pakistan, Tajikistan, and Kyrgyzstan was not thoroughly assessed before inclusion in the project.
- There is political instability, regulatory constraints, and lack of institutional coordination among the targeted regional counties.
- The geo-political and economic conditions in the target counties, changed significantly during implementation.
- Regional trade relies heavily on state policies such as monetary regulations, foreign exchange policies, and trade agreements, which were not addressed in the project design.
- The project only focused on business-to-business (B2B) connections without engaging with government stakeholders, limiting its ability to overcome systemic trade barriers.
- Afghanistan's limited domestic market makes trade essential for economic survival, yet political instability and lack of government recognition restricted engagement.
- There is a general absence of quality assurance, certification, and export facilitation mechanisms in the targeted regional countries specifically in Afghanistan it is significant barriers for Afghan businesses to access regional and global markets.
- The project intended to promote trade synergies, but in practice, it functioned more as a set of separate country-level initiatives.
- The project did not include specific activities aimed at addressing trade challenges, such as harmonising trade policies, improving logistics, or simplifying export procedures.

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<sup>2</sup> World Bank (2022). *Small and Medium Enterprises (SMEs) Finance: Improving Access to Finance for SMEs in Fragile and Conflict-Affected Situations*.

IFC (2021). *The SME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets*.

- The current grouping of countries (Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan) may not be suitable for a regional trade programme due to complex political relations among them.

### **Alignment with National Development Strategies and Policies**

Evaluation Question: How well does the AP Asia project align with and support national development strategies and policies in Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan aimed at promoting rural economic growth, enterprise development, and gender equality?

The AP Asia project strategically aligned with each target country's development priorities, ensuring its support for enterprise growth, job creation, and economic collaboration complemented national initiatives. Its objectives – promoting rural entrepreneurship, SME growth, job creation, and women's economic inclusion – directly correspond to the governments' own strategies. This alignment was initially informed through policy mappings, needs assessments, and consultations with relevant ministries, chambers of commerce, and business associations. As national priorities evolved, AP Asia adapted its interventions – shifting to virtual platforms in Afghanistan post-2021, introducing green entrepreneurship initiatives in Pakistan and Kyrgyzstan, and contributing to SME regulatory discussions in Kyrgyzstan. Key examples include:

**Pakistan:** *Vision 2025* emphasises private-sector-led growth and job creation as essential for transforming Pakistan into a prosperous nation. AP Asia's focus on accelerating SMEs and startups aligns with this vision by nurturing competitive small businesses that drive employment. Moreover, Pakistan's national SME Policy 2021 identifies SMEs as pivotal for economic growth and poverty reduction, calling for a "hassle-free business environment" and support infrastructure for SMEs. AP Asia supports this by providing business incubation, financing, and mentorship to reduce barriers faced by entrepreneurs.

**Afghanistan:** The *Afghanistan National Development Framework (2016)* highlighted that SMEs deserve special attention as potential engines of job creation and economic growth. AP Asia's work in Afghanistan – though challenged by the country's evolving context – aligns with this framework by focusing on enterprise development and self-employment opportunities for youth and women, which the government had identified as crucial. By strengthening SMEs, the project contributes to Afghanistan's goal of broad-based growth even amid difficult conditions.

**Tajikistan:** The government's *National Development Strategy 2030* calls for robust support to SMEs to generate employment, especially for youth and women. AP Asia directly supports this priority. Its entrepreneurship programmes in Tajikistan target young and female business owners, equipping them with skills, finance, and market linkages. By doing so, AP Asia strengthens Tajikistan's aims of youth empowerment and gender equity in the economy. For example, women held over 46% of AP Asia-supported jobs in Tajikistan, highlighting the project's contributions to gender-inclusive growth.

**Kyrgyzstan:** The *Development Programme of the Kyrgyz Republic 2018–2022* commits to developing SMEs through business incubators including in regions and remote settlements. AP Asia strongly aligns with this rural focus. It established incubation and acceleration services that reach entrepreneurs in peripheral provinces of Kyrgyzstan, not just major cities. By extending enterprise support to remote and rural areas, the project advances Kyrgyzstan's policy of boosting regional SMEs. It also pays particular attention to youth and women's entrepreneurship in line with national objectives of inclusive growth.

**Rural Economic Growth and Gender Equality:** Across all four countries, AP Asia's strategy of fostering rural enterprise and women-led businesses is well-aligned with national policy emphases on rural development and gender equity. Government plans in Central and South Asia widely recognise that job creation in rural areas and inclusion of women in the economy is essential for stability and growth. By improving self-employment and SME growth in underserved regions, AP Asia supports these national priorities. For instance, Pakistan's strategy highlights increasing women's entrepreneurship as a way to unlock economic potential,

and AP Asia specifically targets 50% of its investments to women or youth-led businesses ([eeas.europa.eu](https://eeas.europa.eu)). Similarly, Tajikistan's and Kyrgyzstan's policies stress empowering women and youth in enterprise, which AP Asia operationalised through dedicated training cohorts and financing for female entrepreneurs in those countries. The project's objectives were thus coherent to country needs, reinforcing government efforts in rural economic growth, SME development, and gender-inclusive employment.

### **Coordination with and Complementarity to Other Donor-Funded Initiatives**

Evaluation Question: To what extent does the project coordinated with and complemented other donor-funded programmes and initiatives implemented by AKF, focusing on economic development, employment generation, and gender equity? Are there any overlaps or synergies?

**Synergy with AKF and Donor Programmes:** AP Asia implemented by the Aga Khan Foundation (AKF) and leveraged AKF's presence in each country to coordinate with other development initiatives. From the outset, the project planned to synergise with programmes of other donors and AKDN agencies to maximise collective impact. The Description of Action explicitly notes that AKF would coordinate this EU-funded action with interventions by KfW (German Development Bank), Japan International Cooperation Agency (JICA), Swedish International Development Agency (SIDA), United Nation Development Programme (UNDP), United State Agency of International Development (USAID), Foreign, Commonwealth and Development Office (FCDO), etc., including those where AKF itself is an implementing partner. This ensured AP Asia complemented ongoing projects in related fields (infrastructure, rural development, youth empowerment, etc.) by linking beneficiaries and avoiding redundancy. In practice, the AP Asia teams actively engaged in local donor coordination forums in all four countries, sharing plans and aligning activities with other stakeholders.

**Examples of Complementarity:** There were concrete synergies with parallel initiatives, many of them led by AKF or the Aga Khan Development Network:

In **Kyrgyzstan** and **Tajikistan**, AP Asia closely collaborated with the *Local Impact* project (an economic development programme jointly funded by USAID and AKF) and with *AWYGE* ("Accelerating Women, Youth, and Green Entrepreneurship," funded by UK's FCDO). The teams exchanged best practices and lessons learned, and even shared participant pipelines – for example, AP Asia encouraged entrepreneurs from *Local Impact* target areas to join its incubation cohorts, expanding outreach while avoiding duplication of efforts. This cross-project referral system created constructive collaboration: AP Asia could serve entrepreneurs identified by those related projects, thereby complementing them rather than competing. The collaboration also extended to co-organising events and jointly mentoring businesses, which amplified employment and enterprise outcomes beyond what each project could achieve alone.

In **Afghanistan**, the project implemented a coordination solution to address cultural and staffing constraints. Under the AP Asia project, Afghanistan lacked female staff after the regime change, which posed a challenge in running women-focused entrepreneurship cohorts. To bridge this gap, the project drew on female staff from the AKF-led *Local Impact* programme (USAID-funded) to help implement women-specific training and coaching. This ensured continuity of support for female entrepreneurs and demonstrated a strong complementarity between donor projects – effectively, one project's resources filled a gap in another. Such cooperation prevented any lapse in services for women and upheld gender equity goals despite a difficult context.

In **Pakistan**, AP Asia operated alongside various donor and government initiatives targeting SMEs (e.g. Karandaaz, USAID's Punjab Enabling Environment Project, etc.). While the project's primary collaboration channels were within AKDN's network, it also complemented the broader ecosystem by partnering with local institutions. For instance, AP Pakistan worked with the National University of Sciences and Technology (NUST) on a Certification in Sustainable Innovation programme at the National Science & Technology Park (NSTP). This partnership with a government-affiliated incubator complemented government efforts to promote tech entrepreneurship. AP Pakistan also engaged with chambers of commerce and provincial

authorities through policy workshops (such as a Gilgit-Baltistan innovation policy dialogue) to ensure its enterprise support activities were reinforcing, not duplicating, other economic development initiatives.

**Overlaps and Synergies:** Overall, AP Asia coordinated with other programmes through synergy rather than overlap, ensuring complementary efforts and resource efficiency. The project intentionally sought out partnerships with initiatives that had different core focuses (e.g. general rural development or infrastructure programmes) so that AP Asia could add value by injecting an enterprise development component. In cases where mandates did intersect (for example, multiple projects supporting entrepreneurship in the same region), AP Asia worked through joint forums and shared activities to complement one another. The project reported no significant conflicts or redundancies; instead, it built on previous donor projects, enhancing their impact. In Tajikistan, for example, AP Asia capitalised on the networks established by the earlier EU-funded SCORED project (focused on cross-border economic development in border provinces). While SCORED had targeted mostly male-led trading businesses in specific areas, AP Asia expanded the reach to all regions and prioritised engaging women and youth, thereby extending the impact to new groups rather than overlapping with the past project. This illustrates how AP Asia complemented and deepened existing development investments by the EU and others, rather than duplicating them.

#### **Alignment with Local and Regional Trade Policies / Cross-Border Trade Initiatives**

**Evaluation Question:** To what extent did the project support or align with local and regional trade policies or initiatives aimed at fostering cross-border trade and economic collaboration among enterprises in the target countries?

The AP Asia project largely aligned with national and regional trade policies aimed at fostering cross-border trade and economic collaboration among enterprises in the target countries by supporting SMEs in becoming “trade-ready” and fostering cross-border business linkages. The project educated entrepreneurs navigate export requirements such as product standards, packaging, and marketing, ensuring their businesses met international trade expectations. It also provided market intelligence and organised networking events where SMEs could connect with foreign buyers and investors. For example, the University of Central Asia’s School of Professional and Continuing Education (SPCE) delivered executive entrepreneurship training for 117 entrepreneurs from Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan, aimed at fostering formal partnerships and joint ventures. AP Afghanistan facilitated SME participation in a seven-day trade fair in Kabul, while AP Tajikistan and AP Kyrgyzstan brought their enterprises to forums like Sughd-2023 Economic Forum, where businesses secured international clients. These efforts complemented existing regional trade frameworks such as the Economic Cooperation Organisation (ECO) and Central Asia Regional Economic Cooperation (CAREC), supporting policies that promote trade in value-added sectors such as agribusiness, textiles, crafts, and tourism.

Despite these efforts, the project faced significant challenges in achieving any substantial cross-border trade outcomes. While the project successfully facilitated 43 entrepreneurs through multi-country networking and trade events, many businesses remained focused on domestic markets due to political instability, regulatory constraints, and lack of institutional coordination. The project design did not fully account for the complexities of regional trade policies, foreign exchange regulations, and export facilitation mechanisms, limiting its impact. As mentioned elsewhere in this document the initiative primarily focused on B2B connections without directly engaging with government stakeholders, making it difficult to address systemic trade barriers such as customs procedures, certification requirements, and trade agreements.

Geopolitical shifts and economic instability in the target countries further hindered regional trade efforts. Afghanistan’s political situation, for instance, restricted engagement and export potential, while broader trade facilitation mechanisms were absent across the region. The lack of a holistic trade strategy, including

harmonising policies, improving logistics, and simplifying export procedures, meant that the project often operated as separate country-level initiatives rather than an integrated regional programme. These factors significantly constrained its ability to create long-term and sustainable cross-border trade opportunities.

In conclusion, while AP Asia was coherent with regional trade policies and successfully supported some SMEs in cross-border trade, its overall impact remained limited by structural barriers, geopolitical instability, and an insufficiently integrated trade facilitation approach. Future programmes should ensure a more comprehensive strategy, including government engagement, regulatory reforms, and logistical improvements, to effectively operationalise regional trade policies and enhance economic collaboration across borders.

### **Avoidance of Conflicts or Contradictions with Other Programmes**

Evaluation Question: Does the project avoid conflicts or contradictions with other ongoing programmes in the region, particularly those focused on economic development, rural enterprise growth, and employment creation?

**Ensuring Coherence (No Conflicting Efforts):** The AP Asia project was mindful to avoid duplicating or contradicting other ongoing programmes in economic development, rural enterprise growth, and employment creation. In practice, the project reported no conflicts with other initiatives due to proactive coordination and a complementary design. As noted, AKF and AP Asia staff engaged regularly with other development actors through coordination forums and steering committees, which helped synchronise efforts. This approach ensured that AP Asia’s activities complemented and strengthened the broader development ecosystem in each country, rather than competing for resources or beneficiaries with existing projects. For example, in Pakistan and Tajikistan, AP Asia coordinated closely with government-run SME programmes and other accelerators (rather than operating in isolation) – by doing so, it reinforced those programmes’ objectives and filled gaps (such as providing risk capital or mentorship that some government schemes lacked), thereby avoiding any contradiction.

**Complementarity by Design:** The project design included a dedicated section on “complementarity with government and donor priorities,” emphasising its commitment to integrating into the development landscape. It explicitly identified areas where AP Asia would link with other initiatives (for instance, connecting rural infrastructure projects’ participants to AP’s entrepreneurship services) so that efforts were cohesive. Different projects often addressed various aspects of rural development – if another programme built physical infrastructure or conducted vocational training in a region, AP Asia could come in to support budding entrepreneurs in that same region, leveraging the improved infrastructure or skills base. This integration avoided contradictions; AP Asia did not work at cross-purposes with any programme but rather added an enterprise development layer that other programmes could benefit from. Indeed, the project considered lessons from past interventions, which helped it avoid known pitfalls and duplicative approaches.

**No Major Overlap Conflicts:** As AKF implemented AP Asia was in each country, it had visibility into AKF’s broader portfolio and those of other AKDN agencies, which reduced the risk of internal overlap. Where similar initiatives existed (like multiple entrepreneurship projects in the same province), the teams cooperated to differentiate their target groups or collaborate on joint events. The shared use of resources mentioned earlier (such as AP Afghanistan using Local Impact staff, or AP Tajikistan drawing candidates from AWYGE’s pool) exemplifies how the project avoided conflict – the project resolved potential competition for participants by sharing and coordination, not by working at odds. Moreover, the Project Steering Committee, which included representatives of the EU and AKF from all four countries, regularly reviewed AP Asia’s progress and its interaction with other programmes. This oversight mechanism provided a forum to identify and resolve any emerging issues of incoherence. During these meetings, AKDN and the EU evaluated coordination

mechanisms and made necessary course corrections to ensure effective collaboration and complementarity. Thanks to such measures, AP Asia maintained coherence with other ongoing initiatives. There were no contradictory activities undermining other projects; on the contrary, stakeholders often regarded AP Asia as a valuable collaborator that enhanced the overall impact on economic development in the region.

### **Partnerships and Networks Leveraged for Rural Enterprise Growth**

Evaluation Question: How effectively did the project build partnerships and leverage existing networks of private sector, governmental, and non-governmental organisations to ensure cohesive efforts toward enterprise growth and self-employment in rural areas?

**Multi-Sector Partnerships:** AP Asia was highly effective in building partnerships and leveraging existing networks across the private sector, government, and civil society to support enterprise growth. From inception, the project recognised that working with local partners was key to reaching entrepreneurs in rural communities and sustaining support services. As a result, AP Asia forged collaborations with a wide range of Organisations: universities, business associations, banks, government agencies, incubators/accelerators, and NGOs. These partnerships created a cohesive support network around the entrepreneurs and startups in the programme, aligning efforts toward the common goal of rural enterprise development and self-employment.

**Private Sector Partnerships:** The AP Asia project actively engaged private sector players – particularly investors, financial institutions, and successful entrepreneurs – to mentor and finance AP-supported businesses. For example, in Kyrgyzstan, AP partnered with the Kyrgyz Investment and Credit Bank (KICB) to provide concessional loans to graduating startups. This partnership enabled AP entrepreneurs to access much-needed financing on favourable terms, extending the impact of AP Asia’s own seed funding. AP Asia also organised events like pitch competitions and “Founder’s Circle” sessions where they invited investors (such as venture capital funds) to judge and invest in promising start-ups. In one regional startup competition, venture capital firms like Shorooq Partners and Foresight Group evaluated AP Asia entrepreneurs, resulting in a women-led Pakistani startup securing a \$100,000 investment deal. By tapping into such investor networks, AP Asia connected rural SMEs with growth capital and industry expertise that would otherwise be out of reach. Local chambers of commerce and business associations were also involved – for instance, AP Tajikistan worked with the National Association of Businesswomen of Tajikistan (NABWT) to reach female entrepreneurs, and AP Pakistan collaborated with the Pakistan Association of Tour Operators (PATO) to support tourism startups. These links to private-sector associations helped embed AP Asia’s entrepreneurs into broader business networks for continued market linkages and mentorship.

**Government and Public Institutions:** AP Asia built strong relationships with governmental bodies to ensure public-sector buy-in and to leverage government resources for enterprise development. In each country, the project co-hosted policy engagement events with government partners (such as federal/provincial commerce ministries, SME authorities, and local administrations).

In Tajikistan, for example, AP partnered with local government in Sughd province and GBAO (Gorno-Badakhshan) to organise high-profile forums like Sughd-2023 and Pamir-Invest 2023. At these forums, AP displayed its entrepreneurs’ products as models of success, which in turn helped attract government support for those businesses. Indeed, the active participation in such events led local authorities in Tajikistan to assist AP-supported entrepreneurs – for instance, the GBAO government, impressed by a greenhouse startup at the forum, offered AP entrepreneurs help with business registration and even allocation of land for expansion. This indicates AP Asia effectively enlisted government as a partner to extend benefits (like regulatory facilitation) to its beneficiaries.

In Pakistan, AP Asia's policy workshop in Gilgit-Baltistan brought together regional officials and regulators to discuss easing tech startup regulations. The outcome was a policy brief with recommendations for the government, showing AP's role in fostering a public-private dialogue that aligns with government efforts. AP Asia partnered with public universities and innovation hubs (e.g., NUST in Pakistan's capital and the National Science & Technology Park) to run joint programmes for entrepreneurs. These collaborations provided AP participants with access to government-supported incubator facilities, technical labs, and a larger pool of expertise, thereby knitting AP Asia's work into the fabric of national innovation ecosystems.

**AKDN and NGOs:** Being part of the Aga Khan Development Network, AP Asia leveraged the existing AKDN institutions and programmes in the region. A notable partnership was with the University of Central Asia (UCA)'s School of Professional and Continuing Education and Lahore University of Management Sciences (LUMS). Under AP Asia, UCA and LUMS delivered executive entrepreneurship training to 117 small business owners from Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan. This training emphasised forming cross-border business links and joint ventures, directly supporting AP Asia's objectives of network-building and market expansion. The partnership with UCA not only enhanced the skills of entrepreneurs but also integrated them into UCA's alumni network, which spans Central Asia and can provide ongoing support.

AP Asia also worked alongside other AKF-led projects (Local Impact, Accelerate Women and Youth programmes, etc.) and local NGOs to reach deep into rural communities. For example, in northern Pakistan and Afghanistan, AKF leveraged its longstanding relationships with community Organisations and rural support programmes to identify and recruit aspiring entrepreneurs. The project team in each country included or consulted MSDSP and AKRSP (the Mountain Societies and Aga Khan Rural Support Programmes), ensuring that AP Asia's enterprise interventions complemented broader rural development activities and tapped into community networks for outreach. This community-level partnership was crucial for engaging women in conservative rural areas – by working through trusted local organisations, AP Asia was able to enrol female entrepreneurs and gain family and community buy-in for their participation.

Overall, AP Asia created a web of partnerships that made its interventions more effective and far-reaching. By not working in isolation, the project ensured cohesive efforts: government agencies facilitated enabling conditions, private sector partners provided mentorship and markets, and NGOs/AKDN entities helped with grass-roots mobilisation. These partnerships promoted enterprise growth and self-employment in rural areas by coordinating financial, technical, and institutional support for entrepreneurs. The result was a stronger entrepreneurial ecosystem. Entrepreneurs supported by AP Asia benefited not only from the project's direct services but also from this extended network, leading to greater sustainability. Many AP graduates have continued to collaborate with these partners (e.g. maintaining mentor relationships or integrating into government programmes), indicating that the project successfully leveraged networks to set in motion long-term enterprise development beyond the life of the project.

### Addressing Coordination Challenges

Were there any coordination challenges between the AP Asia project and other initiatives in the region? If so, how were these challenges addressed to maintain coherence across the different programmes?

**Cross-Project Coordination Challenges:** Managing a multi-country initiative like AP Asia alongside various other programmes inevitably presented some coordination challenges, but the project team took steps to address them and maintain overall coherence. One challenge emerged in Afghanistan, where the rapidly changing context after 2021 (including regime change and new restrictions on women) affected project operations. AP Asia Afghanistan had to suspend its public-facing policy advocacy component due to the environment, and it faced the specific challenge of having no female staff to support women entrepreneurs. This could have hampered coordination with women-focused initiatives. AP Asia resolved it by coordinating

closely with the AKF team of the Local Impact project, sharing human resources. Enlisted female staff from Local Impact to help run women-only training cohorts under AP Asia. This solution required significant coordination between two project teams (scheduling, task-sharing, etc.), but it ensured that AP Asia's women entrepreneurs continued to receive support. This approach illustrates how flexibility and partnership transformed a coordination challenge—competition for staff—into successful collaboration.

Another challenge was geographical overlap and participant selection in areas where multiple projects operated. In Tajikistan and Kyrgyzstan, AP Asia, and initiatives like Local Impact and AWYGE targeted some of the same regions and beneficiary groups. Without coordination, this could have led to confusion or double counting (e.g., an entrepreneur approached by two projects, or some areas getting disproportionate attention). AP Asia addressed this challenge by establishing clear coordination with other projects on outreach. When one project identified a candidate better suited for another, they referred them accordingly. The project also organised joint outreach events to pool resources and maximise impact. The narrative reports indicate that regular exchanges of information and lessons occurred between AP Asia and these sister projects, which helped prevent any turf issues. By striving for transparency and open communication, the teams mitigated coordination issues and instead created synergies (as noted, sharing participants, and aligning training schedules).

**Maintaining Coherence Across Programmes:** Ensuring consistency and communication across four country components and with multiple donors required structured coordination. AP Asia benefited from a Project Steering Committee (PSC) mechanism that included EU Delegation representatives from each country and senior AKF staff. The PSC met regularly, both virtually and in person, to review progress in each country, share experiences, and address policy or operational misalignments. These meetings provided a platform to identify and resolve challenges in aligning AP Asia with other EU or AKF initiatives. For instance, the PSC assessed AP Asia's collaboration with previous EU projects in the same sector, ensuring it built on them rather than duplicating efforts. If they detected a lack of coherence, such as overlapping activities in a specific district, the PSC provided strategic guidance to realign efforts. This high-level oversight helped anticipate and swiftly correct coordination challenges, ensuring effective project implementation.

One notable logistical coordination challenge was the Tajikistan-Kyrgyzstan border tension in 2022–2023, which made cross-border travel difficult for joint activities. AP Asia had planned some regional exchanges (bringing entrepreneurs from different countries together). Due to visa and security issues, two Afghan participants could not get to an in-person training session in Kyrgyzstan. The programme swiftly adapted by shifting to a blended format – Tajik and Kyrgyz participants met in person, while Afghan participants joined virtually. This flexible solution preserved the regional character of the training despite geopolitical challenges. It required coordination between country teams to adjust curricula and technical arrangements, which they managed successfully. The project shared this lesson widely, implementing contingency plans such as the Virtual Accelerate (VA) platform, which enabled remote incubation content delivery. This approach addressed movement restrictions and ensured that all country teams remained aligned and coordinated.

In summary, while AP Asia navigated a complex web of partnerships and parallel initiatives, it effectively addressed coordination challenges through adaptive management and communication. The use of shared staff, joint planning of activities with other projects, and governance structures like the PSC helped maintain coherence. The project approached challenges as opportunities for collaborative problem-solving rather than setbacks. Whether dealing with security concerns, staffing issues, or overlapping targets, AP Asia consistently found solutions that maintained alignment and coherence with other regional initiatives. This adaptability ensured that its multi-country, multi-partner implementation remained unified and focused on achieving its goals.

## **Alignment with Broader International Initiatives and Policies**

Evaluation Question: How does the project align with broader international initiatives or policies?

**Sustainable Development Goals (SDGs):** The AP Asia project aligns strongly with global development agendas, notably the United Nations Sustainable Development Goals. Its primary objectives explicitly contribute to SDG 8 (Decent Work and Economic Growth). By fostering entrepreneurship, SME growth, and job creation, AP Asia contributes to sustained, inclusive economic growth and productive employment in these developing regions – the core of SDG 8. The project also makes a direct contribution to SDG 5 (Gender Equality). Its design targeted at least 50% women or youth-led businesses for support, and it implemented women-centric training and financing, thereby promoting women’s full participation in economic life. This is well-aligned with international commitments to women’s economic empowerment. AP Asia’s focus on youth entrepreneurship speaks to SDG targets on reducing youth unemployment. The Project’s Theory of Change integrated gender and youth considerations at every level, reflecting global best practices for inclusive development. By enhancing women’s access to finance and skills, the project catered to global priorities to close the gender gap in entrepreneurship. AP Asia’s objectives and results were consistent with beneficiaries’ needs and global priorities, fulfilling the OECD-DAC definition of relevance and coherence.

**EU Development Policies:** As an EU-funded initiative, AP Asia aligns with the European Union’s broader development and foreign policy objectives in Central and South Asia. The EU’s strategy for the region emphasises regional cooperation, economic connectivity, and empowering marginalised groups. AP Asia was in fact conceived as a “unique EU intervention” to harness SMEs for tackling shared regional challenges. It advances the EU’s vision of regional integration by linking Central and South Asian economies at the grassroots level. The EU is committed to promoting sustainable livelihoods, reducing inequalities, and integrating the poor into economic growth – AP Asia delivers on these by supporting entrepreneurship in underserved, rural and post-conflict areas, and by prioritising women and youth (often among the “left-behind” groups). The project also aligns with the EU’s Gender Action Plan and youth engagement policies, given its strong focus on women’s leadership in business and youth start-up support. Furthermore, AP Asia complements international initiatives like the Global Jobs Alliance and ILO’s Decent Work agenda, which call for boosting SMEs and self-employment as paths to job creation. It also indirectly supports trade-related international frameworks – for example, by helping Pakistan improve its capacity to trade, AP Asia echoes the goals of the EU’s GSP+ arrangement which incentivises Pakistan to uphold good governance and labour rights for better trade access. AP Asia’s emphasis on responsible entrepreneurship and social inclusion means that as businesses grow, they are more likely to adhere to international standards (environmental, labour, etc.), reinforcing commitments like the Paris Climate Agreement and human rights conventions that the EU promotes in partner countries.

**Global Entrepreneurship Movement:** The project aligns with the broader international movement encouraging entrepreneurship as a development tool. It follows principles from institutions like the World Bank, UNDP, and OECD which advocate for enabling environments for SMEs, access to finance, and innovation for development. For example, AP Asia’s model of combining incubation, financing, and policy advocacy reflects the integrated approach recommended by the World Bank’s entrepreneurship programmes and UNDP’s work on inclusive business. Its results – thousands of jobs created and many women-led enterprises growing – contribute to international indicators of progress on inclusive growth. The project’s knowledge products (policy briefs, case studies) and its replication plans will inform global learning on SME development in fragile contexts. In sum, AP Asia is not operating in isolation; it is well-situated within the global policy consensus that entrepreneurship and small businesses are key drivers of sustainable development and poverty reduction. Its alignment with SDGs and EU policies ensures that it is part of a larger international effort, amplifying its relevance and impact on the world stage.

## **Preventing Overlap and Enhancing Coordination**

Evaluation Question: What measures were taken to avoid overlap or duplication with other projects in the same sector?

**Initial Planning and Mapping:** To prevent overlap with existing initiatives, AP Asia took careful measures from the design phase through implementation. During project formulation, AKF conducted a mapping of relevant ongoing and past programmes in each country, ensuring AP Asia’s strategy would fill gaps rather than duplicate services. The project’s Description of Action explicitly states that it incorporated past experiences and ongoing interventions while ensuring participation of key stakeholders throughout the implementation process. The AP Asia team analysed donor and government projects in rural economic development to identify gaps where it could add value. It focused on providing risk capital for startups and supporting female entrepreneurs, addressing areas that other initiatives had not sufficiently covered. This upfront analysis shaped the project’s targeting – for instance, if another programme was already providing basic business training to a community, AP Asia might focus on follow-on acceleration or financing for the more advanced entrepreneurs in that same community. Such complementary targeting was a deliberate measure to avoid duplication on the ground.

**Coordination and Information Sharing:** Throughout implementation, AP Asia maintained active communication with other projects to avoid redundancies. AKF country offices, which managed AP Asia, also participated in local donor coordination platforms and sector working groups. In these forums, AP staff would regularly share updates on planned activities and learn about others’ plans, allowing them to de-conflict schedules or outreach efforts. For example, in Gilgit-Baltistan, Pakistan, AP Asia coordinated with another NGO’s skills training project to stagger their activities – the NGO focused on vocational skills for youth, after which AP Asia offered entrepreneurship incubation to a subset of those youth with business ideas. This sequencing avoided any overlap in training content and created a pipeline from one project to the other. Similarly, in Tajikistan, when AP Asia prepared to launch cohorts in certain districts, they communicated with German Agency for International Cooperation (GIZ) and United Nations Development Programme (UNDP) projects operating in those areas to ensure they were reaching different beneficiary groups or offering complementary services (enterprise growth vs. microcredit, etc.). The PSC also served as an oversight tool to catch any unintended duplication. With EU Delegation staff involved, the PSC could identify if AP Asia were planning something too like another EU-funded action; if so, the project could adjust course. This multi-level coordination (field level and donor level) acted as a safety net against duplication.

**Leveraging Existing Structures Instead of Replicating:** A key measure AP Asia took was to partner with or utilise existing facilities and networks rather than create parallel ones. For instance, rather than setting up brand new incubator centres in each location, AP Asia often used partner spaces (such as local incubators, universities, or co-working hubs) to host its activities. In Kyrgyzstan, AP did not duplicate the function of the established Startup Incubator “G5”; instead, the project collaborated and even piggybacked on the incubator’s events (like the G5 Business Forum) to reach entrepreneurs. In Tajikistan, AP Asia engaged the government’s existing business support centres in Sughd and Khorog to assist with outreach and coaching, rather than running a separate parallel system. By using and strengthening these existing platforms, AP Asia avoided setting up duplicate structures. Another example is how AP Asia leveraged the UCA’s training programme (which was already a known regional resource) for its executive entrepreneurship course. This meant AP did not need to design a separate curriculum or recruit a separate set of trainers for high-end business education – it utilised UCA’s programme, thereby avoiding duplication and reinforcing UCA’s role in the ecosystem.

**Adaptive Adjustments:** When some degree of overlap was unavoidable, AP Asia adapted to differentiate itself. In a few cases, entrepreneurs might have been eligible for multiple programmes. AP Asia addressed this by coordinating selection: if an applicant was already receiving substantial support from another project, AP might prioritise other candidates or agree on distinct support areas for that entrepreneur. For example, an entrepreneur who got a small grant from a UNDP programme could still join AP Asia’s accelerator, but AP would focus on mentorship and facilitating larger investment for them, not giving the same kind of grant they already received. Internally, the project tracked its beneficiaries to ensure they were new additions to the development assistance pool (or receiving new types of support) rather than duplicates. In 2023, six businesses in Tajikistan that received technical advice from AP Asia later secured investment approvals. The AP team identified these businesses through coordination with Local Impact and AWYGE, demonstrating synergy between initiatives. Instead of each project separately trying to help these firms get investment (which could cause duplication), they funnelled the businesses to AP Asia’s investment readiness support, and then those businesses obtained financing. This kind of division of labour is a clear measure that prevented duplication of effort among donor programmes.

In summary, AP Asia’s measures to avoid overlap included careful planning, continuous coordination, partnership over parallelism, and adaptive management of beneficiary support. These ensured that the project complemented and built upon other initiatives rather than reinventing the wheel. As a result, stakeholders recognized AP Asia as a collaborative programme that networked with other initiatives and filled gaps, rather than duplicating efforts. This approach optimised resource use and amplified its impact on enterprise development across the region.

#### **Communication of the EU’s Role and Contribution to Stakeholders**

How effectively has the EU’s role and contribution been communicated to stakeholders associated with the action?

**Visibility of EU Support:** The project actively communicated the European Union’s role as the funder to stakeholders and the public through various outreach efforts. AP Asia adhered to the EU’s communication and visibility guidelines for external actions. Throughout implementation, every piece of outreach and media from the project prominently featured EU branding. This included the display of the EU logo on all training materials, publications, banners at events, and even on the premises of AP Asia offices and co-working spaces. According to the final project report, the project produced all promotional items from biannual newsletters and case study briefs to invitations and press releases in line with the EU Visibility Manual, maintaining consistent EU branding. Such thorough branding ensured that anyone interacting with AP Asia (entrepreneurs, partners, government officials, or public) was aware of the EU’s financial support behind the initiative.

However, despite these efforts, during the field work for this evaluation one of our KII respondents from the EUD noted gaps in the visibility of EU support. The respondent highlighted that AKF was more effective in promoting its own brand than in sufficiently emphasising the EU’s role, pointing out that EU flags were often missing from training materials and videos, even in the project’s fourth year. Another representative of the EUD explained that, as of 2021, the EU had adopted a new communication framework, moving away from requiring implementing partners to lead on project communications. Instead, partners were now expected to ensure basic project visibility, such as displaying EU logos at events and on project-related materials and equipment. While this shift reduced AP Asia’s formal communication obligations, feedback suggests that the project could nonetheless have done more to maintain consistent EU branding and recognition throughout its implementation.

**Stakeholder Awareness:** At stakeholder gatherings and trainings, facilitators routinely acknowledged EU support. Many events were co-branded as AKF/AP with the EU emblem. For example, at the AP Asia Dissemination Event held in December 2024 in Islamabad to celebrate the project's achievements, the European Union's contribution took centre stage – EU delegates were present, and the participants explicitly credited the EU support in their speeches. Jeroen Willems, Head of Cooperation for the EU Delegation to Pakistan, spoke at that event, emphasising how “EU support... gives a real push to unleash the full potential of start-ups,” and branded AP Asia as an excellent example of partnership. His quote, circulated in press releases, reinforced to all attendees and media readers that the EU was behind the programme. Similarly, at country-level workshops (like policy dialogues or demo days), EU representatives often participated, highlighting the Union's role in fostering entrepreneurship in the region. This direct involvement of EU officials in AP Asia activities helped communicate ownership and contribution to local authorities and beneficiaries.

**Media and Public Communications:** The project and AKF actively publicised EU support through media channels. Press releases issued about AP Asia achievements always mentioned it as an “EU-funded initiative.” For instance, a press coverage **reported by the News International in December 2024** highlighted AP Asia's impact, emphasising its role in boosting entrepreneurship across Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan. The communication team of the project shared these articles on news sites and social media to ensure that the broader public and other stakeholders recognised the EU's role. The project also created content for social media – posts on Facebook, Twitter, and Instagram highlighting success stories would tag or mention the EU and display the EU flag/logo in accompanying graphics. In Kyrgyzstan, AP Asia actively promoted its partnerships, and programme launches on social media, explicitly crediting EU support. Local press outlets, including Economist.kg and Akipress, published stories highlighting AP Asia's initiatives and referencing the EU's contribution. The project meticulously documented these communication efforts to ensure compliance and enhance visibility. The Year 4 interim report of the project includes links to numerous communication outputs, showing that each country produced materials in both local languages and English to acknowledge the EU's role.

**Recognition by Beneficiaries:** Importantly, AP Asia ensured that entrepreneurs and partners recognised the EU's contribution from the outset. The programme explicitly introduced the EU's role through application forms, orientation sessions, and training events, reinforcing its funding support. At each stage, participants understood that the initiative was funded by the EU, strengthening awareness and visibility of the EU's contribution to the project's success. Many participants subsequently became ambassadors of this partnership, often thanking the EU in public forums for the support. For example, entrepreneurs at the Islamabad dissemination event spoke about how AP Asia (with EU backing) had transformed their businesses (**pamirtimes.net**). Such testimonials, captured in videos and reports, further communicated the value of EU assistance. Additionally, all produced knowledge products (such as policy briefs and research studies under AP Asia) carried disclaimers and acknowledgments of EU funding, which reached policymakers and academics who accessed those resources.

In conclusion, the EU's role and contribution were highly visible and effectively communicated throughout the AP Asia project. Through diligent branding, media outreach, involvement of EU representatives, and clear messaging in all stakeholder interactions, the project ensured that the European Union received full recognition for its support. This not only met the contractual visibility requirements but also reinforced the EU's image as a development partner in the region, as evidenced by the widespread acknowledgement in events and publications. Stakeholders contacted at all levels during the field work associated the success of the AP Asia project with the EU's investment, underscoring the communication effort's success.

### Conclusions on Coherence

1. The AP Asia project demonstrated strong internal coherence in its Theory of Change and Logic Model, with a well-structured vertical logic linking inputs, activities, outputs, outcomes, and impacts. However, some critical assumptions — especially regarding political stability, financing availability, and regional trade feasibility — were over-optimistic and exposed vulnerabilities during implementation.
2. The AP Asia project effectively aligned with national development strategies and international frameworks, ensuring coherence with government policies, donor-funded initiatives, and private sector engagement.
3. Strong coordination with donor-funded programmes and AKDN initiatives minimised duplication and enhanced synergies, enabling resource-sharing and maximising outreach to SMEs and entrepreneurs.
4. While the project supported regional trade policies, its trade facilitation goals were constrained by geopolitical instability, inconsistent regulations, and lack of institutional coordination, limiting its impact on cross-border commerce.
5. The absence of a systemic policy advocacy component reduced the project's ability to address financial sector barriers, trade restrictions, and SME regulatory challenges, affecting long-term sustainability.
6. Strategic partnerships with private sector actors, business associations, and financial institutions improved market linkages, but a broader engagement with regulatory bodies and commercial banks could have expanded access to finance and investment opportunities for SMEs.
7. Internal coherence of the project was strong, with well-integrated components such as capacity building, financial access, and market linkages reinforcing each other to create a holistic SME support system. However, greater flexibility in training models and financial instruments could have further strengthened the alignment between project interventions and beneficiary needs.
8. Cross-project coordination challenges were managed through adaptive responses, such as leveraging shared human resources in Afghanistan and synchronizing activities with parallel initiatives in Tajikistan and Kyrgyzstan, ensuring continued support for women and youth entrepreneurs.
9. While EU branding and visibility were maintained across materials and events, stakeholder feedback indicated that greater emphasis on EU contributions in project communication could have strengthened recognition of its role in supporting entrepreneurship and SME development.

### Recommendations for Strengthening Coherence

1. **Strengthen Systemic Policy Advocacy and Regulatory Engagement:** Future project designs should integrate a dedicated policy advocacy strategy targeting SME regulatory frameworks, financial sector reforms, and trade facilitation policies in the project design. Specific activities could include convening public-private policy dialogues, engaging government for SME-friendly legal reforms, and building advocacy coalitions with chambers of commerce and sectoral associations. Focus should especially be placed on regulatory engagement in Pakistan, Kyrgyzstan and Tajikistan, where enabling environments are critical for scaling SME impact.
2. **Diversify and Expand Financial Partnerships:** Expand collaboration beyond a limited number of AKDN affiliated banks by systematically engaging commercial banks, microfinance institutions, Islamic finance providers, venture capitalists, and impact investors. Projects should include structured risk-sharing mechanisms or partial guarantees to encourage lending to startups and women-led businesses. Alternative financing models such as revenue-based finance or blended finance approaches should also be considered for greater inclusivity. Engage with government programmes for example prime ministers loan scheme of youth in Pakistan.

3. **Improve Flexibility and Responsiveness in Intervention Design:** Future interventions should embed greater flexibility in training delivery models (e.g., blending online and offline modules based on rural digital access) and financing instruments (e.g., smaller ticket sizes, phased grants, or hybrid models) to better respond to SME needs in diverse contexts. Periodic needs assessments should inform course corrections during project implementation.
4. **Enhance Cross-Border Trade Facilitation Strategies:** Adopt a more comprehensive and government-inclusive approach to regional trade promotion. Future projects should facilitate harmonisation of standards, customs procedures, and certification requirements through partnerships with relevant ministries, trade bodies, and regional organisations. Early identification of political risks and contingency planning for trade engagement should be included in the project's regional strategy.
5. **Consolidate Coordination and Synergy with Other Programmes:** Continue formalising cross-project referral mechanisms and shared beneficiary tracking among donor-funded initiatives, particularly in regions where multiple SME development projects operate. Joint planning workshops and co-branded activities should be conducted more systematically to create an integrated support ecosystem rather than parallel service streams.
6. **Increase Visibility and Recognition of Donor Contributions:** Strengthen communication plans to consistently highlight the donor's role (e.g., EU funding) across all media, events, and products. Future projects should include joint (with donor) periodic communication audits to monitor and improve visibility performance.

### 6.3. Effectiveness

This section assesses the extent to which the AP Asia project achieved, or is likely to achieve, its intended outputs, outcomes, and overall objectives, considering their relative significance. Effectiveness is evaluated based on the project's ability to deliver entrepreneurship training, financial access, mentorship support, market linkages, and enterprise growth, particularly for women and youth in rural and underserved regions of Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan. The analysis draws on project monitoring data, interviews and discussions with stakeholders and beneficiaries to examine the performance of core project components and their contribution to improving employment, business sustainability, and economic resilience among target groups. The definitions below informed the project's evaluation framework for assessing effectiveness:

**EU Evaluation Methods, Vol. 1:** Effectiveness refers to the extent to which a development intervention's objectives were achieved or are expected to be achieved, considering their relative importance.

**OECD DAC Glossary of Terms:** Effectiveness measures the degree to which a development intervention's objectives were met or are expected to be met, considering their overall significance.

#### Project Outputs and Outcomes

Evaluation Question: To what extent did the programme achieve its outputs, outcomes, and goals?

#### Business Ideation and advisory training for startups and new enterprises

As shown in Table 3, the number of entrepreneurs trained under ideation and incubation programmes exceeded overall targets by 168%, with 2,063 entrepreneurs supported against the target of 1,230, indicating strong demand for the ideation and incubation level training. All the four countries surpassed their targets, particularly in youth and women participation.

Although women and youth participation targets were met, women made up 32% and youth 50% of total participants regionally. Out of the women entrepreneurs, Kyrgyzstan had the highest share (41%), while Afghanistan and Pakistan had the lowest (29% each). Out of the youth entrepreneurs, Kyrgyzstan again recorded the highest share (74%) youth participation, whereas Tajikistan had the lowest at 27%.

*Table 3: Number of Enterprises Supported with Business Ideation and Advisory Training Against Overall Project Targets*

Country	Total Project Targets	Total Entrepreneurs Trained	Women Entrepreneurs Trained	Youth Entrepreneurs Trained
Pakistan	660	844	243	439
Afghanistan	170	311	91	140
Tajikistan	170	455	145	123
Kyrgyzstan	230	453	184	336
<b>Regional Total</b>	<b>1,230</b>	<b>2,063</b>	<b>663</b>	<b>1,038</b>

Source: Project administrative data from PMU

### Acceleration Programme for Existing Businesses

The analysis of entrepreneurs completing AP Asia’s Acceleration Programme underscores its effectiveness in fostering SME growth across Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan. A total of 752 entrepreneurs participated in the programme, significantly exceeding the overall target of 378 and reflecting strong progress towards project objectives.

Afghanistan (229 entrepreneurs) and Kyrgyzstan (219 entrepreneurs) recorded the highest participation, surpassing their respective targets of 30 and 160. While participation was comparatively lower in Pakistan (180 entrepreneurs) and Tajikistan (124 entrepreneurs), both also exceeded their targets of 138 and 50 (see Table 4).

Of the 752 entrepreneurs supported, 18% were women and 22% were youth — notably lower proportions than those recorded in the incubation programme.

The Acceleration programme was designed to promote the growth of SMEs, with a particular focus on businesses led by women and youth. This was to be achieved through tailored support in investment-readiness, post-investment technical assistance (TA), and inclusive supply chain training.

High participation rates, especially in Pakistan, Kyrgyzstan, and Afghanistan, indicate that the pre- and post-investment TA components were effective in enabling SMEs to scale. Structured support measures — including business valuation, financial documentation, and supply chain integration — proved particularly impactful in Pakistan and Kyrgyzstan, which reported the highest uptake.

However, the comparatively low participation of women-led enterprises, particularly in Afghanistan and Pakistan, highlights a critical gap. This signals the need for more gender-responsive approaches in future SME investment pipelines. Strengthening targeted financial products, enhancing mentorship opportunities, and addressing regulatory constraints will be essential to improve women’s participation and success in entrepreneurship in these contexts.

*Table 4: Number of Entrepreneurs completed AP's Accelerated Programme Against Overall Project Targets*

Country	Total Project Targets	Total Entrepreneurs Trained	Women Entrepreneurs Trained	Youth Entrepreneurs Trained
Pakistan	138	180	29	47
Afghanistan	30	229	6	57

Country	Total Project Targets	Total Entrepreneurs Trained	Women Entrepreneurs Trained	Youth Entrepreneurs Trained
Tajikistan	50	124	24	24
Kyrgyzstan	160	219	78	39
<b>Regional Total</b>	<b>378</b>	<b>752</b>	<b>137</b>	<b>167</b>

Source: Project administrative data from PMU

### Effectiveness of the Seed and Growth Financing

As shown in Table 5, the seed financing component met its overall target, with 112 enterprises receiving funding against the target of 104. All countries met or exceeded their individual targets except Kyrgyzstan, which funded 17 out of 23 enterprises. This shortfall highlights ongoing challenges in financial accessibility in the country.

AP's seed financing initiative supported startups in ICT and digital services, fostering tech-driven ventures in fintech, e-commerce, and AI-based applications. The healthcare and allied services sector saw advancements in medical technology and digital health solutions, improving patient care and accessibility. Startups in livestock, aquaculture, and apiculture adopted sustainable farming models, while those in construction, horticulture, education, fashion, and retail used financial support to refine and scale innovative business models. By providing early-stage funding, AP helped these startups overcome initial barriers, establish market presence, and drive economic diversification and job creation.

While the programme aimed to support gender inclusivity, only 27 women-led enterprises and 22 youth-led enterprises received funding, highlighting structural barriers in financing and inclusivity. A key informant from Pakistan pointed to the misalignment between the programme's objectives and programme affiliated financial institutions' lending policies, as the bank's due diligence process was not designed for high debt-to-equity ratio startups—a preventable issue given Bank's association within the AKDN network. Another key informant for the Afghanistan programme highlighted the complexities of transitioning to Islamic banking in Afghanistan after the regime change, which poses additional constraints for SMEs. The lack of Islamic finance products and the shift away from conventional banking further limits business financing options.

Women entrepreneurs face even greater barriers, as many lack digital IDs, collateral, or property ownership, making them ineligible for formal financial services. Additionally, microfinance institutions are concentrated in urban areas, leaving rural regions underserved. These insights highlight the need for financial policy reforms, expanding financing options, and tailored lending solutions that consider the unique challenges in each country.

Table 5: Number of entrepreneurs provided with seed financing against the project target

Country	Total Project Targets	Total Enterprises supported with seed financing	Women Enterprises supported with seed financing	Youth Enterprises supported with seed financing
Pakistan	51	56	13	10
Afghanistan	15	15	1	3
Tajikistan	15	24	8	1
Kyrgyzstan	23	17	5	8
<b>Regional Total</b>	<b>104</b>	<b>112</b>	<b>27</b>	<b>22</b>

Source: Project administrative data from PMU

As shown in Table 6, the growth financing component supported 91 enterprises against a regional target of 104, achieving an overall success rate of 87.5%. The shortfall was primarily due to Pakistan, which only achieved 63% of its targets.

Gender inclusion remained limited, with women-led enterprises accounting for only 18.7% of those supported through growth financing. The lowest representation was in Tajikistan (2) and Afghanistan (3), while Pakistan and Kyrgyzstan each supported 6 women-led enterprises. Youth participation also remained modest, with 24% of supported enterprises led by young entrepreneurs. Afghanistan led with 9 youth-led enterprises, followed by Pakistan (7), Kyrgyzstan (4), and Tajikistan (2). These patterns highlight the need for targeted, country-specific approaches to improve access to growth financing, especially for women and young entrepreneurs in Tajikistan and Afghanistan, and to diversify financial partnerships across the countries.

Enterprises that received growth financing invested across diverse sectors, helping SMEs scale operations, improve productivity, and create jobs. Businesses in hospitality expanded accommodation and food services, while those in fashion, apparel, and crafts increased production capacity and extended market reach. The programme also strengthened enterprises in livestock, aquaculture, and apiculture, promoting sustainable practices and improving supply chains. In the healthcare sector, clinics, pharmacies, and allied services used financing to enhance access and service quality. Additionally, enterprises in processed food, education, ICT, and construction leveraged support to innovate and upgrade infrastructure. These strategic investments enabled supported SMEs to optimise operations, stimulate economic activity, and build long-term resilience.

However, feedback from a key informant in Pakistan pointed to critical design gaps. While the programme effectively engaged the private sector, it lacked a complementary financial sector policy component to align SME financing with commercial banking practices and public policy. Over-reliance on HBL, an AKDN-affiliated bank, further limited options, as many SMEs faced challenges accessing funding—even within the AKDN network. In Afghanistan, the shift towards a fully Islamic banking system presents even greater constraints, requiring targeted technical assistance, development of Shariah-compliant products, and regulatory reforms.

Moreover, microfinance institutions still have a limited presence in rural areas, which continues to restrict access to finance for rural enterprises. This gap highlights the need for innovative approaches, such as cooperative financing models and regionally adapted SME lending frameworks. Going forward, the programme should broaden its financial partnerships beyond a narrow group of institutions, promote Islamic finance where relevant, and introduce alternative financing mechanisms tailored to the needs of underserved and rural communities.

*Table 6: Number of enterprises provided with growth financing against the project target*

<b>Country</b>	<b>Project Targets</b>	<b>Total enterprise supported with growth financing</b>	<b>Women enterprise supported with growth financing</b>	<b>Youth enterprise supported with growth financing</b>
Pakistan	51	32	6	7
Afghanistan	15	22	3	9
Tajikistan	15	15	2	2
Kyrgyzstan	23	22	6	4
<b>Regional Total</b>	<b>104</b>	<b>91</b>	<b>17</b>	<b>22</b>

#### **Expanding Access to Open-Source Investment Tools for Replication**

Under this output the programme developed 14 investment tools and made 9 of them publicly accessible. These include investment term sheets, legal overviews, due diligence templates, and accelerator policies, aimed at standardising SME financing and reducing barriers for investors and business incubators. By making these tools open-source, AP ASIA sought to expand private sector participation and streamline investment processes, particularly in challenging markets like Afghanistan and Tajikistan. However, adoption remains key challenge, requiring engagement with financial institutions and investors to ensure practical implementation.

The public availability of 9 investment tools may enhance transparency and replication beyond AP ASIA's direct partners. However, targeted outreach is needed to drive uptake by SMEs, investors, and accelerators, especially in Islamic banking transitions like Afghanistan. Partnerships with angel investors, microfinance

institutions, and SME policymakers could further strengthen the scalability and effectiveness of these tools regionally and globally.

### Executive Entrepreneurship Training on Regional Trade

The project provided Executive Entrepreneurship Trainings through the University of Central Asia’s (UCA) School of Professional and Continuing Education (SPCE) and Lahore University of Management Sciences (LUMS) on Growth and Trade. The project successfully trained 117 SME owners and managers, exceeding the target of 85 participants. The participants included 37 from Pakistan, 35 from Tajikistan, 35 from Kyrgyzstan, and 10 from Afghanistan. While overall participation was strong, women (26%) and youth (22%) remained underrepresented, particularly in Afghanistan and Tajikistan (Table 7).

The three-cycle structure training covered value chain linkages, financial management, legal frameworks, and international business planning, equipping participants with the necessary knowledge about cross-border trade.

Insights from the training participants highlight both the impact and areas for improvement. One of the training participants, who runs AI-driven startups in Kyrgyzstan, noted that the training helped in networking and structuring business plans, leading to private investment, though it lacked practical insights from experienced entrepreneurs. He also emphasised on the absence of a venture capital ecosystem in Kyrgyzstan, where investors favour loans over equity investments, limiting startup growth. Another training participant, who runs EcoHomes, credited the training with helping him formalise his business, expand employment to 20 people, and enter new markets in Kazakhstan and Uzbekistan. However, he cited logistical challenges, cultural barriers for women in construction, and access to finance as major constraints.

Both participants recommended more hands-on training from industry practitioners, increased programme frequency, and greater investor education on venture capital. Addressing these concerns by incorporating real-world startup case studies, promoting SME-friendly financing solutions, and strengthening investor engagement could significantly enhance the programme’s impact on SME growth and sustainability.

*Table 7: Number of SME owners or managers who complete executive entrepreneurship training on regional trade*

Country	Targets	Total Participants	Women Participants	Youth Participants
Pakistan	5	37	5	9
Afghanistan	10	10	1	3
Tajikistan	35	35	8	5
Kyrgyzstan	35	35	16	9
<b>Regional Total</b>	<b>85</b>	<b>117</b>	<b>30</b>	<b>26</b>
Source: Project administrative data from PMU				

In addition to providing executive training for entrepreneurs, the programme engaged 21 lead firms to strengthen supply chains—almost doubling the original target of 11 (see Table 8). Tajikistan played a leading role, engaging 13 lead firms against a target of just 4, while Pakistan and Kyrgyzstan also met or exceeded their targets. However, no lead firms were engaged in Afghanistan, reflecting the difficult operating environment and underlining the challenges faced in integrating SMEs into supply chains in fragile contexts.

In contrast to strong progress in engaging lead firms, efforts to link enterprises to these firms faced challenges in some countries despite an overall overachievement. As Table 8 indicates, 62 enterprises were successfully connected to lead firms—nearly double the target of 33. This was driven in large part by Afghanistan's notable achievement of 36 connections. While Pakistan met its target and Kyrgyzstan performed relatively well, Tajikistan linked just half of its target enterprises. These results underscore both the potential for rapid progress and the persistent barriers in certain contexts, particularly where enabling conditions remain weak.

Networking activities, by contrast, exceeded expectations in most countries. According to Table 8, the programme supported 43 SME owners and managers through trade events and networking opportunities—

more than doubling the target of 21. Tajikistan and Afghanistan led in this area, suggesting positive demand and strong entrepreneurial interest. However, Kyrgyzstan fell short of its target, indicating potential barriers to participation.

Conversely, efforts to strengthen business associations fell notably short. As reflected in Table 8, only 5 associations were supported against a target of 8. Limited progress in Afghanistan and Kyrgyzstan, where no associations were strengthened, constrained the programme’s ability to enhance collective SME representation and advocacy.

Overall, while AP Asia achieved notable progress in supply chain engagement and networking support, the shortfalls in enterprise linkages and business association development indicate missed opportunities. Expanding trade missions, strengthening SME-to-lead firm connections, and leveraging AP’s regional platforms could have further enhanced cross-border business growth and support for SMEs, particularly in fragile and underserved markets.

Table 8: Number of supply chain and trade events

Indicator	Country	Target	Achievements
Number of Lead Firms Engaged to Improve Supply Chains	Pakistan	4	5
	Afghanistan	0	0
	Tajikistan	4	13
	Kyrgyzstan	3	3
	<b>Regional Total</b>	<b>11</b>	<b>21</b>
Number of Enterprises Linked with Lead Firms	Pakistan	12	12
	Afghanistan	0	36
	Tajikistan	12	6
	Kyrgyzstan	9	8
	<b>Regional Total</b>	<b>33</b>	<b>62</b>
Number of SME Owners/Managers Supported (Networking & Trade Events)	Pakistan	6	6
	Afghanistan	3	8
	Tajikistan	6	25
	Kyrgyzstan	6	4
	<b>Regional Total</b>	<b>21</b>	<b>43</b>
Number of Business Associations Strengthened	Pakistan	2	2
	Afghanistan	2	0
	Tajikistan	2	2
	Kyrgyzstan	2	1
	<b>Regional Total</b>	<b>8</b>	<b>5</b>
Source: Project administrative data from PMU			

### Co-Financing Secured by Enterprises

As shown in Table 9, AP Asia-supported enterprises mobilised €5,570,249 in co-financing—comprising AP investments only—which significantly exceeded the project target of €3,500,000. This result reflects the project’s strong performance in deploying available resources to support SMEs, while also enhancing their investment readiness and financial sustainability.

Pakistan accounted for the largest share (€3,128,802), benefiting from a more developed investment ecosystem and a larger cohort of supported enterprises. Kyrgyzstan (€1,291,913) and Tajikistan (€815,958) also attracted notable levels of AP investment, primarily through local engagement and structured investment processes, though on a smaller scale per enterprise.

In Afghanistan, co-financing mobilisation remained modest (€333,577), mainly due to the challenging operating context and political instability.

While these figures represent AP investments only, they highlight the programme’s ability to channel resources to growth-oriented SMEs and build pathways toward financial viability. Moving forward, complementing AP’s direct investments with external financing mobilisation strategies could further strengthen enterprise resilience and long-term sustainability, especially in fragile contexts.

Table 9: Co-Financing (EUR) Secured by Supported Enterprises

Country	Target (€)	Co-Financing Secured (€)
<b>Pakistan</b>	1,649,020	3,128,802
<b>Afghanistan</b>	425,000	425,000
<b>Tajikistan</b>	544,740	815,958
<b>Kyrgyzstan</b>	881,240	1,291,913
<b>Regional Total</b>	<b>3,500,000</b>	<b>5,661,673</b>

Source: Project administrative data from PMU

#### Entrepreneurs’ Perceived Improvements from Coaching/Mentorship

The AP Asia coaching and mentorship programme significantly enhanced entrepreneurs’ business performance, achieving an overall positive perception rate of 88%, surpassing the target of 80%. Tajikistan (94%) and Kyrgyzstan (91%) reported the highest confidence levels, while Afghanistan (85%) and Pakistan (84%) also showed strong satisfaction. Surveys and discussions revealed that one-on-one coaching helped entrepreneurs refine business plans, improve financial management, and enhance marketing strategies, leading to higher sales and efficiency.

Notably, women entrepreneurs (91% overall satisfaction) credited coaching with boosting their confidence in male-dominated sectors, while young entrepreneurs (85% overall satisfaction) highlighted improvements in investor pitching and modern management skills. Even rural entrepreneurs reported feeling better equipped to run their businesses after receiving AP Asia’s support. The overwhelmingly positive feedback across gender, age, and location groups suggests that mentorship played a crucial role in sustaining business growth and profitability, reinforcing the high business survival rates observed across participating enterprises. Moving forward, continued mentorship and targeted support for underperforming regions like Afghanistan and Tajikistan will be key to sustaining these gains.

Table 10: Entrepreneurs' Perceived Business Performance Improvements from Coaching and Mentorship (%) to Date (2020 - 2024)

Country	Target	Positive Perception Reported
Pakistan	80%	84%
Afghanistan	80%	85%
Tajikistan	80%	94%
Kyrgyzstan	80%	91%
<b>Regional Total</b>	<b>80%</b>	<b>88%</b>

Source: Project beneficiaries perception survey data from PMU

#### Rural Producer Engagement and Gender Inclusion in AP Asia-Supported Value Chains

During 2020 – 2023, the AP Asia-supported enterprises reached an average of 2,685 rural producers annually. Pakistan led outreach (1,414 producers per year), followed by Tajikistan (517), Kyrgyzstan (415), and

Afghanistan (347). Afghanistan saw notable progress in 2023 (1,294 producers), indicating delayed but impactful engagement (Table 11).

On gender inclusion, women accounted for 35% of rural producers, peaking at 44% in 2022 due to strong engagement in handicrafts and poultry. However, a decline to 35% in 2023 highlights the need for sustained efforts in women’s participation. Pakistan played a major role, integrating farmers in Gilgit-Baltistan, while Tajikistan engaged women artisans in handicrafts. The project connected rural producers in remote areas like Badakhshan (Afghanistan and Tajikistan), supporting farmers, herders, and textile workers. By facilitating market linkages, such as food processing businesses sourcing from local growers, the initiative boosted rural incomes. To maximise impact, sustaining women’s participation and expanding rural supplier access should remain priorities.

Table 11: Number of rural producers reached by supported enterprises because of the Action

Country	Target	2020	2021	2022	2023	2024	Average
Pakistan	5,826	-	2,234	821	1,550	1,050	1,414
Afghanistan	1,250	-	0	50	1,294	43	347
Tajikistan	1,582	-	176	1,221	102	569	517
Kyrgyzstan	2,591	-	841	209	237	374	415
<b>Regional Total</b>	<b>11,250</b>	-	<b>3,251</b>	<b>2,301</b>	<b>3,183</b>	<b>2,006</b>	<b>2,685</b>
Women producers reached (%)	<b>50%</b>	-	<b>27%</b>	<b>44%</b>	<b>35%</b>	<b>37%</b>	<b>35%</b>

Source: Project administrative data from PMU

### Economic Impact on Beneficiaries

*Evaluation Question: Did the project’s interventions led to significant changes in the economic status of the target beneficiaries, particularly women and youth in rural areas? Were there observable improvements in income, employment, or enterprise growth?*

The AP Asia project significantly contributed to improving the economic status of target beneficiaries, particularly women and youth, by exceeding its overall FTE job creation target (3,976 FTE jobs vs. 3,000 planned) - 32% of the jobs held by women and 55% by youth - across Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan (Table 12).

The project’s interventions—such as business incubation, acceleration, mentorship, and financial support—led to notable employment gains, particularly for women and youth, demonstrating its success in enhancing job opportunities for young entrepreneurs. While the project significantly contributed to creating employment opportunities for women in the region, gender-specific challenges persisted, especially in Afghanistan and Pakistan, where women’s job creation fell short due to social and policy barriers.

Conversely, Afghanistan lagged due to economic collapse and restrictions on women’s employment, limiting AP Asia’s impact. The yearly trends show steady growth, with employment impact accelerating after Year 1, reflecting the project’s effectiveness in building sustainable enterprises over time. Overall, AP Asia’s interventions led to measurable employment improvements, particularly for youth and small business owners in rural areas, indicating a positive shift in economic well-being and enterprise growth among its beneficiaries.

Table 12: Number of full-time equivalent (FTE) jobs created by AP Asia supported enterprises

Country	Total FTE Jobs Targets	Total FTE Jobs Achieved	Women FTE Jobs Achieved	Youth FTE Jobs Achieved
Pakistan	1,563	2,311	505	1,387
Afghanistan	450	269	78	181

Country	Total FTE Jobs Targets	Total FTE Jobs Achieved	Women FTE Jobs Achieved	Youth FTE Jobs Achieved
Tajikistan	397	664	311	233
Kyrgyzstan	613	732	390	396
<b>Regional Total</b>	<b>3,000</b>	<b>3,976</b>	<b>1,284</b>	<b>2,197</b>

Source: Project administrative data from PMU

The new jobs created new income sources for rural households and young women and men, improving their livelihoods. Many supported businesses launched or expanded operations, leading to higher revenues and asset growth. By the end of the project, most AP Asia-supported businesses had become profitable, demonstrating strong financial performance.

Table 13 presents the percentage of supported businesses under the project that reported being profitable across Afghanistan, Kyrgyzstan, Pakistan, and Tajikistan. The AP Asia project achieved an overall profitability rate of 66% among supported enterprises, with Tajikistan (82%) and Afghanistan (74%) leading in business success. Kyrgyzstan (69%) also performed well, while Pakistan (56%) reported the lowest proportion of enterprises reporting profitability, indicating potential market and operational challenges. These results highlight the project's positive impact but also suggest the need for targeted support to enhance financial sustainability, particularly in lower-performing countries.

Table 13: Percentage of supported enterprise reporting profitability to Date (2020 - 2024)

Country	Number of enterprises surveyed	% of supported businesses reported profitable
Afghanistan	356	74%
Kyrgyzstan	299	69%
Pakistan	456	56%
Tajikistan	314	82%
<b>Grand Total</b>	<b>1,425</b>	<b>66%</b>

Source: Project beneficiaries perception survey data from PMU

AP Asia contributed to improving economic opportunities for women and youth in rural areas, supporting their transition from informal livelihoods to small businesses. By enhancing access to capital and skills, the project aimed to help participants develop sustainable income sources in underserved communities. Nearly half of the jobs created were taken up by youth, and nearly one-third by women, suggesting that economic benefits reached the intended groups.

In rural areas, where job opportunities are limited, AP Asia-supported enterprises helped increase employment and household incomes. For example, women-led food processing businesses engaged rural producers in higher-value activities, contributing to financial stability. Entrepreneurs reported greater income security and business expansion, indicating that AP Asia's interventions played a role in supporting job creation and economic resilience for many families.

### **Effectiveness of Interventions for Women and Youth**

*Evaluation Question: To what extent did the project's interventions, such as business training, mentorship, and financial support, directly contribute to the growth of women- and youth-led ventures? Were these interventions effective in overcoming barriers to economic participation for these groups?*

The AP Asia project effectively spurred the growth of women-led and youth-led enterprises by integrating business training, mentorship, and financial support, addressing key barriers to entrepreneurship. By the project's conclusion, 28% of supported businesses were women-led and 50% were youth-led, a significant achievement in a region where these groups traditionally face economic and social constraints. AP Asia's entrepreneurship bootcamps, incubation sessions, mentorship matching, and subsidised financing helped participants strengthen business models, refine management skills, and expand market reach. Many entrepreneurs credited AP Asia's tailored coaching and financial support for accelerating their progress from

idea-stage to viable enterprises, creating jobs and income opportunities that would have otherwise remained inaccessible. Country-Specific Insights are below.

**Tajikistan:** AP Asia's interventions in Tajikistan led to notable improvements in service delivery, financial literacy, and business sustainability. Entrepreneurs reported that hands-on training and local case studies allowed them to apply learning directly, resulting in higher profitability and better decision-making. One entrepreneur noted, *"The training covered many important aspects, from formulating a business idea to marketing and management strategies. It was not just theoretical knowledge, but also practical advice that we were able to apply directly in our work."*

The project's unique focus on financial planning, debt management, and automation helped businesses optimise HR efficiency, digital marketing, and lead generation. Another entrepreneur shared, *"With the project's support, our financial and accounting processes have become more structured, improving oversight and decision-making. Automation of key business processes, particularly in HR and recruitment, has reduced hiring time and enhanced employee retention."* AP Asia also enabled some businesses to obtain product certifications and meet international quality standards, helping them expand into regional and global markets.

**Kyrgyzstan:** AP Asia significantly contributed to business growth by offering financial support, mentorship, and networking opportunities. Many entrepreneurs, despite having developed products and technologies, lacked structured business knowledge. AP's training provided them with strategic insights and market connections. One women entrepreneur highlighted, *"By the time I joined, I had already developed a working product and refined the technology, but I lacked a network and deeper business understanding. This project provided me with a powerful launchpad."*

Financial support was particularly effective in boosting business scalability. A startup that initially had no sales secured its first client during incubation, and its revenue doubled from KGS 20 million in 2023 to KGS 40 million in 2024. Entrepreneurs also benefited from peer learning, as informal networking sessions facilitated direct collaborations, resource sharing, and technical problem-solving. AP Asia also supported tech-based businesses, with one woman startup founder stating, *"AP's support enabled us to transform a simple speech-to-text chatbot from a hackathon idea into a viable product."*

**Pakistan:** The project strengthened business sustainability by improving operational efficiency, expanding market access, and enhancing financial inclusion. A tech sector entrepreneur stated, *"I only truly understood my product's market potential after completing the incubation period."* AP Asia's financial support enabled automation in manufacturing, improving productivity. A fire safety business owner reported, *"Previously, we handled manual filling, but with AP's support, we acquired an automatic machine, which significantly improved efficiency."*

The project's impact was particularly evident in remote regions like Gilgit-Baltistan, Chitral, and Peshawar, where access to funding had been historically limited. A participant shared, *"By providing financial support, the project not only helping in businesses growth but also contributing to economic development in these underserved areas."* AP's credibility also attracted foreign investment, with one entrepreneur stating, *"A foreign equity investor chose to invest in my company because we had a credible partner like Accelerate Prosperity and the Aga Khan Development Network backing us."*

Despite these successes, some challenges remained. Entrepreneurs faced confusion about financial terms and loan repayment structures, with one stating, *"The training on financial management helped us a lot... but we did not understand the interest we have to pay on the loan."* Additionally, some businesses struggled to secure the level of funding they expected, creating unmet financial expectations.

**Afghanistan:** Despite economic and political instability, AP Asia provided valuable business mentorship and financial training to Afghan entrepreneurs. Participants reported that structured financial planning helped them better manage expenses and cash flow. One business owner noted, *"Before the training, I had no proper system to track expenses and struggled with managing cash flow. Now, I understand how to budget and keep*

*financial records, which has helped me make better decisions.*” However, some entrepreneurs misunderstood the project's financial model, assuming they would receive direct funding/grants instead of mentorship and bank linkages. A participant admitted, *“I thought we would receive financial assistance after the training. It was only later that I understood that AP mainly provides mentorship and connects businesses with banks.”*

Afghan women faced significant barriers to business participation due to restrictive policies. One entrepreneur stated, *“After the government changed in 2021, we had to let go of the female employees we had hired. The environment just wasn't safe for them anymore.”* These external constraints limited AP Asia's long-term impact on women's economic participation in Afghanistan.

Overall, through the AP Asia support women entrepreneurs gained confidence and networking opportunities, while youth developed business and financial management skills often missing in formal education. At the project's dissemination events, participants shared stories of business growth, highlighting AP Asia's role in helping them refine strategies, navigate bureaucracy, and access funding. AP Asia's interventions played a role in expanding opportunities for women and youth entrepreneurs, enabling them to start and grow businesses in an environment where such success has traditionally been challenging.

### **Conclusion the Effectiveness**

1. The AP Asia project effectively promoted enterprise growth, job creation, and SME investment-readiness, exceeding key targets. The programme supported 2,063 entrepreneurs (168% of target) under incubation programmes, 752 entrepreneurs under business acceleration programmes (199% of target), and 3,976 FTE jobs were created (vs. 3,000 planned). Youth employment was particularly strong representing 55% of the total FTE jobs created. The mentorship and coaching programmes also proved highly effective, with 88% of entrepreneurs reporting improved business performance.
2. Despite these successes, women and youth participation faced challenges. While women-led businesses made up 28% of supported enterprises, financial access remained a barrier, particularly in Pakistan and Afghanistan, due to social norms and restrictive banking policies.
3. Financial access remained a major challenge, particularly for early-stage businesses. While co-financing exceeded the target (€5.66M vs. €3.5M planned), Growth financing fell short (91 enterprises vs. 104 target), showing barriers in funding for growth-stage businesses. In contrast, seed financing met expectations (112 enterprises financed), proving more effective for early-stage businesses.
4. Supply chain and trade linkages were overachieved, with 62 enterprises connected to lead firms against a target of 33. While 21 lead firms were engaged—exceeding the target of 11—and networking support surpassed expectations (43 vs. 21 target), business association strengthening remained weak (5 vs. 8 target). As highlighted in the relevance section, regional trade remained stagnant due to political tensions, systemic barriers, and an insufficient programme focus on cross-border linkages.
5. Overall, AP Asia delivered strong results in enterprise development, financing, and job creation, but challenges in financial access, gender inclusion, and trade linkages remain. Future initiatives should enhance early-stage financing, strengthen supply chain integration, and ensure ongoing mentorship for women and youth entrepreneurs to sustain long-term impact.

### **Recommendations on Improving Effectiveness**

1. **Diversify and Expand Financial Partnerships:** Broaden access to capital by engaging with commercial banks, Islamic finance institutions, and microfinance providers.
2. **Increase Support for Women and Youth Entrepreneurs:** Develop gender-inclusive financial products, address banking restrictions, and expand mentorship and networking programmes to improve financial access and business sustainability for women and youth-led enterprises.
3. **Improve Supply Chain and Trade Linkages:** Facilitate stronger SME-to-lead firm connections, expand B2B networking opportunities, and engage policymakers to address regional trade barriers and improve cross-border trade facilitation.
4. **Strengthen Public-Private Partnerships for SME Growth:** Improve business association engagement, leverage private sector collaborations, and enhance advocacy efforts to create a more supportive ecosystem for SMEs and expand investment opportunities.

5. **Ensure Sustainable Enterprise Development:** Maintain ongoing mentorship and coaching programmes, integrate long-term capacity-building initiatives into local institutions, and strengthen partnerships to sustain impact beyond the project cycle.

## 6.4. Efficiency

This section evaluates how effectively the AP Asia project used its financial and human resources to deliver results in a cost-efficient manner. Assessing efficiency is essential to determine whether the project maximised value for money while achieving its objectives across varied and often challenging contexts. The analysis draws on established evaluation definitions to measure how economically inputs were converted into outputs and outcomes. These definitions are outlined below:

**EU Evaluation Methods, Vol. 1:** Efficiency refers to the extent to which outputs and desired effects are achieved using the least possible resources, including funds, expertise, time, and administrative costs.

**OECD DAC Glossary of Terms:** Efficiency measures how economic resources such as funds, expertise, and time are converted into results.

### Country Wise Budget Allocation and Utilisation

**Evaluation Question:** To what extent did the AP Asia project effectively utilise its financial and human resources to achieve its objectives of enterprise growth, employment creation, and trade facilitation in rural areas? Were the resources allocated appropriately across the four target countries (Pakistan, Afghanistan, Kyrgyzstan, and Tajikistan)?

As shown in Table 14, the AP Asia project achieved an overall budget utilisation rate of 97.9%, spending €9.79 million out of a total €10 million budget over the project period (2020-2024), including a one-year no-cost extension. Pakistan (31.4%) and Kyrgyzstan (25.4%) received the largest budget allocations. Tajikistan slightly overspent their allocations, with utilisation rates of 104.5%. In contrast, Kyrgyzstan (93.0%), Afghanistan (98.1%), and the regional component (93.8%) underspent their allocated budgets, indicating modest deviations in planned versus actual expenditure.

*Table 14: Country wise budget allocation and expenditure utilisation*

Countries	Total Budget (in EUR)	Total Expenditure (EUR)	Budget Allocation Rate (%)	Budget Utilisation Rate (%)
Regional	1,662,296	1,558,544	16.6	93.8
Pakistan	3,143,052	3,158,201	31.4	100.5
Tajikistan	1,624,241	1,697,183	16.2	104.5
Kyrgyzstan	2,541,236	2,362,511	25.4	93.0
Afghanistan	1,029,174	1,009,278	10.3	98.1
Grand Total	10,000,000	9,785,717	100.0	97.9

Source: AP PMU Budget and Expenditure data

As shown in Table 15, the budget distribution and utilisation across countries reflect varied strategic priorities and contextual constraints in the implementation of AP Asia. Pakistan and Afghanistan allocated the largest shares to business ideation and advisory training (14% and 10%, respectively), indicating a strong emphasis on early-stage entrepreneurship. Kyrgyzstan prioritised seed and growth financing and executive enterprise training (11% each), consistent with its focus on financing-led enterprise expansion, while Tajikistan devoted a significant portion of its budget (18%) to executive enterprise training, reflecting its emphasis on institutional capacity-building.

Trade facilitation and B2B linkages received notable allocations in Pakistan and Tajikistan (8% each), but remained minimal in Afghanistan, highlighting limited integration into regional trade networks. Human resource costs dominated across all countries—particularly in Afghanistan (54%) and Kyrgyzstan (43%)—

underscoring the labour-intensive nature of delivery and the technical support required. In contrast, policy engagement and visibility/communication remained underfunded across all contexts (each below 1%), suggesting limited emphasis on systemic influence and reflecting the project’s narrower focus on enterprise-level interventions. Overall, the expenditure pattern aligns with the project’s achieved outputs and the operational realities in each country.

Table 15: Country and component wise budget utilisations (%)

Cost Headings	Pakistan	Tajikistan	Kyrgyzstan	Afghanistan	Total
<b>Total Expenditure in EUR</b>	3,624,936	2,061,647	2,773,547	1,325,587	9,785,717
Business Ideation and Advisory Training *	14%	10%	5%	11%	10%
Business Acceleration	5%	5%	7%	3%	5%
Seed and Growth Financing Services	5%	1%	11%	2%	6%
SPCE-Executive Enterprise Training*	1%	18%	11%	7%	8%
Trade and B2B linkages	8%	8%	5%	0%	6%
Policy Engagement	0%	1%	1%	0%	1%
Visibility and communication*	0%	1%	1%	1%	1%
M&E and Audit*	2%	1%	1%	2%	2%
Human Resources*	38%	32%	43%	54%	40%
Staff Capacity Building	1%	1%	1%	0%	1%
Equipment and Supplies	6%	5%	3%	4%	5%
Local Office	9%	9%	3%	6%	7%
Travel*	3%	2%	2%	3%	2%
Indirect Management Costs*	7%	7%	7%	7%	7%

\*Note: Some common costs (EUR 1.56 million) incurred at regional and central office adjusted with equal distribution across the four countries

Source: AP PMU Budget and Expenditure data

### Cross-Country Efficiency Analysis

Evaluation Question: How cost-effective were the project’s interventions in achieving the desired outcomes, such as increased enterprise growth, self-employment opportunities, and enhanced trade? Did the outcomes justify the financial and human resources invested in the project?

The efficiency of the AP Asia project varies significantly across Pakistan, Tajikistan, Kyrgyzstan, and Afghanistan, reflecting differences in cost-effectiveness, resource allocation, and programme outcomes.

#### Cost Efficiency in Human Resources and FTE Job Creation

Pakistan had the lowest average cost per FTE job created (€1,367), reflecting high efficiency in resource utilisation and value for money. In contrast, Afghanistan (€3,752) and Kyrgyzstan (€3,227) had the highest costs per FTE job, suggesting lower productivity relative to budget spent. Tajikistan (€2,556) fell in the mid-range, aligning more closely with Pakistan.

#### Cost Efficiency in Business Support Activities

**Business Ideation and Advisory Training:** Pakistan (€591 per business trained) was less cost-efficient than Afghanistan (€464), Kyrgyzstan (€289), and Tajikistan (€470). This suggests that Pakistan had higher advisory costs, possibly due to greater engagement or more intensive training models.

**Business Acceleration:** Afghanistan had the lowest cost per business trained (€169), indicating efficient resource use in acceleration training possibly due to higher use of virtual trainings. Pakistan (€1,012),

Kyrgyzstan (€829) and Tajikistan (€764) had nearly similar costs, suggesting that business acceleration costs were consistently higher across these countries.

### Financial Access & Co-Financing Efficiency

Tajikistan achieved high financial leverage ratios, meaning it was able to mobilise co-financing relative to the modest costs of financial services—demonstrating efficient use of funds. However, its overall co-financing volumes and number of supported enterprises remained lower than those in Pakistan and Kyrgyzstan. This suggests that while cost-efficiency was strong, scale and outreach were constrained, largely due to contextual limitations such as weaker financial ecosystems and political or economic instability. In contrast, Pakistan mobilised the highest total co-financing (€3.13M) and supported the largest number of enterprises (88), reflecting a more robust enabling environment and stronger institutional partnerships. Kyrgyzstan, despite mobilising substantial co-financing (€1.29M), incurred the highest average cost per enterprise (€7,807), indicating lower cost-efficiency, potentially due to the capital-intensive nature of businesses supported or gaps in financial service delivery. The details are summarised in Table 16.

Table 16: Co-financing efficiency across the programme countries

Country	Co-financing Target (€)	Co-Financing Secured (€)	Cost of Financing Services (€)	No. of Enterprises Supported	Financial Leverage Ratio	Average Cost per Enterprise (€)
Pakistan	1,649,020	3,128,802	187,271	88	16.7	2,128
Afghanistan	425,000	425,000	27,200	37	15.6	735
Tajikistan	544,740	815,958	25,395	39	32.1	651
Kyrgyzstan	881,240	1,291,913	304,461	39	4.2	7,807
Total	3,500,000	5,661,673	544,327	203	10.4	2,681

### Cost-Effectiveness of Executive Enterprise Training (EET)

Tajikistan (€10,593) and Kyrgyzstan (€8,898) had the highest cost per EET participant, while Pakistan (€1,110) was the most cost-efficient. Afghanistan (€9,666) also had high costs, indicating that training investments were expensive and served fewer participants.

### Overall Cost Per Supported Business

As shown in Table 17 Pakistan supported the highest number of enterprises (1,149) at the second-lowest cost per enterprise (€3,155), indicating relatively strong cost-efficiency and broad outreach. Afghanistan had the lowest cost per enterprise (€2,305) but supported the fewest enterprises (575), reflecting a smaller programme scale. Tajikistan and Kyrgyzstan had similar cost per enterprise (€3,157 and €3,718 respectively), though Kyrgyzstan supported more enterprises (746) than Tajikistan (653), suggesting moderate efficiency but higher per-unit cost in Kyrgyzstan. Overall, the regional average cost per enterprise was €3,133, with differences in country performance reflecting both the scale of delivery and contextual factors such as operating costs, business environment, and service delivery intensity.

Table 17: Cost per enterprise (EUR)

Area of Support	Pakistan	Afghanistan	Tajikistan	Kyrgyzstan	Regional Total
Number of incubation programme participants	844	311	455	453	2,063
Number of acceleration programme participants	180	229	124	219	752
Number of Executive Enterprise Training Participants	37	10	35	35	117
Number of Seed Financing Participants	56	15	24	17	112
Number of Growth Financing Participants	32	22	15	22	91
<b>Total</b>	<b>1,149</b>	<b>587</b>	<b>653</b>	<b>746</b>	<b>3,135</b>
Total Costs of the project (EUR)	3,624,936	1,325,587	2,061,647	2,773,547	9,785,717
<b>Cost per enterprise (EUR)</b>	<b>3,155</b>	<b>2,258</b>	<b>3,157</b>	<b>3,718</b>	<b>3,121</b>

## Field Insights on Efficiency Across AP Asia Project Countries

Evaluation Question: Were there opportunities for cost-saving without compromising the quality or effectiveness of the project's outcomes? Were there alternative approaches that could have delivered similar results at a reduced cost?

The efficiency of the AP Asia project varied significantly across Afghanistan, Tajikistan, Kyrgyzstan, and Pakistan, reflecting differences in process effectiveness, stakeholder coordination, financial accessibility, and communication strategies. While some countries demonstrated strong financial efficiency and structured implementation, others faced systemic delays, unclear messaging, and operational bottlenecks that limited the project's impact. Key themes emerging from stakeholder and participant insights include delays in financial access, weak coordination with key institutions, inconsistent communication, and the need for better outreach and follow-up mechanisms. Below is a country-wise breakdown of these efficiency challenges and successes.

### Afghanistan: Slow Processes and Unclear Communication Hampered Efficiency

The efficiency of the AP Asia project in Afghanistan was hindered by slow bureaucratic processes, unclear communication, and weak coordination, all of which limited its overall impact. A major bottleneck was the slow loan approval process, primarily due to the lack of electronic identification (ID) systems. Many entrepreneurs, particularly from rural areas, faced delays of 15 days to a month in obtaining electronic IDs, restricting their ability to secure timely financing and grow their businesses.

The application review process was another challenge, with long waiting periods and poor communication leaving applicants frustrated. One entrepreneur shared, *"We are still waiting for responses from the AP project team on our application."* Another participant noted, *"We had questions during the workshop, but they were not answered. Later, I couldn't attend the final day, so I never got my answers."* This lack of transparency slowed business planning and decision-making, particularly for women and youth, who found the application process ineffective and discouraging.

Miscommunication regarding financial support conditions further added to inefficiencies. One entrepreneur voiced frustration, saying, *"If I had the required co-financing amount, I wouldn't need to apply for funding in the first place!"* Many participants expected direct financial assistance than a bank loan, leading to delayed business decisions when funding did not materialise as anticipated.

While the programme offered long-term, flexible loans, many participants lacked clarity on financing terms, leading to misunderstandings about loan conditions and business sustainability. Weak stakeholder coordination also limited efficiency. Although AP collaborated with FMFB, engagement with government bodies was minimal, reducing potential programme impact. A government official noted, *"As a national body for NGOs, we could have supported the project through social mobilisation and implementation guidance, but due to a lack of proper coordination, we weren't effectively involved."*

In summary, Afghanistan's implementation inefficiencies stemmed from bureaucratic delays, poor communication, and limited collaboration with key stakeholders. Addressing faster loan processing, transparent communication, and better institutional coordination could have significantly improved efficiency and business outcomes.

### Tajikistan: Funding Gaps and Administrative Inefficiencies Slowed Progress

In Tajikistan, stakeholders emphasised the need for expanded funding options, as the lack of capital remained a major barrier to sustainable business growth. While AP provided low-interest loans and business training, there was a strong demand for grants or equity to enhance financial accessibility, particularly for early-stage entrepreneurs. One participant highlighted, *"Without sufficient financing, it's difficult to start or expand a business, attract clients, or purchase necessary equipment. More financial opportunities, like grants or subsidies, would improve business success rates."*

Although AP successfully connected some businesses with investor, only a limited number secured external funding, primarily due to documentation challenges, licensing barriers, and limited business experience.

Administrative inefficiencies also impacted cost-effectiveness. Delays in loan processing and application approvals were a frequent complaint. One entrepreneur noted, *"I was granted a loan, but the process took months instead of weeks. If funds had been released faster, I could have avoided financial losses."* This slow disbursement cycle restricted business growth and flexibility.

Communication gaps also emerged as a key concern in Tajikistan too. Some participants felt misinformed about eligibility criteria and selection processes, leading to uncertainty about project benefits. One business owner stated, *"The information shared on social media differed from what we were told later. The conditions and expectations changed, making it hard to know what to expect."* Another participant expressed frustration over lack of follow-up after rejection, stating, *"If you weren't selected, there was no further engagement, as if no other opportunities existed."*

To enhance efficiency, Tajikistan's programme needed clearer communication, streamlined loan processes, and better outreach to rejected applicants to keep them engaged in future opportunities.

### **Kyrgyzstan: Structured Support and Market Alignment Improved Efficiency**

Unlike Afghanistan and Tajikistan, AP in Kyrgyzstan demonstrated strong efficiency in fund allocation, stakeholder coordination, and business acceleration. Participants praised well-organised logistics, expert facilitators, and structured funding mechanisms, allowing businesses to focus on growth without unnecessary delays.

Unlike other donor-funded projects that struggled with misalignment to market needs, AP successfully adapted to the local business environment, ensuring relevance to private sector demands. An entrepreneur highlighted, *"Other accelerators failed because they didn't understand our market. AP succeeded because they learned from local entrepreneurs."*

The programme effectively supported businesses at early growth stages, providing collateral flexibility and advisory services that made financing more accessible. However, not all businesses met investment readiness thresholds. While some, like a detergent company, saw rapid expansion after AP support, others needed more technical assistance before attracting investors.

Participants suggested further efficiency improvements, including more practical exposure through enterprise visits, post-training support such as CRM solutions for small businesses, and study tours to advanced markets like Japan or Korea.

Awareness gaps also remained a challenge, particularly for women entrepreneurs who struggled to find information on funding and training opportunities. Expanding outreach via social media and partnerships could improve engagement.

Overall, Kyrgyzstan's structured and market-aligned approach enhanced efficiency, but more proactive outreach and post-training support could further optimise impact.

### **Pakistan: High Efficiency in Financing and Capacity Building**

The AP Asia project in Pakistan demonstrated strong efficiency in funding allocation, process refinement, and strategic business support. Entrepreneurs valued AP's comprehensive approach, which combined financial assistance with outreach, networking, and operational guidance. One participant noted, *"AP carefully analysed our proposals, provided funding, and also helped with outreach and strategic growth."*

A major efficiency improvement was seen in AP's partnership with HBL, where financing limits were expanded based on business needs. Initially, funding amounts were low, but AP adjusted over time to provide more substantial financial support. One stakeholder highlighted, *"Over the years, we've refined processes, increased funding limits, and made financing more accessible."*

Pakistan also excelled in financial and legal readiness training, helping businesses navigate compliance requirements and secure formal registration. One entrepreneur credited AP with helping them successfully register with the Securities and Exchange Commission of Pakistan (SECP).

However, accessibility remained a challenge. Participants from remote areas struggled to attend training in Gilgit, with one noting, *"Sessions should be held in our area. Traveling to Gilgit is costly and time-consuming."* Hiring local professionals for mentorship and media support was also recommended to improve communication and project monitoring.

Pakistan's strong stakeholder collaboration further enhanced efficiency. A government official highlighted, *"Our role with AP is both as a partner and mentor. The synergy between stakeholders has strengthened project delivery."*

While Pakistan's programme was relatively efficient, addressing geographical accessibility and enhancing localised support could further optimise impact.

### **Timeliness, Adaptive Management and Overcoming External Challenges**

**Evaluation Question: How timely and efficient were fund flows and how successfully did AP Asia adapt to external shocks like COVID-19 to sustain progress towards its targets across different country contexts?**

Overall, AP Asia's progress and achievements were shaped by both the timeliness of fund flows and the programme's ability to adapt to external shocks. While implementation in Pakistan and Kyrgyzstan generally proceeded relatively smoothly due to stronger institutional frameworks, fragile contexts such as Afghanistan and Tajikistan faced more acute disbursement delays, bureaucratic bottlenecks, and financial access challenges, which slowed activity rollout—particularly for women and youth.

Across the region, the COVID-19 pandemic disrupted operations in all countries, while political and security challenges—particularly the 2021 regime change in Afghanistan—severely restricted women's mobility and participation. Border conflicts between Tajikistan and Kyrgyzstan in 2022 disrupted regional collaboration, and socio-cultural barriers, especially in rural Tajikistan and Afghanistan, continued to limit inclusion. Capacity gaps, such as shortages of mentors and trainers in Kyrgyzstan, added further implementation challenges.

Pakistan also faced growing economic and political instability since the project launch, which began to impact the overall enterprise ecosystem. High inflation, exchange rate volatility, and broader economic slowdown created financing challenges, reduced demand, and constrained market expansion opportunities. These pressures, combined with the political uncertainty, began to affect enterprise performance and financing conditions, mirroring some of the issues faced in the more fragile programme contexts.

Despite these disruptions, AP Asia demonstrated strong adaptive management. The programme shifted to hybrid and online delivery, expanded outreach, and intensified efforts during the one-year no-cost extension period, which proved critical for catching up on delayed targets. By the final year, the programme had exceeded job creation and enterprise support targets, achieved high budget utilisation, and mobilised substantial external co-financing, underscoring its resilience and flexibility. However, persistent structural and policy barriers—particularly in fragile contexts and amid Pakistan's emerging economic challenges—highlight the limits of adaptive management alone and reinforce the need for contingency planning and systemic policy engagement in future programmes.

### **Conclusion on efficiency**

The efficiency of AP Asia varied significantly across countries, with Pakistan and Kyrgyzstan demonstrating stronger process optimisation, while Afghanistan and Tajikistan faced delays, communication gaps, and financial accessibility challenges.

1. Afghanistan struggled with loan delays, miscommunication, and weak coordination, limiting its financial accessibility and project impact.
2. Tajikistan required clearer communication, faster loan approvals, and better engagement of non-selected applicants to enhance business support.
3. Kyrgyzstan benefitted from structured support and market alignment but needed to expand outreach and strengthen post-training assistance.
4. Pakistan demonstrated high efficiency in financial services and capacity building but needed improved geographic accessibility and localized mentorship.
5. Country level efficiencies include the following.
  - Pakistan and Kyrgyzstan were the most efficient in workforce utilisation, while Tajikistan and Afghanistan had high FTE costs, indicating lower productivity.
  - Afghanistan had the lowest cost per business in ideation and acceleration, but target reallocation meant that fewer investments could be made, threatening long-term sustainability due to limited financial access and weak co-financing mechanisms.
  - Pakistan and Kyrgyzstan effectively leveraged financing services, while Tajikistan’s high cost-to-financing ratio suggested inefficiencies in fund mobilization.
  - EET training was most cost-effective in Pakistan but was highly expensive in Tajikistan and Kyrgyzstan, pointing to potential inefficiencies in training delivery.
  - Afghanistan had the lowest total cost per business, though this likely reflected lower service intensity rather than actual efficiency gains.

### **Recommendations for Improve Project Efficiency**

1. Tajikistan and Kyrgyzstan should focus on reducing training and financial service costs to optimize resource utilisation.
2. Afghanistan needs stronger co-financing strategies and streamlined financial access mechanisms to improve long-term business sustainability.
3. Pakistan should optimize advisory service expenses and enhance localized training delivery to improve cost-effectiveness.
4. Overall, future programmes should streamline processes, improve communication, expand outreach, and strengthen stakeholder engagement to maximise impact and operational efficiency.

## **6.5. Impact**

This section assesses the broader, long-term effects of the AP Asia project, focusing on its contribution to rural economic growth, enterprise development, and gender equality across Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan. The analysis follows a contribution-based approach, acknowledging that direct attribution of observed changes is not feasible without experimental methods such as Randomized Controlled Trials (RCTs). Given the complexity of the operating environments and external influences, the evaluation explores how AP Asia complemented wider development efforts and strengthened entrepreneurial ecosystems, rather than isolating its sole impact. The following definitions from EU and OECD-DAC evaluation frameworks guided the assessment:

**EU Evaluation Methods, Vol. 1:** Impact refers to the positive and negative, primary and secondary long-term effects of a development intervention, occurring directly or indirectly.

**OECD DAC Glossary of Terms:** Impact encompasses the long-term effects—both positive and negative, primary and secondary—resulting from a development intervention, whether intended or unintended.

## Impact of AP Asia Project

Evaluation Questions: To what extent has the AP Asia project influenced broader policy or systemic changes, particularly in relation to rural economic growth, enterprise development, and gender equality in the target regions?

The impact statement in the logframe of the AP Asia Project refers to “Enhanced equitable economic well-being of women and men in rural Pakistan, Afghanistan, Tajikistan, and the Kyrgyz Republic.” However, the indicators used are too broad, focusing on two macroeconomic measures: Gross National Income (GNI) per capita and the Gender Development Index (GDI) score. Table 18 presents trends in these indicators over the years.

Table 18: Year and country wise status of GNI and GDI in the project countries

Country	Baseline	2020	2021	2023	2024
<b>Gross National Income (GNI), Per Capita</b>					
Pakistan	\$ 1,510	\$ 1,410	\$ 1,270	\$ 1,470	\$ 1,560
Afghanistan	\$ 580	\$ 580	\$ 500	\$ 390	\$ 380
Tajikistan	\$ 1,110	\$ 1,019	\$ 1,060	\$ 1,150	\$ 1,210
Kyrgyzstan	\$ 1,100	\$ 1,100	\$ 1,160	\$ 1,180	\$ 1,440
<b>Gender Development Index score</b>					
Pakistan	0.742	0.742	0.745	0.809	0.834
Afghanistan	0.609	0.609	0.659	0.681	0.622
Tajikistan	0.967	0.967	0.957	0.966	0.975
Kyrgyzstan	0.930	0.930	0.823	0.909	0.919

Between 2020 and 2024, the economies of Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan exhibited varied trajectories, influenced by external shocks, political instability, and structural dependencies. Pakistan's economy remained volatile, with GNI per capita declining due to COVID-19, political instability, 2023 floods, IMF stabilisation measures, which imposed import restrictions and inflationary pressures<sup>3</sup>. Despite a modest recovery in 2024, poverty levels increased, affecting millions.

Afghanistan suffered the most severe economic contraction, with GNI per capita dropping by 20% in 2021 following the Taliban takeover, leading to economic collapse, aid withdrawal, and food insecurity.<sup>4</sup>

Tajikistan and Kyrgyzstan showed resilience, with Tajikistan's GNI per capita increasing nearly 20% in 2022 due to record remittance inflows (30% of GDP).<sup>5</sup> Kyrgyzstan experienced the highest growth, with GNI per capita rising 37% from 2020 to 2023, largely driven by gold exports and a surge in re-exports to Russia after the Ukraine war.<sup>6</sup> However, despite growth in Tajikistan and Kyrgyzstan, both economies remain highly vulnerable to external conditions, particularly in Russia, which absorbs most of their labour migrants and trade flows.<sup>7</sup>

In terms of gender development, Pakistan and Afghanistan struggled the most, while Kyrgyzstan maintained gender parity and Tajikistan made slow improvements. Pakistan's Gender Development Index (GDI) remained

<sup>3</sup> World Bank (2024) – Economic growth, IMF programmes, trade disruptions, and poverty trends in Pakistan and Afghanistan. Available at: [www.worldbank.org](http://www.worldbank.org)

<sup>4</sup> Macrotrends.net – Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan GNI per capita data (2020-2024). Available at: [www.macrotrends.net](http://www.macrotrends.net)

<sup>5</sup> IMF (2023) – Remittances and GDP growth in Tajikistan and Kyrgyzstan. Available at: [www.imf.org](http://www.imf.org)

<sup>6</sup> IMF eLibrary (2023) – Kyrgyzstan's gold exports and role as a re-export hub to Russia. Available at: [www.elibrary.imf.org](http://www.elibrary.imf.org)

<sup>7</sup> World Bank Gender Data (2023) – Gender Development Index (GDI) and female labor force participation trends in all four countries. Available at: [www.genderdata.worldbank.org](http://www.genderdata.worldbank.org)

low (0.75), reflecting significant gender gaps in labour force participation (25–26%) and limited economic opportunities for women.<sup>8</sup>

Afghanistan faced a sharp regression, as restrictive Taliban policies reduced women's access to education, employment, and public participation, leading to a GDI drop to 0.723 and a steep decline in female HDI (0.411) compared to male HDI (0.568). In Tajikistan, gender disparities persisted despite gradual improvements, with a GDI of ~0.80, as labour migration left many women in low-income rural jobs.<sup>9</sup>

Kyrgyzstan outperformed its peers, maintaining a GDI of 0.96 with high female labour participation (over 40%) and broad access to education and healthcare.<sup>10</sup> However, challenges like gender-based violence and employment segregation remain concerns. Across all four countries, economic growth did not always translate into gender equality, with Pakistan and Afghanistan struggling to improve women's empowerment, while Kyrgyzstan sustained progress and Tajikistan made slow gains.

### **AP Asia's Contributions to Economic Well-Being and Gender Inclusion**

The Accelerate Prosperity in Asia (AP Asia) project, funded by the European Union (EU), aimed to enhance entrepreneurship, job creation, and gender-inclusive economic growth in Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan. Between 2020 and 2024, the project supported over 2,500 entrepreneurs, leading to the creation of 3,976 full-time jobs, with 32% held by women and 55% by youth.

Through business training, mentorship, access to finance, and market linkages, AP Asia expanded micro and small enterprises, improved business resilience, and increased household incomes. The programme catalysed ICT startups, strengthened livestock, aquaculture, and apiculture businesses, and supported fashion, crafts, construction, energy, tourism, and retail enterprises, fostering economic growth and job creation.

A key success was gender inclusion, with AP Asia deliberately targeting women entrepreneurs through tailored training and access to capital, helping them overcome traditional barriers to business ownership. However, while AP Asia had a measurable local impact, its influence on national economic indicators remained modest, as broader macroeconomic trends, policies, and systemic challenges continued to shape Gross National Income (GNI) per capita and Gender Development Index (GDI) trends across the four countries.

### **Cross-Country Analysis of AP Asia's Impact**

**Pakistan: Local Gains Amid Economic Volatility:** Between 2020 and 2024, Pakistan's economy faced multiple shocks, including COVID-19, the 2022 floods, and political instability, leading to a fluctuating GNI per capita, which dropped from \$1,510 in 2020 to \$1,270 in 2022 before recovering to \$1,560 in 2024. Despite these macroeconomic challenges, AP Asia helped businesses build resilience, create jobs, and expand into new markets.

- A tech startup, which began with two employees in 2020, expanded to over 50 workers, training 2,000 young individuals in digital economy skills with AP Asia's support.
- A women-led enterprise producing women-cantered products grew from 10 to 70 employees, including individuals with disabilities, demonstrating inclusive employment opportunities.

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<sup>8</sup> (UNDP HDR, 2023; World Bank Gender Data, 2023) **UNDP Human Development Report (2023)** – Pakistan and Afghanistan's GDI rankings and gender inequality. Available at: [www.hdr.undp.org](http://www.hdr.undp.org)

<sup>9</sup> World Bank Gender Data (2023) – Gender Development Index (GDI) and female labor force participation trends in all four countries. Available at: [www.genderdata.worldbank.org](http://www.genderdata.worldbank.org)

<sup>10</sup> IMF (2023) – Remittances and GDP growth in Tajikistan and Kyrgyzstan. Available at: [www.imf.org](http://www.imf.org)

- AP Asia's partnerships with financial institutions like HBL helped startups develop long-term financial strategies, strengthening their financial sustainability.

However, AP Asia's impact on Pakistan's national GDI (~0.75) was limited due to deep-rooted gender disparities. While women entrepreneurs benefited, broader gender progress remained more influenced by legislations, public policy and activism by women activists in Pakistan over the time large public programmes like Ehsaas/BISP than localised entrepreneurship support.

**Afghanistan: AP Asia's Efforts Limited by Political Upheaval:** Afghanistan's GNI per capita plummeted from \$580 in 2020 to \$380 in 2024 following the Taliban takeover in 2021. The loss of foreign aid, international sanctions, and economic contraction severely limited AP Asia's impact, despite its initial successes in supporting Afghan entrepreneurs.

- A tech company installed three internet towers with AP Asia funding, increasing customer reach by 20% and improving business resilience.
- Networking and training with Tajik entrepreneurs helped Afghan businesses access new markets, shifting their focus from job-seeking to business ownership.

However, restrictions on women's participation after 2021 largely reversed gender inclusion efforts, while political instability and lack of government recognition further restricted market engagement.

**Tajikistan: Remittance-Driven Growth, Slow Gender Progress:** Tajikistan's GNI per capita rose from \$1,110 in 2020 to \$1,210 in 2024, driven primarily by remittances (30% of GDP) and infrastructure investments. While AP Asia supported Tajik entrepreneurs, its overall may have complemented the income growth of supported enterprises but the GNI rise is mainly driven by high flow remittance during 2020 to 2024.

- A bakery expanded operations and secured supermarket contracts with AP Asia funding, improving business scalability.
- A women-led enterprise employing 25% young women trained students, enhancing economic opportunities for women.

Despite these successes, gender progress remained slow, as labour migration patterns continued to limit women's economic participation.

**Kyrgyzstan: Strong Growth, Gender Inclusion Maintained:** Kyrgyzstan's GNI per capita rose from \$1,100 in 2020 to \$1,440 in 2024, mainly supported by gold exports, trade with Russia, and remittances. AP Asia's support for tourism, IT, and sustainable housing aligned well with this growth.

- An AP supported eco-friendly housing business grew from a one-person operation to a 20-employee firm, expanding into regional exports.
- An AP supported milk processing factory collaborated with 60 farming families and increased daily processing capacity to 5 tons, strengthening agricultural value chains.
- An AP supported glassware entrepreneur secured a corporate contract through AP Asia, boosting business expansion.

Kyrgyzstan's GDI (~0.96) outperformed other target countries, with higher female labour participation (~40%), making AP Asia's gender inclusion efforts complementary rather than transformative.

### **Impact of AP Asia on the Enterprise Ecosystem**

Evaluation Question: Did the AP Asia project contribute to systemic changes in the entrepreneurial ecosystem within the target countries, such as improved market access, enhanced business networks, or increased support for start-ups and small and growing businesses (SGBs)?

AP Asia played a pivotal role in strengthening entrepreneurial ecosystems across its target countries. Through business incubation, financing, market linkages, and mentorship, the project helped enterprises scale, innovate, and contribute to job creation.

**Strengthening Business Incubation & Acceleration:** In Kyrgyzstan and Tajikistan, AP Asia partnered with UCA to deliver structured entrepreneurship programmes, improving business development skills. This programme was not only useful for the AP supported participants but will work a resource base for new enterprises in future as well. In Afghanistan, AP Asia's virtual mentorship helped entrepreneurs sustain businesses despite in-person restrictions due to security concerns.

**Expanding Access to Finance for Startups & SMEs:** AP Asia bridged financing gaps by providing seed funding, equity investments, and soft loans, enabling businesses to expand production and improve financial stability. In all the target countries partnerships with AP partner banks helped entrepreneurs develop long-term financial plans, ensuring sustainable business growth.

**Enhancing Market Linkages & Cross-Border Trade:** Joint bazaars between Afghan and Tajik businesses helped Afghan entrepreneurs' access new markets, despite domestic economic constraints. Export-oriented Kyrgyz enterprises expanded into Kazakhstan and Russia, particularly in eco-friendly housing, tourism, and IT services.

**Enabling Women's Leadership & Inclusive Entrepreneurship:** One-third of jobs created by AP supported enterprises were held by women, with AP Asia offering training and funding for women-led businesses. The programme also supported women-led business in each target countries are role model for women to start business and increase their economic participation and empowerment. In Afghanistan, despite challenges, AP Asia helped women in business, increasing their involvement in economic participation.

**Creating a Sustainable Entrepreneurial Culture:** AP Asia also helped some startups secure global acceleration opportunities particularly in Kyrgyzstan, linking ventures to investors, international markets, and mentorship programmes. Startups like Codify, Spark, and GreenSpark in Kyrgyzstan expanded into green technology, sustainability, and IT services, showcasing AP Asia's role in fostering innovation.

### **Unintended Negative Impacts of AP Asia**

Evaluation Question: What unforeseen positive or negative consequences (if any) have resulted from the project's interventions? How have these impacts influenced the local economic, social, or environmental conditions in the target regions?

**Risk of Financial Exclusion of Rural Enterprises:** AP's financial model is designed to prioritise scalable and innovative businesses, which may have inadvertently limited access for rural enterprises focused more on sustaining operations than on rapid growth. Traditional crafts, small-scale agriculture, and localised services—sectors critical for rural employment and livelihoods—often faced challenges in meeting AP's investment-readiness criteria.

**Overlooking Structural Barriers to Regional Trade:** AP Asia focused on demand-side trade facilitation but did not address systemic constraints such as political instability, regulatory inconsistencies, and export certification gaps. This approach has increased expectations than real benefit. The selection of target countries (Pakistan, Afghanistan, Tajikistan, Kyrgyzstan) also lacked a feasibility assessment, given their complex geopolitical relations.

**Digital Exclusion in Remote Areas:** The shift to virtual and digital training benefited digitally connected entrepreneurs but may have excluded many women and youth in remote, mountainous regions with limited internet access and digital literacy.

### Conclusion on impact

1. AP Asia supported over 2,500 entrepreneurs, creating 3,976 full-time jobs (32% for women, 55% for youth). While many businesses scaled and became resilient, the programme's impact on national economic indicators (GNI per capita) was limited due to broader macroeconomic challenges in all the regional countries.
2. AP Asia boosted women's entrepreneurship, especially in Pakistan and Kyrgyzstan, but participation remained below target (28%), with cultural and financial barriers limiting impact in Afghanistan and Tajikistan. While local businesses benefited, systemic gender disparities remained largely unchanged.
3. AP facilitated B2B trade, but political instability, regulatory barriers, and lack of policy engagement restricted sustainable regional trade expansion. The absence of export facilitation and trade harmonization further limited cross-border opportunities.
4. AP helped build an ecosystem for startups through incubation, financing, and mentorship, but rural enterprises struggled to access financial support. The focus on scalable businesses excluded many survival-oriented small enterprises, creating financial accessibility challenges in underserved areas.

### Recommendations on Enhancing Project Impact

**1. Engage Policymakers to Drive SME-Led Economic Growth:** Strengthen policy advocacy by formally engaging with government ministries, chambers of commerce, SME authorities, and trade bodies through structured partnerships, including signing Memoranda of Understanding (MoUs) to institutionalise collaboration. Participate in national and regional public-private dialogues, contribute to SME development forums, and engage in technical working groups to influence the design of SME policies, tax incentives for local sourcing, and entrepreneurship strategies. Activities could include hosting joint policy roundtables, developing SME-friendly policy briefs, and creating public awareness campaigns on rural enterprise development. For example, partnerships with national chambers of commerce can be used to advocate for incentives encouraging SMEs to integrate local producers into their supply chains, thus ensuring enterprise development directly contributes to broader national economic indicators.

**2. Boost Women's Entrepreneurship:** Expand gender-focused financial products, mentorship networks, and policy reforms to improve women's participation, particularly in restrictive contexts like Afghanistan and Tajikistan. Specific actions include setting up gender-sensitive financial instruments (such as low-collateral loans and catalytic grants for women-led startups, and formalising mentorship pipelines through partnerships with women business associations). Additionally, advocacy for gender-responsive policy reforms (e.g., simplifying business registration for women, facilitation in accessing documents required for financing) can be prioritised to address systemic barriers to women's economic participation.

**3. Enhance Regional Trade Facilitation:** Address regulatory barriers by engaging in trade policy dialogues, supporting regional trade agreements, and assisting businesses with certification and export documentation.

Beyond B2B linkages efforts are required to advocate for government-level initiatives to harmonize standards, simplify customs procedures, and reduce non-tariff barriers. A model could be drawn from the East African Community's (EAC) Simplified Trade Regime, which according to report effectively boosted SME cross-border trade. Future efforts should integrate direct policy engagement, working with ministries of commerce and regional trade bodies to create a more enabling environment for SMEs.

**4. Expand Financial Access for Rural and Small Enterprises:** Develop tailored financial products for early-stage and rural enterprises, going beyond traditional banking. Specifically, establishing a catalytic grant facility for early-stage enterprises in fragile settings (drawing lessons from the World Bank's Post-Conflict Fund experience), and promote Islamic finance models where relevant, for example Murabaha and Musharaka in Afghanistan. Moreover, expanding partnerships with microfinance institutions and cooperative banks, and introducing risk-sharing instruments like partial credit guarantees, may ensure financial inclusion of underserved communities.

**5. Improve Inclusivity in Business Support:** Ensure equal access to entrepreneurship resources for women, rural enterprises, and youth by creating differentiated support mechanisms. For youth, specifically, introduction of targeted youth entrepreneurship initiatives is critical — including entrepreneurship bootcamps, youth venture funds, and first-loss guarantee schemes — to overcome challenges related to limited credit history and perceived high risk. Blending financial literacy training with tailored financial products are likely boost youth-led enterprise growth. For rural entrepreneurs, offering flexible training models (e.g., mobile units, radio-based entrepreneurship education) and prioritising offline delivery methods can overcome digital divides.

## 6.6. Sustainability

This section evaluates the likelihood that the benefits of the AP Asia project will be sustained over the long term. It draws on established definitions of sustainability, including:

**EU Evaluation Methods, Vol. 1:** Sustainability refers to the continuation of benefits after major development assistance ends, the probability of lasting positive impacts, and the resilience of these benefits to risks over time.

**OECD DAC Glossary of Terms:** Sustainability is the extent to which the benefits of a development intervention persist beyond external support, considering the likelihood of long-term impact and resilience to potential risks.

The analysis is informed by project monitoring data, key informant interviews, and a detailed review of the AP Asia Exit Strategy. The Exit Strategy is structured around three core pillars designed to promote long-term impact:

1. **Enterprise and Ecosystem Strengthening** – sustaining business incubation, acceleration, and access to finance.
2. **Institutionalizing Capacity Building** – embedding entrepreneurship training and services within local institutions and business development networks.
3. **Financial and Strategic Partnerships Mobilization** – leveraging a revolving investment fund and cultivating new donor and private sector partnerships.

### Sustainability of Benefits: Enterprise Growth, Self-Employment, and Trade

Evaluation Question: To what extent are the benefits of the AP Asia project, such as enterprise growth, self-employment, and increased trade, likely to be sustained beyond the project's completion? What factors may influence the sustainability of these benefits?

The AP Asia Exit and Sustainability Strategy outlines key mechanisms to sustain project benefits, including continued financing, business incubation, and capacity-building facilitated by the Aga Khan Foundation (AKF) and other development partners.

- **Enterprise Growth:** AP supported startups and SGBs are expected to continue operations through access to financing mechanisms like AP’s revolving fund, donor partnerships, and business support services. However, full sustainability depends on progressively reducing reliance on external donor funding and increasing integration into private sector financing ecosystems.
- **Self-Employment:** Entrepreneurs, particularly women and youth, have been equipped with core business skills and networks, although their ability to operate independently will hinge on market conditions, financing access, and mentorship availability.
- **Trade Expansion:** AP Asia sought to enhance regional trade, but factors such as political instability, regulatory constraints, and the lack of trade harmonization across Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan present significant barriers. Its only business-to-business (B2B) approach lacks direct engagement with state actors, potentially limiting long-term impact on trade facilitation.

### **Training and Capacity Building for Women, Youth, and Rural Entrepreneurs**

**Evaluation Question:** Have the project’s interventions, such as training, capacity building, and business development services, effectively equipped women, youth, and rural entrepreneurs with the necessary skills, knowledge, and resources to continue growing their businesses independently, without external support?

AP Asia provided comprehensive training, mentorship, and access to finance, equipping entrepreneurs with skills for business growth.

- Women and youth-led businesses were prioritized, yet participation levels fell short of initial targets (e.g., only 28% of businesses engaged were women-led). The AP Asia Gender Strategy moderately succeeded in supporting women entrepreneurs, particularly in Pakistan and Kyrgyzstan, where favourable ecosystems facilitated growth. However, cultural barriers, financial exclusion, and digital access gaps hindered impact in rural areas, Afghanistan, and Tajikistan. Without continued, women-focused financing and mentorship initiatives, there is a risk that women-led businesses—particularly in Afghanistan and Tajikistan—may experience higher closure rates than male-led enterprises.
- Training programmes are expected to continue beyond the project's closure through alumni networks, partnerships with educational institutions, and local service providers, as outlined in AP Asia’s Exit Strategy. Approximately 65% of ongoing training and mentorship services post-2024 are projected to be delivered by local Business Development Service (BDS) providers and universities. Alumni networks and institutional partnerships—such as with universities and the School of Professional and Continuing Education (SPCE)—are expected to play a central role in sustaining entrepreneurship education and mentorship after project completion, ensuring continued skill development and local ownership.

### **Mechanisms Established for Ongoing Success and Scalability**

**Evaluation Question:** What mechanisms have been established (e.g., partnerships, business networks, access to finance, market linkages) to ensure the ongoing success and scalability of the enterprises supported by the project? Are these mechanisms likely to be sustainable over time?

**Partnerships with Financial Institutions:** AP has developed formal partnerships with several key financial institutions, including Habib Bank Limited (HBL), First Microfinance Bank, and the Accelerate Prosperity Fund. These partnerships provide immediate and future access to financial services tailored for SMEs and startups. In addition to existing partners, AP is actively negotiating with development finance institutions and donors such as KfW, USAID, the World Bank, FCDO, and SECO to expand funding pipelines and diversify financing

options. These partnerships are critical to building a more resilient and inclusive financing ecosystem beyond the project's duration.

**Access to Finance:** To ensure ongoing access to capital for entrepreneurs, AP has established a revolving investment fund. This mechanism reinvests repaid loans and service charges back into new investments, allowing a self-sustaining cycle of SME support without sole reliance on donor funding. The revolving fund is complemented by technical assistance to ensure that enterprises receiving financial support are investment-ready, further enhancing the viability and repayment rates critical for fund sustainability.

**Market Linkages:** AP has worked to create enduring market linkages through a combination of alumni networks, participation in trade shows, regional B2B events, and new collaborations with private sector companies. These platforms aim to ensure that supported enterprises continue to access supply chains, customers, and investors after project closure. However, while these market access mechanisms are promising, challenges remain in areas such as export certification, quality assurance, and compliance standards, particularly for enterprises seeking to scale internationally. Addressing these gaps will be important for maximizing long-term trade potential.

**Incubation and Co-working Spaces:** AP's incubation centres and co-working spaces, established during the project, will be sustained through partnerships with local universities, private sector actors, and other development organisations. These hubs are designed to provide ongoing mentorship, business development support, and collaborative work environments essential for early-stage and growing businesses. Through fee-based models, strategic partnerships, and alumni engagement, these spaces are expected to continue serving entrepreneurs beyond the project's end, helping to maintain a dynamic, innovation-driven ecosystem.

#### **Local Ownership and Stakeholder Capacity Building**

**Evaluation Question:** To what extent has the project fostered local ownership and strengthened the capacity of key stakeholders (e.g., local governments, business associations, educational institutions) to sustain and build upon the project's impacts, particularly in promoting economic well-being and enterprise development in rural areas?

**Integration of Entrepreneurship into Local Institutions:** AP has actively engaged with local business development centres, financial institutions, and universities to embed entrepreneurial education and enterprise support services into formal structures. Partnerships with institutions such as the University of Central Asia (UCA) and other regional universities aim to ensure that entrepreneurship training continues post-project. Business advisory curricula, business incubation models, and mentorship approaches developed by AP are being institutionalized, fostering the long-term capacity of local actors to drive entrepreneurship independently.

**Strengthening Local Business Support Organisations:** Local Business Development Service (BDS) providers and business associations have been capacitated to deliver ongoing training, mentorship, and advisory services. Through AP's support, these Organisations have enhanced their technical and operational capabilities, making them better equipped to serve a broader pool of entrepreneurs beyond AP beneficiaries. Approximately 65% of ongoing training and support services post-2024 are projected to be delivered through these local institutions, ensuring the emergence of a self-sustaining entrepreneurial ecosystem.

**Limited Engagement with Government Stakeholders:** While significant progress has been made in building capacity within private sector and educational actors, AP's engagement with government institutions remained limited during the project period. This limited policy-level collaboration could hinder systemic changes necessary to fully embed entrepreneurship support into national economic strategies. Without stronger linkages to SME authorities, ministries of trade, or regional economic development agencies, scaling entrepreneurship support beyond project-affiliated institutions may face challenges. Strengthening public-private partnerships in future programming would be critical to ensure more robust policy and regulatory support for rural enterprise development.

#### **Capacity of Local Institutions for Long-Term Impact**

Evaluation Question: How well-equipped are local institutions to maintain, expand, and scale the project's impacts? Are there any gaps in their capacity that could limit the long-term sustainability of the project's results?

**Financial Sustainability:** To sustain operations beyond the life of the AP Asia project, AP plans to rely on a combination of revolving investment capital, donor funding, and strategic institutional partnerships. The revolving fund mechanism—reinvesting repaid loans and service charges—provides a partial buffer against funding gaps. Additionally, AP has initiated negotiations with development finance institutions (e.g., KfW, World Bank, USAID, SECO) to diversify funding sources. However, long-term financial sustainability will depend on AP's ability to transition from donor dependence to a blended financing model involving commercial investments, philanthropic contributions, and public-private co-financing arrangements.

**Institutional Capacity:** Universities, BDS providers, and business Organisations that collaborated with AP will continue delivering entrepreneurship training, mentorship, and advisory services. However, systemic weaknesses—such as limited public-private collaboration, weak trade facilitation support, and underdeveloped venture capital and angel investment ecosystems—pose risks to the scaling and deepening of AP's results. Without stronger government engagement and ecosystem strengthening, these local institutions may struggle to maintain momentum at scale.

**Knowledge Sharing and Impact Assessment:** To support continuous learning and evidence-based programme refinement, AP has committed to providing post-investment technical assistance and conducting structured impact assessments for at least three years after project closure. AKF will also track impact indicators at least three years beyond the close of the AP Asia project, given the time it will take for such changes to register. This ongoing monitoring will focus on assessing business survival rates, job creation, revenue growth, and ecosystem-level improvements. Knowledge-sharing activities—such as alumni exchanges, peer learning platforms, and regional entrepreneur networks—are also planned to maintain entrepreneurial dynamism. However, ensuring that local institutions lead and sustain these mechanisms over time will be critical for embedding a culture of continuous innovation and adaptation.

#### Cross-Country Analysis of AP Asia's Sustainability

**Kyrgyzstan:** In Kyrgyzstan, AP-supported businesses demonstrate strong long-term viability, having integrated principles of resource efficiency, financial discipline, and market adaptability into their operations. Entrepreneurs trained in Green Economy practices are using biodegradable, locally sourced materials such as straw, clay, and wood in construction, significantly reducing energy costs and promoting structures with durability of 50–100 years.

*"The training not only helped us build energy-efficient homes but also taught us how to market them effectively. We now have a business model that is both sustainable and profitable."*

For IT startups, sustainability hinges on scalability and consistent investment attraction. AP's investment readiness programming has helped several ventures secure follow-on funding; however, long-term enterprise tracking mechanisms remain nascent and need to be institutionalized.

*"AP's impact lasts as long as it continues evolving. The programme keeps educating entrepreneurs and integrating market expertise, ensuring that we stay ahead of industry trends."*

At the ecosystem level, AP is advocating for a venture capital law and has initiated the establishment of a dedicated investment fund in partnership with local actors. These efforts aim to create an enabling environment for startups to access sustained funding and regional networks.

*"Our goal is to ensure startups in Kyrgyzstan don't just survive but thrive by integrating them into regional and international investment networks."*

**Pakistan:** In Pakistan, AP-supported businesses are demonstrating strong momentum, scaling operations into new domestic and international markets.

*"This opportunity underscores our potential for aggressive growth. However, to sustain that growth, we need continued access to funding and a robust network. AP plays a crucial role in supporting our expansion."*

AP has fostered a long-term entrepreneurial mindset among beneficiaries, emphasizing innovation, market responsiveness, and adaptability.

*"AP is always willing to learn and adapt. They take feedback seriously and refine their strategies based on what they learn from the communities they serve."*

Beyond individual businesses, AP's model has been partially institutionalized through partnerships with universities and business development Organisations, embedding incubation services and entrepreneurial training into existing structures. Nonetheless, concerns about the future sustainability of funding pipelines, particularly for startups in underserved rural areas, remain. Strengthening mentorship networks and B2B linkage programmes will be critical for deepening impact.

*"Exposure visits and network integration are key to scaling our businesses and building sustainable ventures."*

**Tajikistan:** In Tajikistan, AP's strategy has focused on strengthening local capacity and reducing reliance on external donor support. Entrepreneurs received tailored business planning, market research, and mentorship support to ensure their enterprises are positioned for long-term viability.

*"Tailored support helped us overcome challenges and ensures long-term viability by addressing financial and strategic needs together."*

The use of AP's digital training resources continues post-project, aiding ongoing business planning and capacity building.

*"Even after the programme ended, I continue using AP's digital resources for business planning."*

Adoption of eco-friendly construction and resource-efficient business practices is another notable outcome, helping entrepreneurs reduce operational costs and build resilience to market shocks.

*"Simple changes like window placement and using non-toxic materials have made our projects more efficient and sustainable."*

However, access to finance remains a constraint, and Tajikistan's economy remains heavily dependent on remittances, limiting domestic business expansion opportunities. Targeted work to strengthen financial inclusion infrastructure (e.g., SME banking, microfinance innovations) will be needed to enhance sustainability.

**Afghanistan:** Despite significant systemic challenges, AP Asia contributed to strengthening the resilience of Afghan entrepreneurs by focusing on core business management skills such as budgeting, sales forecasting, and financial planning.

*"The training helped us focus on energy-efficient architecture and long-term maintenance cost reductions. These strategies have helped us sustain operations even in uncertain conditions."*

While AP piloted Islamic finance models adapted to Afghanistan's evolving financial environment, structural barriers—such as lack of flexible financing options and high collateral requirements—continue to limit business scalability.

*"AP provided lower-interest loans, but broader financing options remain inaccessible."*

Some sustainability has been achieved through peer partnerships and subcontracting arrangements between AP-supported businesses.

*"Through AP, I partnered with another company that now acts as a subcontractor, helping both of us sustain our businesses."*

Expanding regional business exchanges could further strengthen sustainability, although visa restrictions, political instability, and restrictions on women's participation present major obstacles. More flexible financial instruments, regional value chain initiatives, and advocacy for cross-border trade facilitation would be beneficial.

After assessing each country's context, interventions, and sustainability prospects, the following table consolidates key strengths and risks identified across Pakistan, Afghanistan, Tajikistan, and Kyrgyzstan. It offers a comparative view of how sustainability factors vary by context and highlights where AP Asia's future support and risk mitigation strategies may need to be concentrated.

Country	Strengths	Risks/Weaknesses
Kyrgyzstan	Strong business ecosystem; adoption of green economy practices; venture capital advocacy.	Limited public-private linkages; need for systematic investment tracking.
Pakistan	Rapid market expansion: incubation models institutionalized; active alumni networks.	Sustainability of funding pipelines; gaps in rural enterprise outreach.
Tajikistan	Strengthened local capacity; adoption of resource-efficient practices.	Limited financial access: heavy remittance dependence constrains domestic growth.
Afghanistan	Resilience training adapted to fragile contexts; Islamic finance pilots initiated.	Political instability; exclusion of women entrepreneurs; weak financial infrastructure.

### Conclusion on Sustainability

1. **Sustainability of Enterprise Growth and Self-Employment:** AP Asia successfully laid the groundwork for sustaining enterprise growth and self-employment beyond project closure, particularly in Kyrgyzstan and Pakistan. Enterprises demonstrate strong internal capacities in financial discipline, market adaptability, and resource efficiency. However, sustaining momentum will require continuous investment access and expansion of mentorship networks, especially for rural and youth-led businesses.
2. **Capacity Building and Local Ownership:** The institutionalization of entrepreneurship education through partnerships with universities (e.g., UCA, LUMS) and BDS providers represents a significant achievement toward sustainability. Approximately 65% of post-project training and mentorship activities are projected to be delivered by local actors. Yet, limited direct engagement with government bodies may constrain systemic policy shifts needed for broader enterprise ecosystem development.
3. **Financial Sustainability and Access to Finance:** The establishment of a revolving investment fund and donor linkages (e.g., USAID, KfW, World Bank, SECO) supports continued access to finance for startups and SMEs. However, significant barriers remain in Afghanistan and Tajikistan due to the weak financial ecosystems, high collateral requirements, and limited Islamic financing options. Broader financial sector reforms and partnerships with microfinance institutions and development finance actors will be crucial.
4. **Trade Facilitation and Regional Market Linkages:** While AP's business-to-business (B2B) networking created market access opportunities, systemic trade challenges — including regulatory hurdles, political instability, and lack of harmonized standards — persist. Without stronger engagement with state actors and regional trade bodies, the full potential of cross-border enterprise growth may not be realized.

5. **Gendered Sustainability and Inclusion:** AP moderately advanced gender-inclusive entrepreneurship by supporting women-led businesses, particularly in Pakistan and Kyrgyzstan. However, participation rates (25–30%) fell below targets, and systemic barriers in Afghanistan and Tajikistan restricted women’s economic agency. Targeted post-project strategies to sustain and scale women-led enterprises will be essential.
6. **Resilience of Local Institutions and Business Networks:** Alumni networks, trade fairs, co-working spaces, and business incubation platforms have been established as part of AP’s sustainability plan. These structures offer strong potential for continued service delivery. However, consistent funding, investment attraction, and coordination among local actors are needed to prevent fragmentation and ensure long-term impact.

The sustainability outlook for AP Asia is promising in contexts where business ecosystems are relatively mature (e.g., Kyrgyzstan, Pakistan), but remains fragile in conflict-affected and financially constrained settings (e.g., Afghanistan, Tajikistan). Future resilience will depend on scaling local ownership, deepening financial inclusion, and forging stronger public-private partnerships.

### **Recommendations on Ensuring Sustainability of the Action**

1. **Strengthen Financial Sustainability and Diversify Funding Sources:** Expand the revolving fund and develop catalytic grant mechanisms to support early-stage and rural enterprises. Deepen partnerships with non-AKDN financial actors (e.g., Islamic banks, microfinance institutions, blended finance platforms) to enhance SME financing ecosystems, especially in fragile contexts.
2. **Institutionalize and Localize Entrepreneurship Capacity Building:** Accelerate the formal integration of entrepreneurship curricula into university programmes and national training institutes. Formalize alumni networks as ongoing mentorship providers and target ≥65% of post-2024 training delivery by local BDS Organisations and universities.
3. **Advance Systemic Policy Engagement for SME Ecosystem Development:** Move beyond enterprise-level support by formally engaging ministries, chambers of commerce, and SME authorities through Memoranda of Understanding (MoUs). Contribute to national SME strategies, trade harmonization efforts, and policies incentivizing local sourcing and value chain integration.
4. **Enhance Regional Trade Facilitation Mechanisms:** Work with regional trade bodies and national governments to address non-tariff barriers, simplify customs procedures, and support mutual recognition of SME standards. Adopt successful models like the East African Community’s Simplified Trade Regime to advocate for pro-SME trade environments.
5. **Promote Inclusive Growth and Address Gendered Sustainability Gaps:** Design differentiated support programmes for women and youth entrepreneurs, including low-collateral financing instruments, business resilience grants, digital skills programmes, and targeted market access support. Establish gender-sensitive performance indicators for post-project sustainability monitoring.
6. **Develop Long-Term Enterprise Tracking and Learning Systems:** Institutionalize a real-time alumni and enterprise performance tracking system to monitor business survival, profitability, gender outcomes, and investment attraction over the next 5 years. Use longitudinal data to inform adaptation and continuous learning.
7. **Strengthen Resilience of Local Business Networks and Support Structures:** Continue supporting business associations, incubation hubs, and co-working spaces through external collaborations. Ensure mentorship, market linkages, and investment facilitation services remain active through sustainable business models and diversified funding.

## **7. Key Lessons and Recommendations**

The project’s implementation revealed several critical insights into the challenges and opportunities for fostering entrepreneurship and SME growth in the region. Key lessons highlight persistent barriers such as

financial inaccessibility, regulatory inconsistencies, and limitations in entrepreneurship support. Additionally, the findings emphasize the importance of policy advocacy, public-private collaboration, and integrated support systems to ensure long-term sustainability. Based on these lessons, the following recommendations outline strategic actions for future initiatives to enhance impact, improve coordination, and drive systemic change. These are identified below.

1. **Financial Accessibility Remains a Major Barrier for start-ups and SMEs:** Early-stage businesses, women entrepreneurs, and rural enterprises struggle to access financing due to restrictive banking policies, high interest rates and limited investment opportunities in the region.
2. **Regional Trade Requires Stronger Policy and Institutional Support:** The lack of trade harmonisation, inconsistent regulations, and political instability hindered cross-border trade. Future initiatives should prioritise regulatory alignment, institutional coordination, and government engagement for sustainable regional trade facilitation.
3. **Public-Private Collaboration is Critical for Sustainable SME Growth:** Programmes relying solely on private-sector networks faced limitations, particularly in financial access and trade. Engaging governments, financial regulators, and trade authorities is essential for long-term policy alignment and market integration.
4. **Entrepreneurship Training Needs to be More Inclusive and Context-Specific:** One-size-fits-all training models limit impact, especially for rural entrepreneurs with low literacy and limited technological access. Future programmes should design adaptable, localized, and digital-friendly training solutions.
5. **Policy Advocacy is Essential for Systemic Change:** The absence of a strong policy advocacy component restricted impact on financial and regulatory reforms. Future programmes should incorporate active engagement with policymakers to improve SME financing frameworks and business regulations.
6. **Women's Entrepreneurship Requires Targeted Support:** Despite efforts, women-led business participation remained below target (28%), particularly in Afghanistan, Pakistan, and Tajikistan. Addressing social norms, financial barriers, and access to mentorship is crucial for greater inclusion.
7. **Integrated Support Systems Improve Enterprise Sustainability:** Businesses benefitted most when financial access, training, and market linkages were aligned. Future programmes should ensure better integration of incubation, financing, and post-investment technical assistance.
8. **Stronger Pre-Programme Feasibility Studies Can Improve Design:** The overestimation of regional trade feasibility and financial accessibility suggests the need for better feasibility assessments before project design to align interventions with realistic economic and political conditions.
9. **Sustained Impact Requires Institutionalizing Entrepreneurial Support:** Embedding entrepreneurship education in universities and business associations, along with long-term incubation hubs and mentorship networks, can sustain SME growth beyond project cycles.
10. **Efficient Project Implementation Depends on Streamlined Processes and Coordination:** Delays in loan processing, unclear communication, and inefficient review mechanisms reduced efficiency, particularly in Afghanistan and Tajikistan. Future projects should improve operational efficiency, enhance outreach, and strengthen stakeholder coordination.

### **Recommendations for Future Programme Design**

Future programmes should focus on strengthening financial access by diversifying funding partnerships beyond AKDN institutions and introducing blended financing models to support startups and underserved enterprises. Aligning financial mechanisms with government policies will enhance long-term sustainability. Trade facilitation and market integration should be improved through feasibility assessments, regulatory collaboration, and expanded B2B linkages. Public-private collaboration must be expanded by increasing government involvement in SME policy reforms, strengthening business associations, and embedding policy advocacy components. Training models should be more inclusive and tailored to literacy levels, technological access, and rural enterprise needs, with enhanced post-training support and digital learning options. Lastly,

long-term entrepreneurial support should be institutionalized by integrating entrepreneurship training into formal education, sustaining business incubation hubs, and fostering mentorship networks for ongoing enterprise growth.

### **1. Strengthen Financial Access and SME Investment**

- Diversify financial partnerships beyond AKDN affiliated institutions, ensuring greater SME access to funding, especially for women and early-stage entrepreneurs.
- Introduce blended financing models (grants, microfinance, co-financing options) to support startups and underserved enterprises.
- Align financial mechanisms with government policies to ensure long-term financial sustainability.

### **2. Improve Trade Facilitation and Market Integration**

- Conduct feasibility assessments before including regional trade components to address regulatory, political, and infrastructure constraints. Where regional trade is not feasible, pivot to national market integration or bilateral linkages. Align project design with geopolitical and regulatory realities
- Enhance collaboration with trade regulatory bodies, financial institutions, and policymakers to create an enabling cross-border trade environment.
- Expand B2B linkages and supply chain networks to strengthen regional trade opportunities.

### **3. Expand Public-Private Collaboration and Policy Engagement**

- Increase government involvement in SME policy reforms, financial regulations, and trade facilitation to strengthen systemic impact.
- Strengthen business association engagement and leverage private-sector collaborations to enhance SME support systems.
- Embed policy advocacy components in future programmes to address regulatory and financial barriers more effectively.

### **4. Optimise Training Models and Capacity Building**

- Develop tailored training models that account for literacy levels, technological access, and rural enterprise needs.
- Increase flexibility in financial instruments and business advisory services to improve accessibility for diverse SME segments.
- Enhance post-training support, mentorship, and digital learning options for continued enterprise development.

### **8. Institutionalise Long-Term Entrepreneurial Support**

- Integrate entrepreneurship training into formal education through universities and business institutions to ensure knowledge retention and skill development.
- Sustain business incubation hubs, digital platforms, and technical assistance networks for ongoing enterprise growth.
- Encourage alumni networks and mentorship programmes to maintain long-term business resilience and ecosystem sustainability.

**Annex – 1: Evaluation Matrix**

Evaluation Criteria	Evaluation Questions	Indicators	Data Sources	Data Collection Methods	Analysis Approach
<b>Relevance</b>	To what extent do the project's objectives address the needs of rural communities, women, youth, and SMEs?	- Stakeholder perception of project relevance (qualitative).	- Stakeholders (e.g., beneficiaries, government officials).	- Stakeholder interviews, FGDs.	- Thematic analysis of qualitative data.
		- Percentage of entrepreneurs having positive perceptions about their business's performance because of coaching and mentorship.	- Review of perception surveys conducted by the project.	- Document review	- Trend analysis of project perception survey
		- Stakeholder narratives on challenges faced by women, youth, and SMEs in rural areas.	- Stakeholders (e.g., beneficiaries, government officials).	- Stakeholder interviews, FGDs.	- Thematic analysis of qualitative data.
	How well does the project align with regional development priorities?	- Alignment with national/regional strategies.	- National and regional strategy documents, project documents.	- Document review, triangulation across stakeholder perspectives.	- Comparative alignment analysis.
		- Number of supported enterprises linked with lead firms within the relevant supply chain.			
		- Perception of local community stakeholders on the alignment of project goals with regional priorities (qualitative).	- Stakeholders (e.g., beneficiaries, government officials).	- Stakeholder interviews, FGDs.	- Thematic analysis of qualitative data.

<b>Evaluation Criteria</b>	<b>Evaluation Questions</b>	<b>Indicators</b>	<b>Data Sources</b>	<b>Data Collection Methods</b>	<b>Analysis Approach</b>
<b>Coherence</b>	Does the project align with other initiatives and regional/national strategies?	<ul style="list-style-type: none"> <li>- Overlap and complementarity with other initiatives.</li> <li>- Number of business associations strengthened to support business members.</li> <li>- Key informant feedback on project alignment with existing regional/national strategies (qualitative).</li> </ul>	<ul style="list-style-type: none"> <li>- Related project data, stakeholder feedback.</li> </ul>	<ul style="list-style-type: none"> <li>- Stakeholder mapping, content analysis.</li> </ul>	<ul style="list-style-type: none"> <li>- Comparative coherence analysis.</li> </ul>
	Is the project design internally coherent?	<ul style="list-style-type: none"> <li>- Consistency between project activities, outputs, and outcomes.</li> <li>- Perception of project staff on internal coherence and alignment of activities (qualitative).</li> </ul>	<ul style="list-style-type: none"> <li>- Project theory of change, activity plans, output documents.</li> </ul>	<ul style="list-style-type: none"> <li>- Document review, gap analysis.</li> </ul>	<ul style="list-style-type: none"> <li>- Logical consistency check.</li> </ul>
<b>Effectiveness</b>	To what extent were the intended outcomes, outputs (e.g., job creation, trade facilitation) achieved?	<ul style="list-style-type: none"> <li>- Progress on key indicators (e.g., jobs created, SMEs supported).</li> <li>- Number of full and part-time jobs created and sustained in supported enterprises (disaggregated by country, sector, gender, and age).</li> <li>- Number of entrepreneurs provided with growth financing.</li> </ul>	<ul style="list-style-type: none"> <li>- Baseline and endline data, project monitoring data.</li> </ul>	<ul style="list-style-type: none"> <li>- Comparative analysis of baseline and endline data.</li> </ul>	<ul style="list-style-type: none"> <li>- Descriptive statistics for quantitative insights.</li> </ul>

Evaluation Criteria	Evaluation Questions	Indicators	Data Sources	Data Collection Methods	Analysis Approach
		<ul style="list-style-type: none"> <li>- Number of employees in backward and forward-linked businesses of supported enterprises.</li> </ul>			<ul style="list-style-type: none"> <li>- Narrative analysis of qualitative feedback.</li> </ul>
		<ul style="list-style-type: none"> <li>- Stakeholder narratives on the perceived impact of job creation and trade facilitation (qualitative).</li> </ul>			
	How inclusive was the project?	<ul style="list-style-type: none"> <li>- Inclusion rates (e.g., women and youth beneficiaries).</li> </ul>	<ul style="list-style-type: none"> <li>- Project MIS, beneficiaries, project partners.</li> </ul>	<ul style="list-style-type: none"> <li>- MIS data review, FGDs with beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>- Narrative and statistical analysis.</li> </ul>
		<ul style="list-style-type: none"> <li>- Percentage of supported enterprises that traded across borders in the last 12 months.</li> </ul>			
<ul style="list-style-type: none"> <li>- Stakeholder satisfaction.</li> <li>- Beneficiary feedback on the inclusivity of project interventions (qualitative).</li> </ul>					
<b>Efficiency</b>	Were financial, human, and time resources used efficiently?	<ul style="list-style-type: none"> <li>- Budget utilisation, timeliness of activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Financial reports, implementing partners, beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>- Financial review, process mapping, partner interviews.</li> </ul>	<ul style="list-style-type: none"> <li>- Cost-efficiency analysis, workflow analysis.</li> </ul>
		<ul style="list-style-type: none"> <li>- Amount (in EUR) of co-financing secured by supported enterprises within three years.</li> </ul>			
		<ul style="list-style-type: none"> <li>- Stakeholder perceptions on resource utilisation efficiency (qualitative).</li> </ul>			
		<ul style="list-style-type: none"> <li>- Timeliness of activities.</li> </ul>			

Evaluation Criteria	Evaluation Questions	Indicators	Data Sources	Data Collection Methods	Analysis Approach
	What bottlenecks or delays affected project efficiency?	<ul style="list-style-type: none"> <li>- Partner feedback, implementation records.</li> <li>- Qualitative narratives on specific bottlenecks or delays from key project stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>- Stakeholder interviews, process mapping.</li> </ul>	<ul style="list-style-type: none"> <li>- Narrative analysis of qualitative data.</li> </ul>	
<b>Impact</b>	What long-term effects did the project have on target communities?	<ul style="list-style-type: none"> <li>- Job sustainability, gender-disaggregated impacts.</li> <li>- Number of rural producers reached by supported enterprises.</li> <li>- Profitability of SMEs.</li> <li>- Key informant feedback on perceived long-term effects of the project (qualitative).</li> </ul>	<ul style="list-style-type: none"> <li>- Beneficiaries, gender strategy documents.</li> </ul>	<ul style="list-style-type: none"> <li>- Key informant interviews (KIIs), FGDs, document review.</li> </ul>	<ul style="list-style-type: none"> <li>- Longitudinal analysis, narrative synthesis.</li> </ul>
	Did the project contribute to regional economic integration?	<ul style="list-style-type: none"> <li>- Development of regional trade networks.</li> <li>- Number of SME owners/managers completing executive training on regional trade.</li> <li>- Number of supported SME owners/managers facilitated through multi-country networking and trade events.</li> <li>- Stakeholder perspectives on regional integration outcomes (qualitative).</li> </ul>	<ul style="list-style-type: none"> <li>- Regional trade data, case studies.</li> </ul>	<ul style="list-style-type: none"> <li>- Document review, case study synthesis.</li> </ul>	<ul style="list-style-type: none"> <li>- Descriptive and thematic analysis.</li> </ul>

Evaluation Criteria	Evaluation Questions	Indicators	Data Sources	Data Collection Methods	Analysis Approach
<b>Sustainability</b>	Are project outcomes likely to continue after project closure?	- Continued profitability of SMEs.	- Exit strategy documents, beneficiaries, business owners.	- Exit strategy review, follow-up interviews, observational field visits.	- Risk analysis, qualitative synthesis.
		- Likelihood of existence of support structures' continuity.			
		- Percentage of supported enterprises that are profitable and continue.			
		- Beneficiary feedback on the sustainability of project outcomes (qualitative).			
	Were sustainable support structures established?	- Existence of mentoring and financial networks, local partners' plans.	- Local partners, supported enterprises.	- Observational visits, follow-up interviews.	- Stakeholder plan review, field-based sustainability analysis.
		- Number of lead firms engaged to develop and continue supply chains.			
		- Continuity of benefits of policy engagement on regional trade and entrepreneurship.			
		- Qualitative feedback from stakeholders on the sustainability of support structures (qualitative).			

## Annex – 2: Key Informant Interviews (KIIs) Tool

### Key Informant Interview (KII) Guide A. AP Project Management and Implementation Team Members

#### Respondent Details

Country:		District:	
Name of Respondent:		Designation:	
Organization:		Date:	
Interviewer name:		Note Taker Name:	

#### Introduction

**Greeting:** (Use a culturally appropriate greeting)

My name is [Your Name], and I am part of HIMMAT Consulting Private Limited (HCPL). We are conducting an endline assessment of the EU-funded AP Asia Project for the Aga Khan Foundation [Country Name].

This interview will take about 30-45 minutes. Your responses will remain confidential, and you are free to skip any question or end the interview at any time. Your name or designation will not appear in any study-related documents. While we might quote insights from this discussion, we will not attribute them to you personally. Before we begin:

1. Do you agree to participate in this discussion? Yes, No
2. Do you consent to audio recording for accuracy? Yes, No
3. May we take pictures during the session? Yes, No

(If the participant declines, thank them for their time and conclude the session. If they agree, proceed based on their preferences.)

#### Interview Questions

1. Could you briefly share your role and involvement with the AP Asia Project?

*Probes: How long have you been associated with the project? What was your role?*

2. How would you describe the overall implementation of the AP Asia Project?

*Probes: What do you see as the project's key achievements in access to finance, business growth, regional trade, employment creation, women, and youth empowerment? Are there any success stories that stand out?*

3. In your opinion, how effectively did the project address the needs of rural communities, especially women and youth?

*Probes: What strategies were used to engage women, youth, and people with disabilities? Were there any differences in impact on specific groups, such as youth, women, or people with disabilities? What needs of women and youth were successfully addressed by the project? Are there any key needs or gaps that remain unmet? How do you think these remaining needs could be addressed in future initiatives?*

4. How well did the project coordinate with other donor-funded programs of AKF?

*Probe: Can you provide examples of successful collaboration or synergies? Were there any overlaps or gaps in coordination? What mechanisms or in place to continue collaborations in future? What were the impact of these collaborations?*

5. How well did the project coordinate with government, private sector, trade associations to improve the enterprise ecosystem?

*Probe: Can you provide examples of successful collaboration or synergies? Were there any overlaps or gaps in coordination? What mechanisms or in place to continue collaborations in future? What were the impact of these collaborations, any policy change in access to finance, business growth, regional trade, employment creation, women, and youth empowerment?*

6. What challenges were faced during project implementation, and how were they addressed?

*Probe: Were there any external factors (e.g., political, economic, or environmental) that impacted the project? How were those challenges addressed? How did partnerships with government, NGOs, or the private sector help overcome these challenges?*

7. How has the project contributed to building the capacity of SMEs and entrepreneurs?

*Probe: What activities were most effective? What changes you observed in the performance or practices of SMEs? What type of capacity gaps still exist? What needs to be done in future?*

8. Was the project's resource allocation adequate and efficient?

*Probe: Were there any resource gaps? How could resource use have been improved?*

9. To what extent are the benefits of the AP Asia Project likely to be sustained?

*Probe: What benefits will remain? What mechanisms (e.g., partnerships, networks) have been established to ensure sustainability? What specific challenges enterprises face post-project to sustain?*

10. What are the key lessons learned from the AP Asia Project?

*Probe: If you could redesign the program, what would you change and why?*

**Closing**

Thank you for sharing your valuable insights. Your feedback is important in understanding the project's impact and shaping future initiatives.

## Key Informant Interview (KII) Guide

### B. Government Officials

#### Respondent Details

Country:		District:	
Name of Respondent:		Designation:	
Organization:		Date:	
Interviewer name:		Note Taker Name:	

#### Introduction

**Greeting:** (Use a culturally appropriate greeting)

My name is [Your Name], and I am part of HIMMAT Consulting Private Limited (HCPL). We are conducting an endline assessment of the EU-funded AP Asia Project for the Aga Khan Foundation [Country Name].

This interview will take about 30-45 minutes. Your responses will remain confidential, and you are free to skip any question or end the interview at any time. Your name or designation will not appear in any study-related documents. While we might quote insights from this discussion, we will not attribute them to you personally.

Before we begin:

1. Do you agree to participate in this discussion? Yes, No
2. Do you consent to audio recording for accuracy? Yes, No
3. May we take pictures during the session? Yes, No

(If the participant declines, thank them for their time and conclude the session. If they agree, proceed based on their preferences.)

#### Interview Questions

1. Could you briefly share your role and involvement with the AP Asia Project?

**Probes:** *How long have you been associated with the project? What was your role?*

2. How would you describe the overall implementation of the AP Asia Project?

**Probes:** *What do you see as the project's key achievements in access to finance, business growth, regional trade, employment creation, women, and youth empowerment? Are there any success stories that stand out?*

3. How does the AP Asia project align with regional or national economic development strategies or policies?

**Probes:** *In what ways does the project complement government priorities? Are there specific areas where the project supports key policies, such as employment generation, SME growth, or gender equity? Are there any discrepancies or areas where alignment could be improved?*

4. What has been the government's role in supporting this project, and how would you evaluate its contribution to regional trade and economic integration?

**Probes:** *What specific actions or support has the government provided to this project (e.g., policy support, funding, or technical expertise)? Can you share examples of how the project has fostered regional trade or economic partnerships? What challenges, if any, did the government face in collaborating with the project?*

5. What long-term benefits do you foresee for the target communities from the AP Asia project?

**Probes:** *How sustainable do you think the project's outcomes are? What mechanisms or strategies could enhance the long-term impact of the project? How do you think the project's initiatives could be scaled up or replicated?*

6. Have you seen any changes in local policies or economic conditions of women and youth because of this project?

**Probes:** *Have any new policies been introduced or existing ones adapted to support project activities? Are there observable changes in economic conditions of youth and women, such as increased business activity, job creation, or improved trade networks or empowerment of women and youth? Are these changes directly attributable to the project? If yes, how?*

7. What changes would you suggest for sustainability of similar effort or designing any future entrepreneurship program?

#### Closing

Thank you for sharing your valuable insights. Your feedback is important in understanding the project's impact and shaping future initiatives.

**Key Informant Interview**  
**C. Financial Institutions/Investors**

**Respondent Details**

Country:		District:	
Name of Respondent:		Designation:	
Institution or investor Name:		Date:	
Interviewer name:		Note Taker Name:	

**Introduction**

**Greeting:** (Use a culturally appropriate greeting)

My name is [Your Name], and I am part of HIMMAT Consulting Private Limited (HCPL). We are conducting an endline assessment of the EU-funded AP Asia Project for the Aga Khan Foundation [Country Name].

This interview will take about 30-45 minutes. Your responses will remain confidential, and you are free to skip any question or end the interview at any time. Your name or designation will not appear in any study-related documents. While we might quote insights from this discussion, we will not attribute them to you personally.

Before we begin:

1. Do you agree to participate in this discussion? Yes, No
2. Do you consent to audio recording for accuracy? Yes, No
3. May we take pictures during the session? Yes, No

(If the participant declines, thank them for their time and conclude the session. If they agree, proceed based on their preferences.)

**Interview Questions**

1. Could you briefly describe your and your institution's role in supporting entrepreneurship and business?

Note for facilitator: Briefly inform the participant about the AP Asia project. Share some examples of their engagement in the project activities and then ask:

**Probes:** *What was the nature of your engagement with AP Asia Project ?*

2. In your view, how has the project contributed to strengthening the financial and business ecosystem in the region?

**Probes:** *Did the project improved access to finance for SMEs, women, and youth entrepreneurs? If yes, how? Are there specific examples of businesses or entrepreneurs that benefited significantly from your institution's involvement? How has the project influenced investor confidence or interest in the region?*

3. How would you describe the benefits of the projects? Both in terms supporting business to grow and any positive change it has brought to the community/society?

**Probes:** *Has the project delivered the expected financial or developmental outcomes? How do you evaluate the social impact of the project (e.g., job creation, SME growth, regional trade, women empowerment)? Were there any unexpected outcomes, either positive or negative?*

4. How do you assess the sustainability and scalability of the initiatives supported by the project?

**Probes:** *Are the businesses or entrepreneurs supported by the project likely to remain financially viable in the long term? What factors or mechanisms (e.g., partnerships, market linkages, policy support) are crucial for sustaining the project's impact? Would your institution consider continuing or expanding its support for the enterprises or similar initiatives in the future?*

5. How do you view your involvement with this project as an industry expert's perspective? What do you think the contribution of this project to the business sector? What are the key challenges in the sector?

*What lessons can be drawn from this experience to improve future collaborations?*

6. What recommendations would you make for enhancing the impact and sustainability of similar projects in the future?

**Probes:** *How can financial institutions and investors be better engaged in such initiatives? Are there specific financial instruments or models that could enhance support for entrepreneurs or SMEs?*

**Closing**

1. Is there anything else you would like to add regarding your institution's involvement with the AP Asia project?
2. Do you have any additional feedback or suggestions?

Thank you for sharing your valuable insights. Your feedback is important in understanding the project's impact and shaping future initiatives.

**Key Informant Interview**  
**D. EUD Representative**

**Respondent Details**

Country:		District:	
Name of Respondent:		Designation:	
Institution or investor Name:		Date:	
Interviewer name:		Note Taker Name:	

**Introduction**

**Greeting:** (Use a culturally appropriate greeting)

My name is [Your Name], and I am part of HIMMAT Consulting Private Limited (HCPL). We are conducting an endline assessment of the EU-funded AP Asia Project for the Aga Khan Foundation [Country Name].

This interview will take about 30-45 minutes. Your responses will remain confidential, and you are free to skip any question or end the interview at any time. Your name or designation will not appear in any study-related documents. While we might quote insights from this discussion, we will not attribute them to you personally.

Before we begin:

4. Do you agree to participate in this discussion? Yes, No
5. Do you consent to audio recording for accuracy? Yes, No
6. May we take pictures during the session? Yes, No

(If the participant declines, thank them for their time and conclude the session. If they agree, proceed based on their preferences.)

**Key Questions**

- 1) How does the AP Asia project align with the EU’s strategic priorities and funding objectives in the region?
- 2) How do you assess the project’s contribution to the EU’s broader development goals in the region?
- 3) What are the key factors that influenced the EU’s decision to support this initiative?
- 4) How would you evaluate the effectiveness of coordination between the EU and AKF?
- 5) What is the EU’s perspective on the long-term sustainability of the project? What efforts have been made to ensure financial and operational sustainability beyond donor funding?
- 6) Under what conditions would the EU consider extending or expanding support for similar initiatives?
- 7) What specific challenges have emerged during implementation, and how were they addressed?
- 8) What are the key lessons learned from the project, and how can they be incorporated into future programs?
- 9) How effectively has the EU’s role and contribution been communicated to stakeholders by the implementing partner?

### Annex – 3: Focus Group Discussion (FGD) Tool

Country		District	
Location:		Date:	
Number of participants :		Location of FGD participants :	
Facilitator name:		Note Taker Name:	

#### Introduction

##### 1. Welcome & Purpose:

- Greet participants according to the local culture and introduce yourself.
- Explain the purpose of the FGD: “Today, we are here to discuss the impact of the AP Asia project on your community, particularly on youth and women. We will talk about the challenges faced over the past few years, how the project has helped address them, and what future challenges you foresee. We will also explore your aspirations for the next 10 years and how you see your role in the community’s development.”

##### 2. Consent:

Please note that this discussion is confidential, and your identity will not be revealed in the final report. We want to hear your honest views and experiences. This discussion will take about 40-50 minutes. You are free to skip any question or end the discussion at any time.

Before we begin:

4. Do you agree to participate in this discussion? Yes, No
5. Do you consent to audio recording for accuracy? Yes, No
6. May we take pictures during the session? Yes, No

(If the participant declines, thank them for their time and conclude the session. If they agree, proceed based on their preferences.)

##### 3. Ground Rules:

- Respect each other’s opinions.
- Share your thoughts openly.
- One person speaks at a time.
- It is okay if you do not know the answer to a question; share what you know.
- Please keep your mobile phones on silent mode during the discussion

#### Warm-Up Questions

Let us start by introducing ourselves. Please share your name, your age, and what role you play in your community (youth, woman, business owner, etc.).

#### Core Questions

1. Awareness and Engagement with the AP Asia Project [Relevance and Coherence]
  - a. How did you first hear about the EU funded AP Asia project? Why did you participate?
    - i. Probes: What types of support does the project offer, and were the project’s goals clearly communicated to you?
1. Challenges Faced by Youth and Women [Relevance and Effectiveness]
  - a. What are the most significant challenges faced by youth and women in your community in the past 4 years when it comes to starting and growing businesses?
    - i. Probes: Challenges related to business knowledge and skills, access to finance and markets, social and cultural barriers to entrepreneurship, employment, education, or social inclusion?
2. AP Asia’s Impact on Challenges [Effectiveness and Impact]
  - a. How has the AP Asia project addressed these challenges (particularly for youth and women)?

- i. Probes: Were there specific activities or support (training, mentorship, financing) that helped overcome these challenges? Any differences in support for youth, women, and men?
3. Specific Support Areas (Incubation, Acceleration, Financing, B2B, Cross-border Trade)
  - a. Incubation:
    - i. How did incubation support help you develop your business? Were there any challenges faced as a woman/youth?
  - b. Acceleration: How did the acceleration program help scale your business? Were there any barriers for women/youth?
    - i. Probe: Did you gain any practical knowledge from the programs? Were there any gendered differences in accessing such kind of support?
  - c. Financing: How did you finance your business before or after AP Asia? Did you face any challenges in accessing funding?
    - i. Probe: What changes in financial access for your business do you see now, following the AP Asia support?
  - d. B2B Linkages: How valuable were the B2B linkages in growing your business? Did you face any challenges in establishing these as a woman/youth?
    - i. Probe: Did these connections lead to increased sales, partnerships, or new markets?
    - ii. Were there any barriers in establishing partnerships as a youth or women led business?
  - e. Cross-border Trade: Did you engage in any cross-border trade as a result of the support provided by AP Asia? How did cross-border trade support benefit your business?
4. Effectiveness, Relevance, impact and Sustainability
  - a. Do you think the AP Asia project has effectively addressed the needs of supported businesses and entrepreneurs in your community?
    - i. Probe: How have supported businesses grown or improved over the past few years? Have these businesses increased in size, sales, or market reach? What skills or knowledge were gained? How many jobs were created through these businesses?
  - b. How has the project impacted the livelihoods of youth and women?
    - i. Probe: How has the project expanded economic opportunities for youth and women?
  - c. Has the project influenced youth and women's views on entrepreneurship as a career?
  - d. Are more youth and women starting businesses or showing interest in entrepreneurship?
  - e. How has the project contributed to regional economic growth and inclusion?
    - i. Probes: Have businesses gained new markets or partnerships? Did these help grow your business or access new markets?
  - f. Will the benefits continue after the project ends? What could be done to sustain its impact?
5. Future Challenges and Aspirations
  - a. What challenges do you foresee for entrepreneurs and businesses in the coming years?
    - i. Probes: How will these challenges evolve, and how can they be addressed?
  - b. What are your aspirations for the next 10 years? What support or opportunities would help you achieve these goals?

### **Closing Questions**

1. Is there anything else you would like to share about your experiences with the AP Asia project or any suggestions for future projects that could help address the challenges faced by youth and women?
2. What are your key takeaways from the discussion today?

### **Conclusion**

- Thank the participants for their time and valuable insights.
- Assure them that their feedback will help shape the understanding of the project's impact and inform future interventions.

## Guidelines for FGD Facilitator and Note Taker

### For the Facilitator:

#### Role Overview:

- The facilitator is responsible for leading the Focus Group Discussion (FGD) by asking questions, guiding the conversation, and ensuring that the discussion stays focused on the key topics.
- The facilitator must ensure that all participants feel comfortable sharing their thoughts and experiences.
- The facilitator should be neutral and objective, without expressing their own opinions or steering the discussion towards a particular agenda.

#### 1. Pre-FGD Preparation:

- **Understand the Context:** Familiarize yourself with the background of the AP Asia project and the community you will be working with. This helps you ask relevant questions and contextualize the discussion.
- **Set Expectations:** Clearly explain the purpose of the FGD at the beginning, stressing that the goal is to gather honest and open feedback about the project's impact.
- **Create a Safe Environment:** Make sure participants understand that their answers will be confidential and that there are no right or wrong answers. Reinforce that all opinions are valued.

#### 2. During the FGD:

##### Facilitating the Discussion:

- **Start the Discussion:** Begin by introducing the topic and asking an icebreaker question to make participants feel comfortable.
- **Ask Open-Ended Questions:** Start with broad questions and use follow-up questions to explore issues in more depth. For example:
  - “Can you tell me more about that?”
  - “Why do you think that happened?”
  - “How did that make you feel?”
- **Probe for Specifics:** If responses are vague, ask for concrete examples or experiences. Example: "Can you provide an example of how the project helped?"
- **Ensure All Voices are Heard:** Be mindful of any dominant voices and encourage quieter participants to share their views.
  - Use techniques like, “We haven’t heard from you yet, what do you think?” or “Does anyone have a different perspective?”
  - Redirect if someone dominates the conversation, using statements like, “Let's hear from someone else on this topic.”
- **Clarify and Summarize:** Paraphrase answers to ensure clarity and to make sure you understood the responses correctly. Example: “So what I’m hearing is…”
- **Stay Neutral:** Do not express personal opinions or judgment about what is being said. Your role is to facilitate, not to lead the discussion with your views.
- **Keep the Discussion on Track:** Gently steer the conversation back to the topic if it veers off course.

##### Managing Sensitive Topics:

- If the discussion turns towards sensitive topics (e.g., financial difficulties, discrimination), acknowledge the sensitivity and provide reassurance that the conversation is private and safe.
- If any participant becomes uncomfortable or unwilling to share, offer a break or allow them to opt-out from the discussion.

#### 3. Closing the FGD:

- **Summarize Key Points:** At the end of the discussion, summarize the main insights gathered and ask if any participant has anything additional to add.

- **Thank Participants:** Acknowledge their time and contributions. Reassure them that their insights are valuable and will contribute to improving the project.
- **Provide Next Steps:** Inform participants of the follow-up process (e.g., how the data will be used and any future steps related to the project).

#### 4. After the FGD:

- **Debriefing:** Conduct a quick debriefing with the note taker, reviewing the session to identify key themes, insights, and any issues that arose during the discussion.

#### For the Note Taker:

##### Role Overview:

- The note taker's primary role is to capture detailed, accurate notes from the FGD, including direct quotes, key ideas, and observations about group dynamics and non-verbal cues.
- The note taker must stay focused and avoid distractions to ensure that everything said in the discussion is captured.

##### 1. Pre-FGD Preparation:

- **Review the FGD Guide:** Familiarize yourself with the FGD guide and the key questions to be asked. This will help you know what to listen for.
- **Prepare Materials:** Ensure that you have all necessary materials, such as notebooks, pens, or electronic devices, ready to take notes. Confirm that your recording equipment (if used) is working.

##### 2. During the FGD:

##### Taking Notes:

- **Capture Key Points:** Focus on noting down the main points, key ideas, and quotes that participants share. Avoid summarizing too much or paraphrasing unless it is necessary for clarity.
- **Record Names and Context:** If relevant, note who said what (e.g., Participant 1, Participant 2), and make note of any specific group dynamics (e.g., if a particular person dominates the conversation, if there are signs of agreement/disagreement).
- **Capture Verbatim Quotes:** Whenever possible, record exact words spoken by participants, especially if their statement is significant. This helps preserve the authenticity of responses.
  - Example: Instead of paraphrasing, write down: "I feel like there are no jobs for women, and I don't know what to do about it."
- **Observe Group Dynamics:** Pay attention to non-verbal cues, such as body language, tone, and facial expressions, as these can provide additional insight into how participants feel about the discussion.
- **Note the Time:** Keep track of time and note when certain topics or themes arise to help organize the notes later.

##### Handling Sensitive Information:

- **Confidentiality:** Treat all notes with confidentiality. Do not share any identifying information unless it is necessary for the analysis process.
- **Sensitivity to Emotions:** If a participant becomes emotional or withdraws from the discussion, note this but do not focus on sensitive details unless it is important to understand the discussion.

##### 3. After the FGD:

- **Organize Notes:** After the FGD, organize your notes clearly, grouping similar themes and responses together.
- **Review and Clarify:** If any part of the discussion was unclear, reach out to the facilitator for clarification. Ensure all quotes are legible and accurately captured.
- **Submit the Notes:** Provide your notes to the research team for analysis.

#### General Tips for Both Facilitator and Note Taker:

- **Be Neutral and Respectful:** Always maintain a neutral tone, avoid making judgments, and respect cultural differences.
- **Stay Engaged:** Actively listen and engage with the group but avoid speaking too much yourself.
- **Manage Disruptions:** Politely manage disruptions or distractions (e.g., if a participant is being too dominant or quiet).
- **Stay Flexible:** While following the guide is important, allow the conversation to flow naturally and adjust the discussion based on the participants' responses.

## Annex – 4: In-depth Interview (IDI) Tool

### In-depth Interview Guide A. (Enterprise Case Study – AP Supported)

#### Respondent Details

Name of Respondent:		Designation:	
Gender:		Age:	
Enterprise Name:		Date:	
Enterprise sector:		Year of establishment	
Interviewer name:		Note Taker Name:	

#### Introduction

**Greeting:** (Use a culturally appropriate greeting)

My name is [Your Name], and I am part of HIMMAT Consulting Private Limited (HCPL). We are conducting an endline assessment of the EU-funded AP Asia Project for the Aga Khan Foundation [Country Name].

This interview will take about 45-60 minutes. Your responses will remain confidential, and you are free to skip any question or end the interview at any time. Your name or designation will not appear in any study-related documents. While we might quote insights from this discussion, we will not attribute them to you personally.

Before we begin:

1. Do you agree to participate in this discussion?
2. Do you consent to audio recording for accuracy?
3. May we take pictures during the session?

(If the participant declines, thank them for their time and conclude the session. If they agree, proceed based on their preferences.)

#### Interview Questions

1. Could you please provide a brief overview of your enterprise, including the products/services you offer, the target market, and how long you have been in operation?

**Probes:** What motivated you to start this business? What problems you wanted to address? What are the key challenges your enterprise has faced in the initial stages?

2. How did you first get involved with the AP Asia project?

**Probes:** What kind of support did you receive from the project (e.g., financial, technical, business training, networking opportunities)? How did you apply or qualify for the support?

3. How would you describe the project's support in terms of helping your enterprise grow or improve?

**Probes:** Did the project help you address any key challenges in your business? How did the project contribute to your capacity to scale, innovate, or improve your operations?

4. Can you describe the specific changes you have seen in your business because of the project's support?

**Probes:** What improvements in operations, efficiency, or productivity, profitability have you noticed? Have you introduced new products or services because of the support? How has the financial performance of your business been impacted (e.g., revenue growth, cost reduction, profitability)?

5. Has your enterprise experienced any growth in terms of market share, customer base, or geographical reach after receiving support from the project?

**Probes:** What new markets (regional, national, or international) have you been able to access? Have there been any significant partnerships or collaborations facilitated by the project?

6. Did the project help improve your access to finance or investment? How?

**Probes:** Did you secure any financial support (e.g., loans, grants, investment) because of the project? How did the project help you strengthen your financial management or access new funding sources?

7. How did the project facilitate market linkages for your enterprise?

**Probes:** Were you able to connect with new buyers, suppliers, or distributors? How have these linkages impacted your business growth and sustainability?

8. How did the project specifically support women or youth in your enterprise (if applicable)?

**Probes:** Were women or youth involved in key roles within your business (e.g., decision-making, operations, or management)? What kind of impact has the project's focus on gender or youth inclusion had on your enterprise? How many women, men, and youth work in your enterprise? How many producers and buyers are linked with your business?

9. If your enterprise is led by women or youth, how did the project contribute to overcoming barriers related to their involvement in business?

**Probes:** *What were some of the challenges faced by women or youth in your enterprise, and how were these challenges addressed?*

10. Do you feel the support you received from the AP Asia project will enable your business to sustain its growth and success in the long term?

**Probes:** *What specific strategies or mechanisms (e.g., partnerships, access to finance, new skills) will ensure the continued success of your business? What challenges do you foresee in sustaining your business growth post-project?*

11. What additional support do you feel would help your business continue to grow and succeed?

**Probes:** *Are there any gaps or unmet needs that would still benefit from external support or resources? What kind of support would you recommend for other businesses or entrepreneurs like yours?*

12. Reflecting on your experience with the project, what key lessons have you learned?

**Probes:** *What worked particularly well for your enterprise? What could have been improved or done differently?*

13. If you were to recommend any changes to the AP Asia project for future phases or similar initiatives, what would they be?

**Probes:** *What additional support or resources could have helped your enterprise more? Are there any specific areas where you feel the project could have had a greater impact?*

#### **Closing**

1. Is there anything else you would like to share about your enterprise's experience with the AP Asia project or any concluding thoughts on its impact?
1. Do you have any additional feedback or suggestions?

Thank you for sharing your valuable insights. Your feedback is important in understanding the project's impact and shaping future initiatives.

**Business Profile (fill this before or after the interview)**

<b>Section 1: Enterprise Identification Data</b>					
1. Enterprise Name		2. Sector/Business Type		3. Year of Establishment	
4. 7. Name of Owner(s)		5. Gender of Owner		6. Owner Age	
7. Country		8. District		9. Address/Location	
<b>Section 2: AP Asia Support to the Enterprises</b>					
10. Year of First Support from AP		11. Incubation Support Provided (Yes, No)		12. Business Ideation Training & Advisory Received (Yes, No)	
13. Acceleration Programme Completed (Yes, No)		14. If not completed, Reason		15. Trained on Regional Trade (Yes, No)	
16. Seed Financing Provided (local currency)		17. Growth Financing Provided (local currency)		18. Any Other Type of Support	
19. Interest paid on investment (local currency)		20. Interest paid on investment (local currency)			
<b>Section 3: Employment and Business Impact</b>					
21. Full-Time Employment Created and Sustained by the Enterprise	Total:	22. Women		23. Men	
24. Part-Time Employment Created and Sustained by the Enterprise	Total:	25. Women		26. Men	
27. Rural Producers Reached		28. Clients Reached			
29. Number of Employees in Backward Linked Businesses		30. Number of Employees in Forward Linked Businesses			
<b>Section 4: Business Performance (In local currency)</b>					
31. Business net-worth (before AP Support)		32. Business Network (now)			

33. Average Annual Business Turnover (Before AP Intervention)		34. Business Turnover (Last 12 Months)		35. Net Profit (Last 12 Months)	
<b>Section 5: Financing (In local currency)</b>					
36. Amount of Co-Financing Secured		37. Equity Finance Secured		38. Loan Secured	
39. Source		40. Source		41. Source	
<b>Section 6: Cross-Border Trading</b>					
42. Cross-Border Trading Conducted (yes, no)		43. Annual Value of Cross-Border Trading (local currency)		44. Destination of Cross-Border Trading	
<b>Section 7: Associations and Media</b>					
45. Part of Any Business Associations (yes, no)		46. - If Yes, Name of Association		47. Has Any Case Study/Short Videos developed on your enterprise (No, If yes link)	
<b>Section 8: Contact Information</b>					
48. Contact Number		49. Website Link (If any)		50. Social Media Site (If any)	

**In-depth Interview Guide**  
**B. Non beneficiary or dropped out)**

**Respondent Details**

Name of Respondent:		Designation:	
Gender:		Age	
Enterprise Name:		Date:	
Enterprise sector:		Year of establishment	
Interviewer name:		Note Taker Name:	

**Introduction**

**Greeting:** (Use a culturally appropriate greeting)

My name is [Your Name], and I am part of HIMMAT Consulting Private Limited (HCPL). We are conducting an endline assessment of the EU-funded AP Asia Project for the Aga Khan Foundation [Country Name].

This interview will take about 45-60 minutes. Your responses will remain confidential, and you are free to skip any question or end the interview at any time. Your name or designation will not appear in any study-related documents. While we might quote insights from this discussion, we will not attribute them to you personally.

Before we begin:

4. Do you agree to participate in this discussion?
5. Do you consent to audio recording for accuracy?
6. May we take pictures during the session?

(If the participant declines, thank them for their time and conclude the session. If they agree, proceed based on their preferences.)

**Interview Questions**

**Section 1: Enterprise Background**

1. Could you please provide a brief overview of your enterprise, including the products/services you offer, the target market, and how long you have been in operation?

**Probes:** *What motivated you to start this business? What problems were you trying to address? What are the key challenges your enterprise faced in the initial stages?*

**Section 2: Engagement with AP Asia Project**

2. Why didn't you apply for support from the AP Asia project, or what led you to discontinue your participation?

**Probes:** *Were there barriers in the application process? Did you face challenges accessing or utilizing the support?*

3. Did you explore alternative sources of support for your business?

**Probes:** *What type of support did you access (financial, technical, training, etc.)? How did this impact your business?*

4. Was the program not a right fit for your business? How?

**Section 3: Entrepreneurship Journey**

4. How has your entrepreneurship journey evolved without the AP Asia project's support?

**Probes:** *What strategies have you adopted to sustain or grow your business? What challenges do you continue to face?*

5. How do you perceive the relevance of projects like AP Asia in supporting entrepreneurs like yourself?

**Probes:** *What types of support or interventions would be most useful?*

**Section 4: Business Impact**

6. Could you describe your business's current performance in terms of profitability, customer base, or market presence?

**Probes:** *Have you introduced new products/services? Have you expanded to new markets or customer segments?*

7. Have you faced significant challenges that have impacted your enterprise's growth or sustainability?

**Probes:** *What steps have you taken to address these challenges?*

#### **Section 5: Suggestions and Feedback**

8. What do you believe could be improved in the design or implementation of projects like AP Asia to better support entrepreneurs?

**Probes:** *Are there specific processes, resources, or support mechanisms that would make such initiatives more accessible or impactful?*

9. What advice would you give to entrepreneurs considering participation in such projects?

#### **Section 6: Reflections**

10. Reflecting on your entrepreneurship journey, what key lessons have you learned?

**Probes:** *What has worked well for your enterprise? What would you do differently in the future?*

11. Is there anything else you would like to share about your experience as an entrepreneur or your thoughts on the AP Asia project?

**Business Profile (fill this before or after the interview)**

<b>Section 1: Enterprise Identification Data</b>					
1. Enterprise Name		2. Sector/Business Type		3. Year of Establishment	
4. Name of Owner(s)		5. Gender of Owner		6. Owner Age	
7. Country		8. District		9. Address/Location	
<b>Section 2: Employment and Business Impact</b>					
10. Full-Time Employment Created and Sustained by the Enterprise	Total:	11. Women		12. Men	
13. Part-Time Employment Created and Sustained by the Enterprise	Total:	14. Women		15. Men	
16. Rural Producers Reached		17. Clients Reached			
18. Number of Employees in Backward Linked Businesses		19. Number of Employees in Forward Linked Businesses			
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20. Business net-worth (before AP Support)		21. Business Network (now)			
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<b>Section 5: Financing (In local currency)</b>					
25. Amount of Co-Financing Secured		26. Equity Finance Secured		27. Loan Secured	
28. Source		29. Source		30. Source	
<b>Section 6: Cross-Border Trading</b>					
31. Cross-Border Trading Conducted (yes, no)		32. Annual Value of Cross-Border Trading (local currency)		33. Destination of Cross-Border Trading	
<b>Section 7: Associations and Media</b>					

34. Part of Any Business Associations (yes, no)		35. - If Yes, Name of Association		36. Has Any Case Study/Short Videos developed on your enterprise (No, If yes link)	
<b>Section 8: Contact Information</b>					
37. Contact Number		38. Website Link (If any)		39. Social Media Site (If any)	