



SMALL BUSINESS GRANT FOR EARLY-STAGE START-UPS

Small & Medium Enterprises Development Authority (SMEDA)

Small and Medium Enterprises Development Authority (SMEDA) is an autonomous institution of the Government of Pakistan with a mandate to develop SMEs in the country. For extending support to SMEs, SMEDA has launched National Business Development Program for SMEs (NBDP), across Pakistan. The program offers different types of incentives to small and medium businesses; including provision of small grants.

About The Grant

Small Business Grant for Early Stage Start-ups is aimed at providing financial support to the entrepreneurs to meet the capital and / or operating needs of their businesses. The grant money can be used to acquire goods or Services/Business related software.



Maximum Grant Size

500,000/-

or 80% of the total cost of goods / services

Nationality

Must be a Pakistani National having a valid CNIC.

Enterprise Size

Enterprise total investment should not be less than the grant value being applied for and should not exceed PKR 5.0 million. This excludes the investment made in land and building but includes investment in other capital items such as machinery, equipment, and stocks etc. .

Business Ownership

The applicant should have an ownership stake in the business.

Business Area

- Manufacturing, Services / Trading, and Mining sector
- Livestock or on farm activities are not eligible under this grant. However, SMEs from Balochistan may apply for Livestock Farming

Registration Requirement for Sole Proprietorship

- Must have a valid Business NTN at the time application submission.
- Must be registered with relevant Government Department.
- Business should have been started within the last one year from the date of application submission
- Business should have been operational for at least four (04) months within the last one year from the date of application submission

Registration Requirement for Firms / Companies / SMC / LLP

- Must have a valid Business NTN at the time application submission.
- Must be registered with SECP or Registrar of Firms
- Business should have been started within the last one year from the date of application submission
- Business should have been operational for at least four (04) months within the last one year from the date of application submission

Ineligible Applicants

- A person working as an employee of a business, without having an ownership stake in that business
- A Supplier / Business Development Service Provider (BDSP), committing to offer certain services to an applicant SME cannot itself be an applicant for the same grant aimed at providing support for the same services. Similarly, a Supplier /BDSP cannot be an employee of the applicant.
- Government Employees, SMEDA (including projects) staff, their blood relatives and spouses
- Government Organizations / Departments / Entities
- Non-Governmental Organizations (NGOs) and Not-for-Profit Organizations
- Business involved in on-farm agriculture activities

Indicative List of Eligible Services / Activities

Goods	Eligible Capital Expenses	<ul style="list-style-type: none"> • Machinery / equipment required for carrying out the production / operations • Testing apparatus / equipment required to conduct product / process inspection and / or quality testing. • Office equipment including ICT equipment required for carrying out business operations • Furniture and fixtures required for carrying out business operations.
	Eligible Operating Expenses	<ul style="list-style-type: none"> • Raw material for production of finished goods • Stocks for carrying out trading activities • Prototyping / product testing from any accredited laboratory • Software licensing fees
Services	Business Related Software / Services	<ul style="list-style-type: none"> • Procurement of Customer Management Software • Third party payments for Digital marketing etc. • Website, webstore development for Online Presence

Ineligible Expense

Grant required for routine business operations, land purchase / renovation or direct monetary support etc.

Evaluation Criteria

Grants will be processed on First Come First Served basis in 07 (seven) regions of Pakistan i.e. Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Islamabad, Azad Jammu & Kashmir and Gilgit Baltistan, according to the quotas allocated to each region based on Population Census 2017. Grants will be awarded to the applicants fulfilling the eligibility requirements and securing minimum qualifying marks as per the evaluation criteria mentioned here:

Evaluation Criteria

A. Profile of the Entrepreneur

B. Profile of the Enterprise

C. Expected Grant Impact

Additional score will be awarded to women, disabled persons, minorities, applications received from less developed districts and businesses belonging to IT, Food Processing and Tourism sectors.

Important:

- SMEDA-NBDP is not charging any application processing fee
- Grant will only be given on reimbursement basis and no advance payment shall be made in this regard.
- Payment to the grantee will be made through banking transaction, in his / her business account. It is, therefore mandatory to have an active bank account of the business.
- Payment made in cash or through any other informal channels will not be accepted by NBDP for disbursing grant money

STEP BY STEP GUIDELINE FOR GRANT PROCESS

Step 1: Online Application Submission

- Grant applications can only be submitted online at https://nbdp.org.pk/nbdp_grants.php. The applications will not be accepted by any other means i.e. mail/courier, fax, email etc.
- The applicant will have to create their login by signing up to apply for grant.
- Login shall be created by providing CNIC number, full name as per CNIC, valid email address, registered mobile number and a password having a minimum of 8 characters. CNIC will be used as unique identification number for the application.
- After sign-up, a system generated verification link will be sent at the given email address. Applicant will only be able to log into the system after email verification.
- Applicant will log into the system using his / her CNIC number and password.
- All mandatory information fields of the online application must be filled for successful submission of the application. After final submission, no further addition / changes will be allowed in the application form. Therefore, applicants are encouraged to carefully review the completed form before final submission.
- For any guidance and assistance, applicants may contact SMEDA regional offices & helpdesks. Details of Regional Business Centers (RBCs) and Helpdesks are available on the website.
[\[https://smeda.org/index.php?option=com_content&view=article&id=12&Itemid=113\]](https://smeda.org/index.php?option=com_content&view=article&id=12&Itemid=113)
- In case an applicant does not have a valid NTN, he/she can register his/her business with FBR
<https://www.fbr.gov.pk/categ/register-income-tax/51147/30846/61149>.
- For further details and assistance, applicants may call SME Business Helpline **(042) 111-763-111** or email at grants@nbdp.org.pk

Following documents are to be uploaded through various sections of the application form. The applicants must have scanned copies of the following documents before starting the application filling process:

Sr.#	Online Application Section Information	Document / Information to be uploaded
1.	Applicant Information	<ul style="list-style-type: none"> Scanned Copy of Front and Back Side of CNIC Recent Passport size photograph of the applicant Disability certificate, if applicable Educational certificates, if applicable Professional membership certificates, if applicable.
2.	Business Information	<ul style="list-style-type: none"> Scanned copy of NTN Certificate Scanned copy SECP Registration / Registrar of Firms Export proof (Goods Declaration / Sales tax return), if applicable Membership Certificate of Chamber of Commerce / Association, if applicable. Business Certifications. if applicable) Financial Information i.e. Income statements / Balance Sheets, as per format provided in the application form. Business Bank Account Maintenance Certificate
3.	Grant Information	<p>Description of Goods / Services required. Three quotations for Goods / Service. The Suppliers / Vendors / BDSP, hereinafter referred as the supplier, must fulfill following conditions:</p> <ul style="list-style-type: none"> Must be having a valid NTN Should not be an immediate family member of the applicant Should not be an applicant for the same Grant. Should not be an employee of the applicant Should be willing to fulfil all the documentary requirements of the grant program

Step 2: Field Verification Visit

NBDP representative will visit the applicant's business address for verification of information provided in the application form. The objective of the visit is to verify the address, and documents / information provided in the application form. Therefore, Presence of the applicant during the field visit is mandatory. An exception may be granted under unavoidable circumstances, with prior authorization by the project management.

Following information / documents must be readily available, in original, at the time of field verification and to be shown to the verification officer:

Sr.#	Field Verification	Documents / Information Required
1.	Address Verification	Business address should correspond to the business address given in application form
2.	Documents Verification	<ul style="list-style-type: none"> Valid Original CNIC of the applicant Business NTN Certificate Business Registration Documents: Partnership agreement / SECP registration / Registrar of Firms Certificate etc. whichever is applicable. Ownership / rent documents of the premises, whichever is applicable. Utility bills of at least 04 month (Electricity / Phone / Gas), Sale / Purchase Invoices, contract agreements, staff attendance record etc. Original degrees / certificates, as indicated in the application form. Three (03) quotations in original from Suppliers /BDSPs. Valid Memberships Certificates of Chamber of Commerce / Association, if indicated in the application form. Business related, if indicated in the application form. Disability certificate, if indicated in the application form. Professional membership certificates (if applicable) Export Proof, if indicated in the application form Any alternate document required by the Field Verifier, to establish credentials of the applicant or the operational status of the businesses .

Step 3: Need Assessment Interview

After the successful field verification visit, the applicant must appear for an interview to establish need of grant support for his business. The need assessment will be carried out by a committee nominated for this purpose.

Step 4: Grant Approval Information

After compilation of the results, applicant will be informed about approval of grant application through email at the address provided in the submitted application form. All correspondence will be done through NBDP / SMEDA registered domain / email address(es). Grant approval email will also indicate documentation requirement for further process. Standard templates of the documents are available on www.nbdp.org.pk/grants.

Note: Please add the email addresses of grants@nbdp.org.pk / grants@smeda.org.pk in your safe contacts list so that email should not go into the spam folder.

Step 5: Entrepreneurship Development Training (EDT) Program

Subsequent to the intimation of the Grant Approval decision to the Applicant. The successful applicant will have to complete Entrepreneurship Development Training. Date / venue and duration of the program will be communicated to the grantee by the project management. After the successful completion of the EDT, Letter of Intent (LOI) will be issued to the grantee.

Step 6: Engagement of the Supplier

After acceptance of LOI, the Grantee will sign a Grant Agreement with the NBDP and will also engage the supplier for delivery of service(s) / goods. In case of acquiring services, grantee will sign a standard contract agreement with the approved service provider for delivery of services as per the specifications / conditions, and timeframe stated in the approved quotation. In case of acquisition of goods i.e. raw material, ICT, Equipment, Machinery and Stock etc., signing of contract agreement with supplier will not be required. The already provided valid quotation of the approved supplier on supplier's letterhead will be considered as an agreement between grantee and supplier for supply of goods. Standard template of the required contracts will be provided by the NBDP, and will have to be printed on stamp-papers having value of not less than Rs. 200. The cost of the stamp papers is to be paid by the grantee.

Step 7: Grant Reimbursement Request

On satisfactory delivery of the product / services, the grantee will make due payment to the Supplier, and inform the project management accordingly.

Step 8: Post Delivery Verification Visit

NBDP representative will visit the business location to verify the acquisition of service / delivery of goods. If the representative is satisfied with the verification, the grantee will be asked to send the re-imburement claim along with the following documents:

Sr.No	Nature of Information	Description
1.	Certificate of Successful Service / Product Delivery	Grantee will be required to submit satisfactory service delivery acceptance on prescribed format signed by both parties.
2.	Service Invoice	Original Invoice
3.	Payment Proof*	Proof of Payment to the supplier via online banking transaction / pay-order *Payment in cash or any other informal mean is not acceptable
4.	Standard Contract	Submission of original standard contract by and between grantee and the Supplier.
5.	Proof of Deliverables	Copy of final deliverable(s), if applicable.

The scanned copy of required documents may be uploaded on grant portal through the grantee's login. All above mentioned documents are to be sent to NBDP immediately after completion of service delivery through registered post / courier clearly bearing the following information:

Reimbursement Request

Grant Management Cell

National Business Development Program for SMEs (NBDP)
3rd Floor, Building # 3, Aiwan-e-Iqbal Complex, Egerton Road,
Lahore 54000 +92 (42) 111-111-456

Step 9: Receive Grant amount through Banking Instrument

After submission of duly completed reimbursement request, NBDP will process the request and release payment as approved, in favor of the grantee, in the form of a cross cheque or pay order in the bank as per details provided in the application form.

Step 10: Provide information about Grant impact / benefits

After reimbursement of the grant, the grantee will be periodically contacted by the NBDP / SMEDA representatives through email / phone / visit to collect information about benefits generated through the grant implementation.

Note: In case, it was found at any point in time i.e. during application processing / Grant disbursement, that the applicant / grantee tried to influence the grant award process or any incidence of misutilization of funds, in any manner whatsoever, appropriate legal action may be taken against the Grantee as warranted in law.

Complaints

In case the applicant wants to file a grievance about the grant decision, he / she may register an online complaint through the grant portal.

National Business Development Program for SMEs (NBDP)

National Business Development Program envisages provision of handholding support / business development services to SMEs while focusing on the following components:

- Provision of Grants to SMEs for small business startup, organizational development, marketing, research and development, product testing / certifications, and credit worthiness assessment.
- Business related advice and information is be provided to existing or potential SMEs through designated helpdesk or SME business helpline.
- Provision of Over the Counter (OTC) products such as pre-feasibility studies, information briefs pertinent to business management, sector studies, commercial contracts, legal templates and regulatory procedure.
- Execution of demand-based trainings for capacity building of SMEs in areas of HR, marketing, management, technology and regulatory issues etc.
- Identify, strengthen and network consultants, experts, trainers etc. for enhancing usability of their services by the SME Sector, thereby, making BDS market more vibrant and effective.
- Promote youth entrepreneurship by supporting business incubation centers. Universities / Institutions already running or willing to run Business Incubation Centers will be provided grants.
- Carry out primary research for identification of potential areas for policy interventions, innovation, value addition and investment mobilization in the SME Sector.



For Further Information
Call 042-111-763-111



3rd Floor, Building #3, Aiwan-E-Iqbal complex, Egerton road Lahore.



grants@nbdp.org.pk



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