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International  
Labour  
Organization

# **INDEPENDENT FINAL PROJECT EVALUATION**

**Start and Improve Your Business (SIYB): PHASE III  
(2004-2008)**

**Papua New Guinea**

**PNG03/02/AUS**

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## Contents

1. ABSTRACT.....	3
2. BACKGROUND.....	6
3. THE EVALUATION.....	10
4. REVIEW OF IMPLEMENTATION – 2004-2008.....	12
5. FINDINGS.....	18
6. LESSONS LEARNT.....	30
7. CONCLUSION AND FUTURE DIRECTIONS.....	33
ANNEX A: Terms of Reference.....	36
ANNEX B: Field Visit Schedule.....	45
ANNEX C: Network Partners.....	46
ANNEX D: Characteristics of SIYB Course Participants.....	50
ANNEX E: References.....	51

## 1. ABSTRACT

Start and Improve Your Business (SIYB) is a long-standing programme of the International Labour Organization (ILO) that aims to create more and better employment in developing economies by providing training to individuals so that they can start a business (through the Start Your Business package or SYB) or improve an existing businesses (through the Improve Your Business package or IYB). SIYB, first introduced into PNG in 1996, is delivered through the Small Business Development Corporation (SBDC), a statutory body within the PNG Government's Department of Commerce.

SIYB aims and objectives support the PNG "Medium Term Development Strategy" – in particular, the strategy's focus on promoting income earning opportunities and development oriented adult education. SIYB also fits well with the developing framework for Pacific Island Countries (PICs) under the ILO's Decent Work Country Programmes, including the improvement of labour market governance arrangements and employment creation for poverty reduction and sustainable livelihoods with a focus on youth.

The current third phase of the programme concludes at the end of June 2008. The evaluation of Phase III was undertaken between 19 May 2008 and 6 June 2008. Tony Powers, an independent consultant based in Sydney, Australia, led the research and field visits and wrote the final report. The main findings were:

### *Review of Implementation*

- 3,235 people were trained under the SIYB programme including 779 women (24%);
- 2 Training of Trainers (TOT) courses were run; 28 trainers were trained in total;
- 1 Training of Master Trainers (TOMT) course was run and 3 refresher courses; 21 Master Trainers were trained in total.
- A network of 156 organizations was built to promote and deliver SIYB in PNG;
- An SIYB unit continued to operate in the SBDC, although the SBDC itself was affected by substantial internal structural and staffing problems;
- These problems were exacerbated by the unavailability of an ILO Chief Technical Advisor (CTA) for much of the third phase of the project. In all, there was no CTA for around two and a half years or more than 50% of the project's operation during this phase.

### *Findings*

- Immediate project objectives were either not achieved or only partly achieved. The SIYB Unit continues to operate as part of SBDC, but this organization is not

functioning well. It operates without a clear strategic direction, has neither a board nor a permanent managing director, and is not well placed to influence government SME policy development and the adoption of SIYB as a locally “owned” programme. In terms of the ILO’s own management of the programme, the loss of two CTAs during Phase III caused considerable disruption. However, some aspects of the ILO’s management of the programme were unrelated to this disruption. For example, the donor (AusAID) said that, prior to the arrival of the current CTA, the ILO failed to provide adequate reports (in particular, financial reports), and this may have damaged the ILO’s reputation with this important project partner.

- In spite of these institutional challenges, and due in large part to both the clear need for entrepreneurship development in PNG and the extensive development work that has gone into the project during the previous phases, SIYB as a national activity has continued to have a positive impact at the field level.
- The project has built an extensive network of external “network partners” including a large number (111) who are, or have been, actively involved in training entrepreneurs. Internal programme linkages within SBCD, with related programmes such as the ILO’s Know About Business (KAB) and the Financial Incentives Scheme (FIS), are poor.
- The project has not been particularly active in the training of trainers or Master Trainers in Phase III partly because the trainers available do not meet the required standards. Only one Master Trainer has been accredited (the National Programme Manager), although 4 who were placed at the SIYB project office have been identified as having the potential to be accredited.
- No new products were developed during the period, although the fisheries and forestry packages developed during Phase II were market tested and finalised. Planned new products for women entrepreneurs and the agriculture sector were not developed, but are still needed.
- Qualitative information collected during the field visits and quantitative information collected as part of a separate Impact Assessment Study suggest that the SIYB training is benefiting participating entrepreneurs, leading to the creation of new businesses, promoting better financial and operational management and generally improving business performance.
- The existing programme administration does not appear to be sustainable in its current institutional setting, but the SIYB training methodology and course materials have been embraced by many network partners who seem likely to continue to use the programme, funding courses through external means where they can (e.g. NGO donor funds, local level government administered resources).
- An important development in Phase III has been the extension of SIYB to the education sector, including secondary schools and vocational colleges. Given high rates of youth unemployment and general lack of formal sector job opportunities in the PNG economy, this area presents fertile new ground for future SIYB-related projects in PNG.

### *Lessons Learnt*

- Family issues in running SIYB courses targeting women – there is a need to ensure that the husbands of participants understand the benefits of the training and any disruption this might cause to the family routine. One network partner faced domestic violence issues with participants when this was not done. Child care needs also need attention.
- SIYB and Wantok practices – These kinship customs can adversely affect business operation and SME programmes need to help participants resolve such problems.
- Network partners can assist in marketing – The involvement of network partners that can help connect participants to markets is desirable.
- Teaching methods – Many PNG people respond better to a highly practical curriculum that draws examples from their specific circumstances. Highly theoretical approaches should be avoided

### *Future Directions*

- The location of the programme development function in SBCD should be reconsidered;
- There is a need to replenish the pool of trainers and to ensure that the right people are chosen for trainer training;
- There is a lack of appropriate linkages to support services for the participating entrepreneurs – particularly to sources of finance and to business mentors;
- There is a need for a strategic approach to sector development and provincial development and for SIYB to be integrated into this approach;
- There is great potential for more development work in the student/youth entrepreneur market;
- There is a continuing need for new products and resource materials to be developed;
- Not enough SIYB activity has taken place in the Highlands;
- More linkages with private sector developers should be developed;
- SIYB should continue to build its links with the Community Learning and Development Centres that are currently being established;
- There is a need for more flexible course delivery options.

## 2. BACKGROUND

### 2.1 About Papua New Guinea

Papua New Guinea (PNG) is an independent parliamentary democracy that occupies the eastern half of the island of New Guinea and numerous surrounding islands. It shares a land border with the Indonesian province of West Papua. PNG has a population of nearly 6 million people spread across thousands of frequently small, isolated and ethnically and culturally heterogeneous communities. According to the 2000 census, the greatest population concentration (around 40 per cent) is in the less accessible highlands areas. The youth population is very high with 37.3 per cent under 15 years of age.

English is widely spoken in business and government, but only by 1 to 2 per cent of the population as a whole. Tok Pisin (Pidgin English) is the *lingua franca* but there are more than 800 local languages also spoken<sup>1</sup>.

PNG is divided into 20 provinces which are branches of the national government. Provinces include the National Capital District around Port Moresby and the autonomous province of North Solomons (Bougainville). They are headed by elected provincial governors who each hold a seat in the national parliament along with 89 other elected members. The provinces are divided into districts which are, in turn, divided into one or more Local Level Government areas (LLGs).

PNG has an abundance of natural resources including oil, natural gas, gold, copper, nickel, forestry, palm oil, coffee, cocoa, crayfish and prawns. The current global mineral resources boom is greatly increasing their value, but exploiting them can be logistically difficult due to the rugged terrain, lack of infrastructure, land use negotiations and law and order issues. While the economy has a growing corporate sector, the vast majority of the population (85 per cent) participate in the informal sector. Many engage in subsistence farming. Jobs in the formal sector include work in mineral production, the public sector, and service industries including finance, construction, tourism transportation and utilities. The economy has been growing since 2003 and PNG Treasury projects growth of 6.6 per cent for 2008. The government's foreign reserves are at record high levels.<sup>2</sup>

PNG suffers from a number of major health and social problems. It has the highest incidence of HIV and AIDS in the Pacific region and, with 2 per cent of the population (over 100,000 people) now HIV-positive, it is the fourth country in the Asia Pacific region to fit the criteria for a generalised HIV/AIDS epidemic<sup>3</sup>. Law and order is a major problem, particularly in the major city centres, where internal migration over the past decade has contributed to urban unemployment and social problems. Papua New Guinea's social indicators, in general, are well below those of lower middle income countries. This is particularly the case in rural areas<sup>4</sup>.

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<sup>1</sup> < [http://www.ethnologue.com/show\\_map.asp?name=PG](http://www.ethnologue.com/show_map.asp?name=PG) >

<sup>2</sup> Australian Department of Foreign Affairs and Trade, Papua New Guinea Country Brief, April 2008

<sup>3</sup> < <http://www.usaid.gov/country/png/hivaids.cfm> >

<sup>4</sup> < [http://www.usaid.gov/country/png/png\\_intro.cfm](http://www.usaid.gov/country/png/png_intro.cfm) >

PNG is implementing a “Medium Term Development Strategy” that focuses on 13 sectors the most relevant of which for this evaluation are: “Promoting Income Earning Opportunities” and “Development Oriented Adult Education”.

In terms of the ILO’s Decent Work Country Programmes, PNG is part of a developing framework for Pacific Island Countries (PICs). Priorities in this framework include the improvement of labour market governance arrangements and employment creation for poverty reduction and sustainable livelihoods with a focus on youth.

## **2.2 About SIYB**

SIYB is a long-standing programme of the International Labour Organization (ILO) that aims to create more and better employment in developing economies by providing training to individuals so that they can start a business (through the Start Your Business package or SYB) or improve an existing businesses (through the Improve Your Business package or IYB)<sup>5</sup>. The programme is currently running in more than 90 countries and follows an institution-building strategy involving the training of trainers drawn from network partners who, in turn, train small-scale entrepreneurs operating small or micro-businesses. A large bank of resource documents and training materials has been developed over the years and local projects are encouraged and supported to adapt these to local needs.

The cost of training trainers is generally covered by the SIYB project (funded by donor organizations), but network partners cover the costs of training participating entrepreneurs – either by charging them a small fee or by using their own financial resources (often also provided by donors).

Ultimately, the SIYB model – including its methodology and core content - is intended to be “institutionalized” in the participating country. First, local expertise is created through the training of trainers; and second, the development and accreditation of local “Master Trainers” enables the participating country to continue to develop its own trainers without external assistance.

## **2.3 SIYB in Papua New Guinea**

### **SIYB Introduced**

SIYB was introduced into PNG in 1996 with funding provided by the Australian Government Overseas Aid Programme (AusAID), the United Nations Development Programme (UNDP) and the Government of Papua New Guinea. Since that time, there have been three, separately funded programme phases for SIYB. The programme has been delivered through the Small Business Development Corporation (SBDC), a statutory body within the PNG Government’s Department of Commerce<sup>6</sup>.

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<sup>5</sup> A third element of SIYB – Generate Your Business Idea or GYB - enables potential entrepreneurs to find out whether they are the right person to start a business and to develop a feasible business idea.

<sup>6</sup> In 1999, the SBDC was temporarily abolished and SIYB was run out of another body, the Investment Promotion Authority of PNG.

### ***Previous Phases***

An evaluation was conducted and a business plan was developed at the end of Phase II of the programme<sup>7</sup>. While the overall outcomes of SIYB were judged to be positive, reference was made to a number of deficiencies in the programme's implementation, including:

- (a) continuation of the programme under the auspices of SBDC (particularly given the turmoil it was experiencing at the time)
- (b) reliance on donor and government financial support;
- (c) reliance on Business Development Officers (Department of Commerce employees in the provinces) as trainers in many areas;
- (d) the majority of Master Trainers not being proactive in marketing and coordinating SIYB activities;
- (e) lack of integration with other small business development programmes in PNG and broader government Small and Medium Enterprise (SME) policies (e.g. the need to attract the private sector to develop infrastructure in rural areas, creating rural based industries which would provide jobs and minimize urban drift);
- (f) lack of follow-up to the training delivered;
- (g) the need for more tailored training packages for specific industry sectors.

Many of these deficiencies remain current and may need to be addressed in any future SIYB developments in PNG (see Section 6 below).

### ***Phase III***

The current phase was funded by AusAID and commenced in 2004. It will be completed at the end of June 2008. The overall objective of this phase has been "to develop to sustainability an appropriate system of business training and after-training support services for women and men who are starting or improving the management of micro and small business in PNG". Five immediate objectives were to be achieved - at the end of the project:

- a **sustainable SIYB Unit within SBDC** and a system for delivery of SIYB and related products in Papua New Guinea will have been established and be operational;
- **practical linkages** with other programmes and initiatives related to small business development will have been established;
- **new adaptations of SIYB products**, with a particular emphasis on rural enterprises and addressing entrepreneurial shortcomings and promoting women's entrepreneurship, will have been developed, tested and be in use by network partners;

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<sup>7</sup> Evaluations of Phases I and II were not made available to the evaluation consultant, but some of their findings were summarised in the business plan.



- the required **capacity of SIYB Unit staff, network partners** (management and trainers), and **Master Trainers** will have been developed; and
- **Male and female entrepreneurs** participating in the SYB component will have acquired the **skills and knowledge** needed to start or expand business projects, and entrepreneurs participating in the IYB component will have improved their business performance through improved management skills.

## 3. THE EVALUATION

### 3.1 Purpose, Scope and Clients

The Terms of Reference for the final evaluation stipulate the following:

#### **Purpose**

The purpose of this final evaluation is to assess the **performance and achievements** of Phase III of the project, **particularly the institutionalization of the SIYB unit**, with a view to identifying lessons learned that could be used as a knowledge base to mainstream SIYB in PNG. Findings from the evaluation exercise should be used for potential incorporation into, or modification of, the design, strategies, and activities of possible future programmes, where appropriate. The evaluation will identify good practice, and examine the causes of problems and constraints.

#### **Scope**

The final evaluation will cover **interventions of Phase III of the SIYB project**, from the start of the project and may include related initiatives during the bridging period. The evaluation should also focus on the project **approach** and **strategy** and the project's **responsiveness** to changing circumstances in addressing the objective of SIYB institutionalization. The evaluation will require a review of Phases I and II of the programme.

#### **Clients**

The principal clients for the evaluation are project management, the donor, the ILO Suva Office, SRO Manila, RO-Bangkok and the ILO HQ technical unit.

(The full Terms of Reference for the evaluation are included at *Annex A*.)

### 3.2 Methodology

The evaluation was undertaken between 19 May 2008 and 6 June 2008. Tony Powers, an independent consultant based in Sydney, Australia, led the research and wrote the final report. Charles Bodwell, an ILO Enterprise Specialist based in Bangkok, attended most of the consultations and gathered information on project activities in Rabaul. UN evaluation norms and standards, OECD/DAC evaluation quality standards and ethical safeguards were all followed in the evaluation. Evaluation methods included:

#### **Desk top Review**

A range of reports and project documents were analysed including the Phase III project design document, SIYB project work plans, progress/status reports, an early draft of a project impact assessment (undertaken by Olip Research and Consultancy), documents and web pages on PNG's social and economic circumstances, a SIYB business plan that was developed at the end of Phase II and various other ILO and PNG Government documents. The ILO could not provide evaluation reports for Phases I and II.

### ***Telephone and Email Contacts***

A teleconference was held in May 2008 with David Lamotte, the ILO's Chief Technical Advisor (CTA) for Phase I and backstopping officer for Phase II and numerous telephone discussions took place between Tony Powers and Charles Bodwell in the lead up to the field visits and subsequent to them. Email contacts with the ILO in Suva and with the current CTA, Julius Mutio were also made.

### ***Field Visits***

Field Visits included meetings and workshops with the SIYB Unit staff and other SBDC staff; SIYB Steering Committee members; key stakeholders in PNG Government Departments in national and provincial agencies, the National Forest Authority, the National Fisheries Authority, training and small business sector, Non-Government Organizations (NGOs); programme participants, trainers and Master Trainers; schools participating in the programme; AusAID; and the PNG Employers Federation. The peak union body in PNG was unable to meet with the evaluation team.

Visits took place in three locations – Port Moresby, Madang and Rabaul. A full list is included at *Annex B*.

## 4. REVIEW OF IMPLEMENTATION – 2004-2008

### 4.1 *Project Management and Institutional Setting*

The project has been greatly hindered by structural and staffing problems within SBDC and by long periods without access to a Chief Technical Advisor. SBDC continued to operate under these difficult circumstances, but important strategic management and staffing decisions often could not be made. With the SIYB project office located within the SBDC premises, the project continued, but without the institutional backing of a strong host institution and the advice of a CTA, it could not be as proactive as it needed to be.

Year by year, the most significant events were:

#### **2004**

January: Project begins

October: First CTA leaves PNG after conflict with SIYB National Programme Manager. He continues to provide some support to the project from Jakarta for the next two months.

#### **2005**

January: First CTA officially leaves the project. Project has no CTA for the next 11 months.

December: Second CTA appointed.

Term of the SBDC Board expires. (As at June 2008 a new board is still to be appointed.)

#### **2006**

February: Second CTA dies. Project has no CTA for the next 15 months.

July: National Programme Manager is dismissed (after 10 years managing the programme). Soon after, the SBDC Managing Director also leaves and this position is left vacant for the next 6 months. (The individuals were involved in a violent conflict that is still before the courts.)

August: SIYB operates under officer in charge.

#### **2007**

January (?): Acting SBDC Managing Director starts.

May: Third CTA starts.

July: Acting SBDC Managing Director leaves. Position is left vacant for 9 months.

#### **2008**

March: Another Acting SBDC Managing Director starts.

In summary, the project operated without a local CTA for about two and a half years, without an SBDC Board for about the same period and without a permanent SBDC Managing Director for almost two years. The SIYB National Programme Manager has not been formally replaced since the last person in this post was dismissed in July 2006.

## **4.2 Entrepreneur Training Activities**

### **Number of Courses Run for Entrepreneurs**

The SIYB unit was not able to provide data requested by the evaluation consultant on the number, location and dates of training courses run for entrepreneurs by SIYB trained trainers; nor could it provide details on the organizations delivering this training. This is basic management information and the inability of the unit to quickly access it exposes a glaring deficiency in either its monitoring of the programme or the functionality of its database.

Interestingly, this deficiency was reflected at a local management level. The East New Britain Business Advisor said that he had “no idea” how many SIYB programmes have been run at the district level. District Business Development Officers only report to the district office and this is not passed on to the provincial office.

Such deficiencies in the reporting system do not inspire confidence in the data that are available, such as the participant data below. What is more, Business Development Officers in both Madang and Rabaul said that they believed some of the details on participants included in the reports that they *did* submit to SBDC never found their way onto the project database.

The following data therefore *understate, most probably by a considerable margin*, the actual number of participants trained in Phase III.

### **Number of Participants Trained and their Characteristics**

According to the information provided by SBDC, during Phase III:

- 3,235 people were trained under the SIYB programme including 779 women (24%).
- 2,929 (90%) of these were trained in the SYB programme and 306 (10%) in the IYB programme. Female participation rates for both programmes were similar (24% and 26%).
- 57% of participants were under 36.
- 89% of participants had less than 10 years formal schooling. 19% had less than 6 years.
- 38% of participants were running retail businesses, 17% were in agriculture, 17% were in service, 13% were in fisheries, 8% were in forestry and 7% in manufacturing.

More detail of participant characteristics is included at *Annex D*.

Perhaps because SIYB's extension to the education sector is a new development, no specific data on their participation were provided to the evaluation team<sup>8</sup>. The following information on these courses is therefore provided.

### ***SIYB Courses in the Education Sector***

An interesting development during Phase III of the project has been the introduction of SIYB for students attending vocational training colleges and mainstream school. 20 vocational colleges are currently participating in the "Enterprise Oriented Training Project" which uses SIYB to prepare and even assist young people to start their own enterprises. The Know About Business (KAB) programme is also used to provide a theoretical base before the more practical SYB component is introduced. Some schools also help set up business accounts for the students. The programme runs both in rural areas (where emphasis is placed in agricultural businesses) and urban areas (which includes some light manufacturing enterprises). Given the lack of job opportunities for school leavers, the programme is preparing students to earn a livelihood through the dominant informal sector.

In Kokopo Secondary School in Rabaul, SIYB is being used in another way. SIYB was first introduced to Kokopo Secondary School in 2003 with a class of about 100 business studies students who graduated with a certificate. The programme was judged to be very successful and 24 teachers were subsequently trained by SBDC to underpin a major expansion of the programme. Over 500 Grade 11 and 12 students have so far participated. The school's former principal said that the initiative "reflected the school's strong desire to proactively participate in the government's nationwide programs in the drive to alleviate poverty in PNG by teaching young people to learn and adopt business culture at a young age". The school wants to make the programme compulsory for all students.

### ***4.3 Trainer Training Activities***

In Phase III:

- 2 Training of Trainers (TOT) courses were run;
- 28 trainers were trained in total.

(No other information was provided on this training, when and where it took place etc. This does not apparently include KAB training, which SBDC does not include under the SIYB project, given its own internal structure. As mentioned elsewhere, this leads to some internal difficulties in linking the complementary programmes of SYB and KAB.)

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<sup>8</sup> In fact the participant age data provided by SBDC only specifies people "under 25". This would include both school students and, presumably, a large number of people who have already left school. Given the number of students reported by the schools in Rabaul as having completed SIYB – more than 500 – the SBDC data for this group may be understating the actual number of participants.

#### 4.4 Master Trainer Training and Accreditation Activities

In Phase III:

- 1 Training of Master Trainers (TOMT) course was run;
- 3 Master Trainers refresher courses were run;
- 4 Master Trainers were attached to the SIYB project office for a period of one month to give them an opportunity to learn more about the programme;
- 1 Master Trainer was accredited – the National Programme Manager (although 4 who were placed at the SIYB project office have been identified as having the potential to be accredited);
- 21 Master Trainers were trained in total.

(No other information was provided on this training, when and where it took place etc.)

#### 4.5 Partnerships and Programme Linkage Activities

A full list of network partners is included at *Annex C*. In summary, there are 156 network partners. The nature of their relationship with the SIYB programme is as follows:

Organizations Providing Training and Networking:	111
General Network – Like Minded Organizations:	24
Promoting SIYB to Informal and Rural Sectors:	9
Promoting SIYB to Women:	7
Promoting SIYB to Youth:	5

The evaluation team was able to meet with a number of past and present SIYB network partners. Their involvement in SIYB illustrates the range of community development issues that SIYB is being used to help address:

**National Forest Authority:** This organization saw SIYB as a means of advancing the achievement of objectives under an EU-funded Eco-forestry programme. This sought to encourage the development of intermediary timber buyers as well as local forest owners to become more involved in cutting their own timber for sale through these intermediaries. The National Forest Authority representative said that the organization was impressed by the SIYB material and enjoyed a good relationship with SBDC. There was a positive effect on the timber supply, and saw potential for local communities to benefit from similar initiatives developing businesses in the timber industry value chain. Unfortunately, the EU project ended in 2006 and without this funding no new training has taken place.

**National Fisheries Authority:** Working in close cooperation with the National Fisheries College, the National Fisheries Authority entered into a relationship with SBDC some years ago to use SIYB to help prevent small business failures in the sector. They have funded the delivery of around 8 programmes per year with an average of 20 participants in each course.

SIYB materials were adapted to meet the specific needs of fisheries enterprises in the region, 12 trainers have been trained and 2 trainers have the potential to develop as Master Trainers. SIYB materials have also been used to train people in Pacific Island countries including the Solomon Islands, Cook Islands, Vanuatu and Tonga and the National Fisheries Authority would ideally like to take ownership of materials in the long run.

**Community Development Australian Volunteers International:** This is a new partnership that will involve the linkage of SIYB to Community Development Learning Centres being established in all PNG districts. (See Section 7)

**Madang Individual and Community Development Association:** This NGO has embraced SIYB and sees it as a solution to a range of social problems, particularly in the community of Furan just outside Madang. The NGO sees law and order problems, domestic violence, high HIV/AIDS infection rates, drug abuse and prostitution as all being symptoms of insufficient family income. For this reason it entered into a partnership with the local Department of Commerce to have SIYB trainers trained so that they could run courses for local entrepreneurs.

**The Nature Conservancy:** A US NGO, this environmental organisation is working in three districts around Madang to promote alternative livelihoods to large scale forestry activities. Conservation is not seen as a high priority by local communities, so the NGO is promoting planned, village-based approaches to cash crops like cocoa and vanilla as well as small scale eco-forestry. SIYB provided the tools they needed to train 84 local people (in two groups) in running these businesses.

**World Vision:** This NGO is operating in a number of locations in PNG and so has a number of local linkages with SIYB. In Port Moresby, World Vision is running a Women in Business Programme (Busnis Blong Ol Meri) and, since 2007, has trained 270 women in informal sector businesses (e.g. food, drinks, lollies etc.). The Project Manager indicated that he had a very good relationship with SIYB staff at SBDC, that he had bought resource materials from them, and that they were generally very supportive.

“Begasin Bugeti”, another World Vision project that operated in Madang, was a multi-faceted project with objectives in the areas of health, economic development, food security and water/sanitation. It operated in 3 LLG areas in Madang province. Training of entrepreneurs was provided by the Business Development Officer of the Department of Commerce in an attempt to improve community income.

#### ***4.6 SIYB Materials Development Activities***

Fisheries and forestry SIYB materials were developed during Phase II of the programme, but were pilot tested and finalized during Phase III.

A 2002 pilot of SIYB that focused on a new agricultural package proved to be too broad in scope for the trainers to run effectively, given the diverse range of business types in this sector. It was intended that, during Phase III, commodity-based packages would be developed (e.g. for coffee, cocoa and copra). Due to lack of funding, this has not been done.

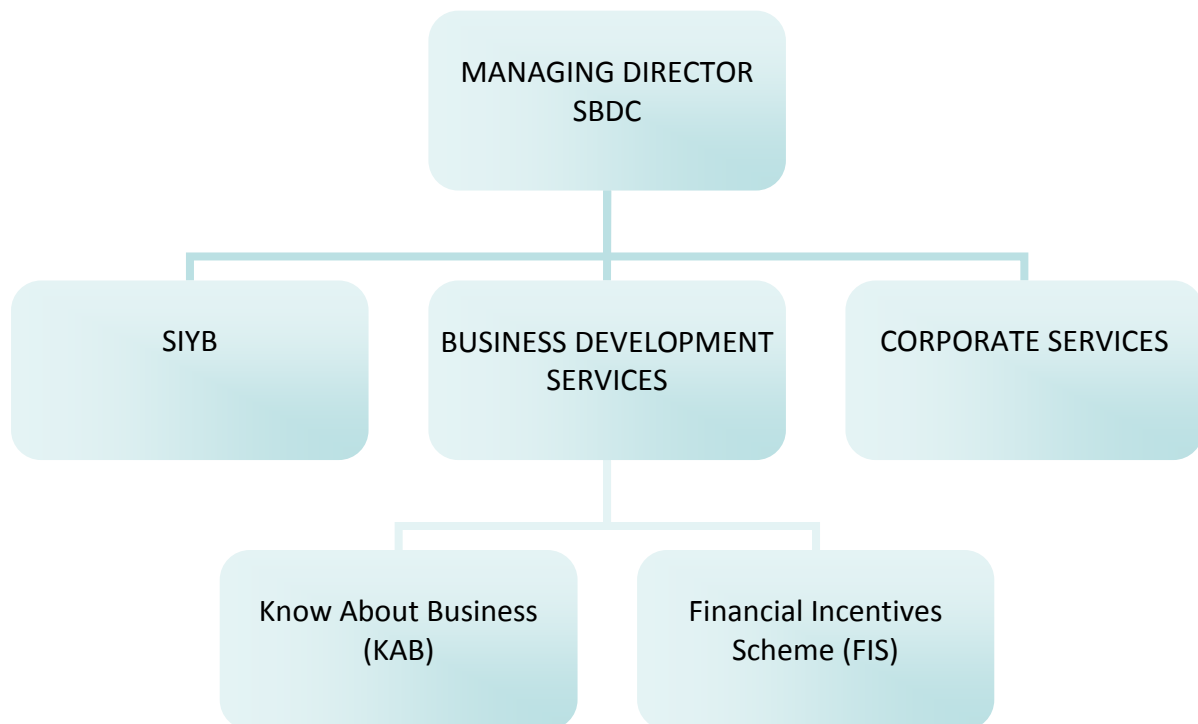


SIYB staff said that some network partners were themselves adapting SIYB courses. Some, for example, were condensing existing two-week courses and delivering them over two or three days. While SIYB is intended to be a flexible model, the CTA was concerned that the necessary content could not be effectively run over such a short period.

#### 4.7 A Sustainable SIYB Unit in SBDC

SIYB has been established as one of three division in the SBDC structure – the others being Corporate Services and Business Development (see Figure 1). Due to continuing delays with the appointment of a new SBDC Board and Managing Director, all divisions are running well below their notional full staffing levels. SIYB is operating with 3 professional staff<sup>9</sup>, but is meant to have 7. The Caretaker Managing Director indicated that the appointment process was nearing completion, but the CTA said that this has been the official response for the last 12 months. The reasons for the delay remain unknown, but there is speculation that the unusual circumstances surrounding the loss of the last Managing Director (who is involved in a court case with the previous SIYB Project Manager) might be significant.

**Figure 1: SBDC Structure**



<sup>9</sup> Including the ILO’s Chief Technical Advisor.

## 5. FINDINGS

### 5.1 Project Progress and Effectiveness

#### **Achievement of Immediate Objectives**

- a) *“A sustainable SIYB Unit within SBDC and a system for the delivery of SIYB and related products in Papua New Guinea established and operational.”*

The SIYB Unit has been established, but is not operating as effectively as it could under the current SBDC structure. For example, the current isolation of SIYB from Business Development Division is not helpful. Business Development runs another ILO programme – Know About Business (KAB) – which targets young people at school. There are opportunities to more closely link this programme with school-based SIYB initiatives, but this is not happening under the current structure. Similarly, SIYB participants could benefit from access to the micro-finance guarantees offered under the Financial Incentives Scheme, which is also administered by the Business Development Division. However, linkages again seem poor.

In trying organizational circumstances (see 4.1 and 5.2), the unit has at least organized some trainer training courses and Master Trainer training courses. However, given the turmoil SBDC has been experiencing over the past few years, the establishment of the SIYB unit within SBDC is, in itself, probably not a very good indicator of the programme’s sustainability. SBDC is operating without a clear strategic direction and, without an active board and a permanent managing director, it is not well placed to influence government SME policy development and the adoption of SIYB as a locally “owned” programme. SIYB training is being delivered to aspiring entrepreneurs in the provinces and across certain key industry sectors, but this training relies heavily on the use of other donor funds. Some related small business development products have been developed by SBDC and have found a market – for example, a correspondence course had proven to be popular and was generating enough income to fully cover operational costs – but has been put on hold due to the project not having the administrative support to run the course.

On the question of the sustainability of the SIYB unit, the evaluation consultant posed a key question to the SIYB team – what would happen if no further funding for SIYB were available? The Programme Manager believed that operations would probably be “scaled down” and that lack of funding for trainer training and Master Trainer training would mean that these activities would probably cease. Under such a scenario, it was unclear what exactly SBDC *would* do, although both SIYB unit staff and the SBDC Caretaker Managing Director made reference to a new approach based on an “integrated enterprise package” possibly involving enhanced links with microfinance institutions and cooperatives.

b) *“Practical linkages with other programmes and initiatives related to small business development established.”*

#### *Internal Linkages*

As mentioned above, there are currently some ineffective internal programme linkages within SBDC. SBDC runs the Financial Incentives Scheme (FIS), a programme which is intended to provide a loan guarantee for SMEs seeking capital from the banking sector. In theory, only entrepreneurs who have completed SIYB training are eligible for FIS, but in practice this is not the case. SIYB staff said that despite the great need of informal micro-businesses for this facility, FIS funds are tied up instead with more sophisticated SMEs.

Similarly, the Know About Business (KAB) programme, an enterprise education initiative run through the school system, has a natural synergy with SIYB, but instead seems to run in competition with SIYB rather than as a complementary programme. The structural separation of these programmes from SIYB within SBDC contributes to this disconnection.

#### *External Linkages*

There are extensive links with external organizations and programmes operating in PNG. SIYB's methodology and content meet the community or sector development needs of a range of organizations (see 4.5 for examples) and this seems to have driven the development of partnerships at a local and head office level.

*Annex C* lists the linkages made with some 157 organizations and describes the nature of these linkages. The network reach of the programme has been extended during Phase III and this has greatly extended the understanding of and demand for SIYB by local institutions. Examples include:

- The partnership with the National Fisheries Authority. This has proven to be a most fruitful alliance with an organisation committed to the development of SMEs in the fisheries sector. The partnership is also now generating links with the industry in other Pacific nations.
- A good partnership with the National Forest Authority that focused on the development of SMEs in the forest industries value chain. This partnership is no longer active (due to an EU-funded programme ending) but could easily be reactivated if alternative funding was identified.
- Close partnership with World Vision's Women in Business programme. 270 women have been trained since 2007 (155 prior to that) and SIYB is proving to be an effective means of addressing the needs of women running micro-businesses in the Port Moresby region.

c) *“New adaptations of SIYB products (addressing rural enterprises, entrepreneurial shortcomings and promoting women’s entrepreneurship) developed, tested and in use by network partners.”*

No new products were developed during the period, although the fisheries and forestry packages developed during Phase II were market tested and finalised.

Planned new commodity-specific agricultural packages were not developed, but are still needed.

No products were developed to address the needs of female entrepreneurs, although the current CTA reported that he did investigate the adaptation of the ILO’s “Get Ahead” (Gender and Entrepreneurship Together – GET Ahead for Women in Enterprise) materials, but ILO-Suva could not authorise development because of lack of funding. The idea was to get the materials introduced through a Training of Trainers course and then the project would take up the materials development locally. This was not achieved.

d) *“Required capacity of SIYB Unit staff, network partners (management and trainers) and Master Trainers developed.”*

#### *SIYB Unit Staff*

Other than the guidance and advice provided by the CTA, there appears to have been little attention given in the project to the training and development of SIYB Unit Staff. The National Programme Manager is the only formally accredited Master Trainer in PNG, although his duties in SBDC essentially prevent him from undertaking the type of independent development of SIYB that is envisaged as part of that role. The National Programme Manager also said that he wanted to undertake an on-line small business development course run by the International Training Centre of the ILO (ITCILO) but his request was declined because there was no training budget for SIYB staff.

#### *Network Partners –Managers*

No formal training activities were held for the management staff of network partners, but SIYB unit staff provided one-to-one advice and assistance. Two regional meetings of network partners were held during the tenure of the current CTA.

#### *Trainers and Master Trainers*

The data provided by the project indicated that 28 trainers were trained in the period in two trainer training courses. Lack of funding appears to have been the biggest barrier to the conduct of more courses.

21 Master Trainers received training and development in Phase III – in one Training of Master Trainers (TOTM) course and three “Refresher” courses. Four were given the opportunity to be placed at SBDC for a one month posting to learn more about SIYB.

Only one of the Master Trainers operating in PNG has been accredited. This ILO accreditation is not only a measure of competency but also an indicator of sustainability, as fully accredited Master Trainers are considered to be more likely to have the skills to proactively market and run SIYB courses without the active support of centralized agencies such as SBDC.

The Master Trainer accreditation process identifies trained trainers who are ready, willing and able to advance to the next level. It involves the completion of advanced training courses and an independent assessment of the trainer's capacity to autonomously manage and deliver SIYB in the market.

Efforts to create a good network of Master Trainers have been hindered by a number of factors. Based on feedback received by the evaluation team, the pool of trained trainers from earlier SIYB phases includes a number of people who were probably not cut out for the job because they:

- lacked any real knowledge of the world of business (many were drawn from the public sector);
- did not have the personal characteristics needed to be good trainers;
- had full-time public sector jobs (being otherwise occupied they were not in a position to fully explore SIYB market opportunities);
- may have been "professional course attendees";
- lacked basic skills such as computer literacy.

Some with potential saw SIYB training as a career development exercise and have since been promoted or have been employed elsewhere.

Due to what the evaluation team heard was sometimes poor selection of trainer training participants in past SIYB project phases, there is a need to replenish the training pool. Some network organizations do not currently have access to a trainer. There are only 4 current trainers who are thought to have potential to become fully accredited Master Trainers and only additional trainer training will increase this number. However trainer training courses are expensive – up to K60,000 each – and SBDC does not currently have the funds.

*e) "SYB participants have the skills and knowledge needed to start or expand business projects; IYB participants have improved their business performance through improved management skills."*

*Impact Assessment Study (by Olip Research and Consultancy)*

In May 2008, Olip Research and Consultancy undertook an Impact Assessment Study of Phase III. The study involved the conduct of interviews with a sample of 382 SYB past participants and 14 IYB past participants. The participant sampling for this study appears to

have a number of deficiencies (e.g. locations from which the samples were drawn might not have been representative, very small size of the IYB sample etc) and some of the conclusions it draws may need validation. Bearing this in mind, the Impact Assessment Study concluded the following:

- The SIYB program did enable participants to start new businesses and to recruit new employees. The study estimated that a total of 660 new jobs have been created (assuming 20% more are employed apart from the owners who are starting new business);
- 71% of the sample did not have a business prior to the training;
- 22% of these created new businesses after the training. 5% registered their businesses;
- “All those who participated in the trainings expressed having improved sales, profits, and productivity though there are others who experienced poor performance in these areas”;
- 60% of the sample said that the SIYB Programme was excellent, 31% said it was good and 93% said that they would recommend it to others;
- SYB participants have continued to use the course handbooks while conducting their businesses - often (27%) or regularly (29%);
- The percentage of participants who undertook important business management activities increased after the training – namely cash flow planning (from 41% to 61%); calculating and setting prices (91% to 100%); marketing (31% to 88%) and training and managing employees (88% to 95%).
- 77% increased their profits after the training, 19% had no change and 4% had reduced profits;
- After the training, only 2% of participants attempted to seek finance to grow their businesses and none of these were successful.

#### *Qualitative Information Collected by the Evaluation Team*

In addition to the Impact Assessment, the following qualitative and anecdotal information was gathered by the evaluation team from interviews with individuals who have completed SIYB training and with network partners:

- **A brief workshop was held with a group of past SIYB participants in Madang** – The group had all been part of a course of 35 local people all engaged in the informal economy. The group highlighted the benefits of training in cash flow management and business planning. Some had attempted to run informal businesses in the past, but these had failed. All said that their skills and knowledge had been greatly

enhanced, but there were still significant obstacles preventing their application. Access to micro-finance was the biggest of these. One female entrepreneur needed capital to purchase enough chickens to provide a weekly income – at present, she was raising one chicken at a time, which she now realised, was not really a business at all. Another, who had been working on a cocoa plantation before he was retrenched, was keen to apply his technical skills in his own business, but needed capital for equipment. According to the people interviewed, virtually all of the 35 course participants had business ideas that they wanted to implement, but access to capital was frustrating them. The course itself was highly valued – “all the village people want to do it now”.

- **World Vision’s Women in Business Programme** – World Vision has trained 270 women around Port Moresby since the beginning of 2007 (plus another 155 prior to that). Some of these women were already engaged in the informal economy and some were looking to generate more income from their existing businesses. The programme provided post-training support including assistance in opening bank accounts with PNG Microfinance. One success story involved a woman who had for years been running a micro-business selling bottled water. After the SIYB course, she initially diversified into soft drinks and then, seeing a new opportunity, started to “lease out” space for other micro-businesses in her strategically well-placed front yard (at K150 per space per week). She had in effect become a real estate entrepreneur. Another success story involved a woman who prepared and sold meals from her home. She has now gone into the catering business and delivers meals to businesses. She has recently purchased a van.

**The Kokopo Secondary College** – 500 young people have received SIYB training since 2004 under this innovative programme. The programme is generating considerable enthusiasm among the students and opening their eyes to self-employment opportunities post-school. All participating students are assisted to establish a bank account – something that many of their parents have never had and which will help them as they start their businesses. (No separate quantitative information on student business outcomes was provided – the Impact Assessment did not include this cohort in its sample.)<sup>10</sup> The teachers at Kokopo Secondary College have presented the results of their work with SIYB to what they indicated are a wide range of other schools’ management. Due to the positive results of the Kokopo initiative, the nearby Malaguna Technical High School is introducing both KAB and SYB into its curriculum and it is expected that SIYB as an approach to teaching on business will be taken up shortly by other secondary schools in the province.

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<sup>10</sup> An interesting aside: two of the teachers trained to be SIYB trainers have since left to start their own business, in part due to what they have learned in the course.

## **5.2 Effectiveness of the Management Arrangement**

### **Managing SIYB within SBDC**

In hindsight, the decision to embed the SIYB programme in the SBDC has proven to have been unwise. The organization has been plagued by continuous operational disruption, staff shortages, internal conflicts and scandals, and has been operating without a management board and a managing director for long periods. It appears to have no current strategic or corporate plan and its structure seems to encourage competition between units and programmes that should instead be complementing each other (e.g. the ILO's Know About Business programme is in a different unit to SIYB and SIYB staff related stories of the two programmes frequently running at cross purposes).

The evaluation of the Phase II project expressed concerns about the wisdom of continuing to run SIYB through SBDC. It would seem that the organization had a troubled history in the years prior to Phase III – at least as far back as 1999 when SBDC was temporarily abolished. The Phase II evaluation proposed that a government owned, not-for-profit company take over ownership of the programme in order to provide the necessary independence. Moreover, some stakeholders suggested that what was essentially a private sector training programme would best be managed outside of government. These suggestions were not implemented in Phase III and a decision was made to persevere with the SBDC as the host organisation.

As we now know, the situation in SBDC actually deteriorated further during the Phase III implementation and there were apparently no steps taken to remedy the situation by seeking an alternative hosting arrangement. While this might be considered as an indication of the project's lack of "responsiveness to changing circumstances" (in the terms of the evaluation scope) it is probably more a case of poor project design. It would have been easier, although still administratively difficult, to extricate the project from SBDC at the start of Phase III than to do it mid-Phase.

A project steering committee was also meant to provide guidance to the project, but this group met only once (in November 2007). According to SIYB staff, this meeting was well attended and members were keen to be informed of project progress and expenditure, but many of their questions remained unanswered. A tentative date was set for a follow-up meeting at which, it was hoped, more information would be made available. This meeting did not take place.

### **ILO Management and Support**

The absence of an ILO Chief Technical Advisor for more than half of Phase III deprived the project of much needed expertise and strategic direction. Greater access to a CTA might have helped the project compensate for the continuing lack of leadership from SBDC. Instead, the project was left "to fly on auto-pilot" for long periods when it could have been charting new territories for SIYB. The absence of a CTA was to some extent beyond the ILO's control – the untimely death of the second Phase III CTA in early 2006 presented a particularly difficult challenge.



The ILO's failure to respond to the donor's request for information on the project (as reported by the donor) is far more difficult to explain or to justify. The AusAID contact for the programme complained that despite repeated requests for financial reports on the project, not one was provided over the first three years of the project. She said that this raised serious questions within AusAID about the desirability of partnering with the ILO in future. As the ILO's offices in the region were responsible for this element of the project's management, the failure to report cannot in any way be attributed to administrative problems within SBDC. The AusAID representative also indicated that there was a perception that the ILO only "came to town" when they were seeking funds and that, once they had secured them, they paid insufficient attention to the task of maintaining a strong and cooperative relationship with donors. (See also 6.3.)

### ***Monitoring Performance and Results***

The SIYB approach emphasizes the development of a network of trainers and it is this aspect of the programme that is most closely monitored. Measurement of results for the ultimate beneficiaries of the programme – the small and micro business entrepreneurs – is done largely on an *ad hoc* basis and seems to concentrate on qualitative data such as "success stories" rather than a more comprehensive analysis of programme impact on course participants. This is understandable given the numbers of participants involved in the training and the lack of resources available to undertake individual follow-up. Instead, the project relies on a formal "Impact Assessment Study" undertaken in the final months of Phase III which followed up a random sample of participants recorded on the SIYB project database.

The difficulty with this approach is that little information is collected during the life of the project about the characteristics of the participating entrepreneurs, the suitability of the training for their situations and the impact that training is having on their enterprises. A number of stakeholders said that the selection of course participants in some provinces was poor. Some did not have a high enough education level to comprehend the basic concepts. Some courses were filled on a "first in, first served" basis with little or no selectivity. One NGO representative said that he suspected that some of his SIYB course participants were motivated more by the availability of food and refreshments at the course than by a desire to start or improve a business.

Paying at least some attention in the monitoring process to the end-users of the SIYB programme is therefore recommended. It would be assumed this is standard good practice in SIYB project implementations and has not taken place in the current phase due no doubt to the managerial challenges outlined above. It would help the SIYB team to refine the programme content and to encourage the selection of participants who would most benefit from the training. Collecting information on the courses run by network partners is similarly needed – the SIYB unit was unable to provide any data on courses, only participants. Such enhancements to monitoring arrangements would, however, present some challenges, as the training of entrepreneurs in PNG is usually paid for by other organizations such as NGOs which frequently have their own priorities and interests sometimes unrelated to small and micro enterprise development.

### **5.3 Impact and Sustainability**

#### ***Income from Training Activities***

SIYB training in PNG continues to rely on donor funding of one form or another. Reports from earlier phases of the project suggested that a “culture of no free training” was being promoted in SIYB, but given the nature of many participating businesses, this is unlikely to generate sufficient funds to allow the training to be sustained under a “user pays” arrangement.

The Impact Assessment reported that 79% of SYB and 4% of IYB have paid for their training (at an average fee of K170 for SYB), but this was not reflected in any of the discussions the evaluation team had with NGOs delivering the training. In fact, at least with these network partners, this fee-paying approach sometimes conflicts with their own development philosophies. One said that his organization usually did not require anything more from participants than “a commitment of their time”.

While it is recognized that SIYB participants, particularly from the informal sector, are very unlikely to be in a position to pay anything near commercial rates for training<sup>11</sup>, the failure of network organizations to require participants to contribute even a token amount works against achieving the objective of creating a sustainable market for SIYB in PNG and entrenches dependence on donors. Furthermore, when training organizations offer this free training without any real attention to assessing the suitability of participants to benefit, it reduces the likelihood of good business development outcomes being achieved. For some trainers, SIYB was something of a “numbers game” – one had a target of providing assistance to 40,000 people and, under these circumstances, was unlikely to knock back anyone willing to do the training.

#### ***Income from Training Materials***

Within SBDC, some funds are being generated from the sale of training materials. A correspondence course found a willing market (it was described as a “cash cow” by one informed observer) but marketing and sales have inexplicably been cut back, if not suspended. In any case, it seems that the proceeds of these sales are not currently being directed to the SIYB unit, but are instead going into the host institution’s coffers.

#### ***Continuation and Project Exit Strategy***

The Department of Commerce said that, if external funding for the continuation of SIYB was not forthcoming, there would be a need to make a submission to treasury for additional funds from the 2009 budget. Such a submission would need to be made by the end of June 2008. According to the CTA, if SIYB is left to continue without external support or guidance it would die.

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<sup>11</sup> As the Business Advisor in the East New Britain Provincial Administration put it: “Entrepreneurs find the fees too expensive to cover full costs. We would need a model that reaches more people for less.”

### ***Durability of Results and National Ownership***

SIYB is a popular programme in PNG and many stakeholders consulted by the evaluation team were most concerned about the prospect of the programme being withdrawn. A large number of trainers were trained and, while those selected for this training were sometime not suitable, it did increase the local skills base. It may be time to build on this base by training more people as trainers and Master Trainers, but there are at least some people now operating in PNG with the skills required to work with local entrepreneurs.

The widespread popularity and appreciation of the programme is a strong indicator of “ownership”, at least among network partners and government agencies. A higher level of ownership was demonstrated by the National Fisheries Authority which sees great potential to apply SIYB more extensively across the local fisheries industry (as well as in other Pacific nations) and wants to take full ownership of the programme in that sector (subject to ILO licensing agreements with SBCD).

### ***Unintended Positive and Negative Effects***

The unanticipated expansion of SIYB and KAB into the education sector – in both secondary schools and vocational colleges – opens up a fertile new territory for the programme. PNG lacks job opportunities for school leavers and the encouragement of youth entrepreneurship therefore represents a positive new direction.

A negative is the fact that SIYB is seemingly bogged in the dysfunctional mire that is SBCD. The organization may have been a good place for the ILO to place this programme in 1996, but it has probably been more of a hindrance than a help for the last five years at least. The Phase II evaluation pointed this out, but in the absence of any obvious alternative host organization, SBCD’s role was extended into Phase III.

## ***5.4 Relevance, Strategic Fit and Validity of Design***

### ***SIYB and the Informal Economy***

SIYB continues to meet an important need in the PNG informal economy. Over 85% of the population make a livelihood out of the informal sector and many people who run micro-businesses have low levels of general education and no post-school education and training at all, including in business management. Although many of these activities might seem fairly straightforward operations – for example, producing, harvesting and bagging coffee in the highlands and loading bags onto transport planes – maximizing production outputs and managing cash flow from these operations are a major challenge for many. As the Business Advisor in Madang Province pointed out, “this is exactly where SIYB adds value.” Similarly, the Business Advisor in the East New Britain Province explained that “Cocoa and other plantations are being run down – the people have no idea about maximizing outputs; for this, SIYB is very useful.”

### ***SIYB and the Provinces***

Although SIYB has been run in PNG for 12 years, the concept is only now taking root in some locations. In Madang, the Business Advisor indicated that the SIYB concept has only recently been embraced by the local community and that people are now frequently enquiring about when the next programme will be run. For these people, SIYB is not “old hat” but instead represents a new opportunity. Local funding remains an obstacle in many situations.

### ***SIYB and Schools***

The recent expansion of SIYB into schools and vocational colleges suggests that some additional work may be needed to ensure that course materials and content are appropriate for this market. A better link may also be needed between the ILO’s KAB and SIYB programmes. There is also the issue of how such programmes might be recognised in terms of the national curriculum – SBDC is taking this up with the Education Ministry, but more work needs to be done.

### ***SIYB and the Social Partners***

There was some expectation that, in Phase III, SIYB training would be delivered in cooperation with the Trade Unions to assist retrenched workers. This did not occur. The director of the local Employers Federation was on the previous SBDC Board and saw a place for SIYB in the schools and as something that private sector developers could fund for local communities affected by their projects (e.g. mines).

### ***SIYB and Competing Products in the Market***

Some alternative training packages are being promoted in PNG and these can be considered competitors to some extent. For example “Personal Viability” courses are being run which assist people to determine what sort of jobs or enterprises might best suit them. Sector specific courses, such as Retail Business Management, are also being promoted. According to one trainer, such courses are being actively sold to resource companies who are looking to fulfil their community obligations under land use agreements. In the past, SIYB was the only programme used (e.g. in the mining sector).

### ***SIYB alignment with PNG Development Plans***

The Department of National Planning has a “Medium Term Development Strategy” in place and, in its 2007 Performance Management Framework for this strategy, it includes a section on “Development Oriented Adult Education”. Four of the five performance indicators in this section relate to SIYB implementation – individuals trained in SIYB events, number of SIYB training events, number of provinces in which SIYB events are held; and female participation.

## 5.5 Efficiency of Resource Use

Detailed information on project income and expenditure was not made available to the evaluation consultant, although a two-page summary report was provided that outlined broadly the financial position of the project. Total funds available to the project in Phase III appear to have been \$US796,207. As at end May 2008, \$US37,168 remained to be allocated. Without such detailed information, it is difficult to assess confidently the efficiency of the programme and its value for money.

We do know:

- That the CTA position was unfilled for about two and a half years, yet there were no savings made as a result. It was suggested to the evaluation consultant that, following the death of the second CTA, there were some unexpected costs associated with the repatriation of his family, but this could not be confirmed from an analysis of the data supplied.
- That Phase III did not include many Training of Trainers (TOT) or Training of Master Trainer (TOMT) courses. There were only two TOTs run, one TOMT and three refresher TOMT courses run. No Master Trainers have been accredited (apart from the National Programme Manager).
- That there was a great deal of network development done and that awareness of and involvement in SIYB by network partners has probably grown as a result.
- That at least 3,235 people were trained under the SIYB programme in Phase III including 779 women and that there is a strong demand for more training. There were many more than this trained who were not captured by the project's management information system (e.g. more than 500 school and vocational college students).
- Many of the project's "immediate objectives" were not achieved or only partly achieved (see 5.1)

We do not know:

- How much of the entrepreneur training would have occurred anyway – or more accurately, how much has occurred because of the continuing, "rolling" benefits of earlier SIYB project phases. Clearly some new partnerships forged in Phase III have resulted in more training, but these cannot be quantified easily.

Overall, it is hard to avoid the conclusion that, although some good things were done, project funds were not used very effectively or efficiently in Phase III.

## **6. LESSONS LEARNT**

### **6.1 Good Practices**

#### ***Family Issues in Running SIYB Courses Targeting Women***

The specific needs of women working in the informal sector require attention in SME programmes. World Vision's Women in Business programme highlighted a situation where women participating in training course can become victims of domestic violence. For example, one woman arrived at the second day of her training with a black eye and her SIYB course materials destroyed. Her husband had returned home the previous night to find that his dinner had not been prepared because she was attending training. World Vision now tries to minimize this risk by getting the women to explain the nature and benefits of the training to their partners well before the course begins. It also hosts a pre-course luncheon which partners are encouraged to attend so that they can learn more about the programme. Child care issues need also to be addressed when running such programmes.

#### ***SIYB and Wantok Practices***

The wantok kinship system operating in PNG generally reinforces sharing of resources and obliges one to assist another wantok, even to one's own detriment or loss. If these customs are extended to business operation the results can be disastrous. At least one SIYB trainer – the Madang District Individual and Community Development Organization – is specifically addressing this issue in its training and providing advice on how to navigate around it in a culturally appropriate way. Similar customs operate in other Pacific Island countries and this lesson could be applicable in projects implemented in these locations.

#### ***Network Partners Assisting in Marketing of Small Business Products***

At least one network partner – The Nature Conservancy – has been assisting participant entrepreneurs by linking them to markets, such as the Fair Trade market for cocoa and coffee. Actively recruiting other network partners who are willing and able to do this would enhance project outcomes.

#### ***Teaching Methods***

The point was made that with some communities it is very important to incorporate into the teaching real life examples with which participants can readily identify. Such examples should be drawn from the participants themselves. Culturally, many PNG people learn by observing and doing rather than by absorbing theory. The need for such an approach should be highlighted in the SIYB trainer training courses.

## **6.2 Future SME Programmes in PNG**

It is clear that the project in its recent phase has had a great many challenges, in large part due to the institutional and operational problems of its host institution, SBDC. At the same time, it is clear that assistance to SMEs and the promotion to entrepreneurship are both in demand by local partners and central to the development strategy for the country. SIYB has through years of support and effectiveness of the methodology become the primary means of providing support to the SME sector. So, while closing the project due to the problems of the last phase may be an initial consideration, a more effective strategy would suggest trying to save the best parts of the SIYB programme while avoiding the challenges inherent in recent dealings with SBDC. Some steps in this regard could include the following:

### ***Encourage a More Selective Approach***

A number of network partners indicated that they had not applied any selection criteria for course participants – the courses were run instead on a “first-in, first-served” basis. As some of the course material might prove challenging for people with very low education levels, programme outcomes may have suffered. There is also a need for more selectivity in the capacity building element of programmes. It seems that many of the people chosen to be trained as SIYB trainers were not suitable (see 5.1d) and care needs to be taken in future to ensure that the people most likely to add to local capacity are selected. Selection criteria should be developed to assist this.

### ***Ensure Management Information Systems are Appropriate and are used***

The evaluation team was unable to obtain from SBDC some important information about the programme’s implementation, including the number and location of courses run by network partners and any details of school and vocational college participants. Future projects need to capture this data and be able to quickly produce reports for analysis and strategic decision making. Where unexpected, but positive new developments occur that were not part of the original data capture design (such as the expansion of the programme to the education sector), steps should be taken to modify the management information system or, at least, to gather participation and outcome data in another way.

### ***Pursue a Complementary Sectoral/Provincial Development Approach***

The SIYB philosophy of stimulating the creation of a new SME training market is highly effective, but there is also potential to intervene strategically to encourage enterprise creation in areas of identified need, in specific industry sectors and in specific locations. For example, analysis of industry value chains in certain localities might highlight service or product gaps that could form the basis of new enterprises. Training or other initiatives might help local people identify these opportunities and start businesses.

### ***Local Institutional Partner***

SIYB’s unhappy placement with SBDC highlights a broader problem – how does the ILO ensure an appropriate level of programme outputs when its institutional partner ceases to

operate effectively? There are probably other organizations now in PNG who could deliver SIYB more effectively, but existing arrangements seem to be set in concrete.

### **6.3 General**

#### **SIYB and ILO PNG Decent Work Country Programme (DWCP)**

Unemployment and under-employment among youth has become one of the most critical issues in PNG and the region generally. Consultations by an ILO 2007 mission undertaken as part of the development of the DWCP highlighted the problem:

*“In Papua New Guinea (PNG), it is estimated that of the approximately 123,000 young people who leave the school system every year less than 10,000 are absorbed by the formal labour market. The rest remain unemployed; have to resort to illegal activities; or end up as self-employed or underemployed in the informal economy - usually with low earnings, poor working conditions, no career prospects and uncertain protection aside from what is provided under traditional social safety nets.”<sup>12</sup>*

The growing involvement of young people at school and vocational colleges in SIYB has the potential to fit well with this aspect of the developing DWCP agenda.

#### **SIYB PNG and the Pacific**

The SIYB project in PNG, in collaboration with the Department of Fisheries, has recently provided training to a number of other countries in the Pacific, including Tonga, Vanuatu, and the Solomon Islands. This has apparently gone quite well, from reports received both from the project and from ILO staff in Suva. This could indicate a point of collaboration for further developing the entrepreneurship capacity in nearby states while utilizing the resources of trainers and master trainers developed in PNG. While fisheries is clearly one area where this would appear suitable, the potential for expanding entrepreneurship training with youth, as mentioned above, in other nearby states would appear equally promising.

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<sup>12</sup> ILO Tripartite Technical Meeting on Decent Work Pacific Islands Countries, *DWCP Implementation in the Pacific Islands Countries 2006-2007 – Issues and Challenges*, November 2007



## 7. CONCLUSION AND FUTURE DIRECTIONS

Despite a saga of administrative and staffing problems that have afflicted Phase III of the project, one thing is clear: there remains a strong and enthusiastic demand for the type of small and micro-enterprise training and development that SIYB offers. The programme has been used to address a wide range of economic and social development issues, from family income supplementation to environmental conservation. Momentum for SIYB training is only now building in some locations and many of the stakeholders consulted in the evaluation were very concerned at the prospect that the programme would be closed down.

Existing programme arrangements, however, are not working effectively and there are a range of new needs and opportunities that should be addressed in any future programme. Specific issues include:

**The location of the programme development function in SBCD.** While the agency is ostensibly the government's lead agency in the promotion of its SME policy and programmes, its continuing internal problems have greatly hindered SIYB. Nor is this a new issue – the Phase II evaluation also highlighted the problem and recommended that the programme be based in an organization outside the government, particularly given its private sector nature.

**The need to replenish the pool of trainers and to ensure that the right people are chosen.** Many of the trainers trained in earlier phases are not active and were probably never destined to be so. The fact that, after 12 years of SIYB in PNG, none of these trainers have progressed to accredited Master Trainer status is a further indication that new blood is required.

**The lack of linkages to support services for the participating entrepreneurs.** A consistent theme to emerge from the field visits was the difficulty faced by entrepreneurs – particularly those operating in the informal sector – to access capital to implement the business ideas that SIYB has helped them to develop. Better pathways to this finance need to be built into future programmes. Similarly, start-up businesses would also benefit from on-going advice and assistance, perhaps through some sort of mentoring system.

**The need for a strategic approach to sector development and provincial development and for SIYB to be integrated into this approach.** There is scope to assist people to identify business opportunities in specific sectors and locations and to encourage and train people to start businesses that fill gaps. For instance, value chain analyses in the fisheries, forestry and agricultural sectors might reveal gaps that could be filled by start up businesses. Similarly, provincial economic development strategies might include initiatives that encourage the creation of small businesses that exploit identified local needs and opportunities.

**The need for more development work in the student/youth entrepreneur market.** SIYB extended its activities to this sector in Phase III. It represents a fertile new ground for the programme (and for other ILO programmes such as KAB) given the growing youth

demographic and the lack of jobs in the formal sector for new labour market entrants. While work to date in this area has largely relied on the use of the standard SYB approach, the ILO may want to consider developing a specific experiential learning product linking enterprise start-up with secondary school education on business practices.

**The continuing need for new products and resource materials to be developed.** Phase III was relatively inactive in this area, but there is a need for new materials for female entrepreneurs, student and school leaver entrepreneurs, and entrepreneurs working in specific agricultural businesses (e.g. cocoa, coffee et al). In each area, there was a suggestion that extension services, continued support post-SYB participation and access to finance were needed – each of which could be explored in any continuation of support to SIYB in PNG. There may also be a need for at least some materials to be translated into Tok Pisin.

**The need for more SIYB activity in the Highlands.** Although only limited information was provided on training course locations, it seems that a relatively small number of SIYB participants are from the Highlands, the region with the highest overall population. Efforts need to be made to identify more network partners willing to address this apparent imbalance. Security and remoteness remain obstacles and there are significant extra costs involved in delivering the training away from participants' home communities.

**The need for more linkages with private sector developers.** For example, the Ramu Nickel Mine near Madang has indicated that it is willing to fund SIYB programmes for land owners and community members surrounding the mining operation. One has already been run adjacent to the mine. Opportunities exist in roadside catering, chicken production, transport, and cash cropping. Any future project should seek an increased involvement of private sector investors in the funding and support of SIYB courses and government-brokered resource usage agreements should promote such involvement.

**The need to build on links between SIYB and the Community Learning and Development Centres that are currently being established.** Similar to the UNESCO concept of Community Learning Centres, this initiative creates a network of district level CLDC "focal points" that coordinate community training in local CLDCs. They ultimately aim to have a CLDC in each district – currently there are 5. The local CLDCs are to be promoted as places to learn and to develop small scale community projects. This seems a logical partner for extending SIYB reach – including to the Highlands - and accessing more SIYB participants in local communities. The organization also has an interest in developing materials tailored to the specific needs of women or to sectors that have a strong female representation.

**The need for more flexible course delivery options.** The standard SYB course is delivered over two weeks. This poses problems for many people who are struggling to make a livelihood. While abbreviating the course to a few days – as was reported to have been done by some network partners - is probably undesirable, more flexible arrangements need to be encouraged, including dividing the training into short modules of one or two days and delivering it over one or two months. This might, of course, pose added logistical challenges and costs.

**Programme monitoring needs to be improved, particularly in high risk situations.** The evaluation exposed a number of deficiencies in the ILO's systematic monitoring of the project. There were clearly a number of warning signs that this project was at risk – the SBDC's fragile state, the loss of key personnel and the generally difficulties associated with the running a complex programme in PNG – yet the monitoring arrangements seem to have been loose at best. More importantly, based on the information that was provided through the monitoring arrangements, the ILO should have intervened to reinvigorate the project and to improve its capacity to get results. Instead, the current CTA was left with the unenviable task of picking up the pieces of a programme that was in disarray.

## ANNEX A: Terms of Reference

### 1. Introduction and rationale for evaluation

The Start and Improve Your Business (SIYB) programme has been operating in PNG since 1996 with support from AusAID, the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and the PNG Government. Over this period, a wide-ranging network of delivery partners (network partners) and resource persons (Master Trainers and Trainers) has been established across the country. The introductory phase of the programme spanned 1996 to 1998. The establishment phase was undertaken between 2000 and 2002. The current SIYB project, in its third phase, is the ILO's main programme in PNG.

The project has worked with the PNG Government's Small Business Development Corporation (SBDC) to establish a pool of trainers that provide skills training country-wide. The emphasis has been on helping entrepreneurs start and grow small businesses. Given major and enduring social and economic disparities between women and men, the project has sought to promote gender equality in its activities, including greater participation of women as both trainers and trainees, modifying course material for gender sensitivity.

The project will be ending in June 2008 and there is need to document achievements and lessons learnt. Office policy also requires projects budgeted above US\$ 500,000 to have at a minimum, one independent evaluation during the project's life time. A final independent evaluation of Phase III of the SIYB project is proposed in May, with finalization in June 2008.

The evaluation is expected to be forward-looking, with a report and recommendations aimed at improving the project and suggesting future projects, programme and strategies. It should include lessons learnt for future SME development programmes in PNG as well as of general interest beyond the project sphere to contribute to wider organizational learning and the new Decent Work Country Programme. Good practices, if any, should be highlighted.

The evaluation should comply with UN Evaluation Norms and Standards and the OECD/DAC Evaluation Quality Standard.

### 2. Project background

Phase III of the SIYB project has a budget of US\$ 966,534. The project, extended from three to five years due to the passing away of the initial CTA and delays in appointing the current CTA, is expected to close in June 2008. The main focus of the third phase of the project has been to complete an institutionalization process and consolidate service and delivery structures to ensure national proliferation of SIYB thinking and methodology. Direct recipients of the project are management and staff of the SIYB unit and network partners, including organizations representing the interests and views of women, whose delivery capacity will be strengthened: staff, in particular SME trainers, of local government agencies and other institutions concerned with SME development in participating provinces and districts, as well as staff of central government agencies and other national organizations incorporating the SIYB programme into their activities.

The ultimate beneficiaries are those women and men who will improve their economic situation through the application of principles covered in SYB and IYB work shops, existing small-scale entrepreneurs, entrepreneurs of micro enterprises or in the informal sector, self-employed women, persons from rural communities who start businesses, unemployed persons, redundant workers and school leavers. The strategic partner of the project is the PNG Small Business Development Corporation (SBDC).

Components of the project strategy include the following:

- Establishment of a sustainable, transparent and participative SIYB Unit for overseeing delivery of quality training and related services in Papua New Guinea;

- Enhanced linkages with other programmes and initiatives related to small business development, with special emphasis on the creating of linkages to programmes, projects and organizations that serve women and women entrepreneurs;
- Further product development with a particular emphasis on rural enterprises, women entrepreneurship, and further integration of the PNG cultural dimension impacting on entrepreneurship; and
- Capacity building of network partners (management and trainers), including women organizations and staff of the SIYB Unit.

The overall objective of the project has been to develop to sustainability an appropriate system of business training and after-training support services for women and men who are starting or improving the management of micro and small business in PNG. The project has five immediate objectives. At the end of the project,

- a sustainable SIYB Unit within SBDC and a system for delivery of SIYB and related products in Papua New Guinea will have been established and be operational;
- practical linkages with other programmes and initiatives related to small business development will have been established;
- new adaptations of SIYB products, with a particular emphasis on rural enterprises and addressing entrepreneurial shortcomings and promoting women's entrepreneurship, will have been developed, tested and be in use by network partners;
- the required capacity of SIYB Unit staff, network partners (management and trainers), and Master Trainers will have been developed; and
- Male and female entrepreneurs participating in the SYB component will have acquired the skills and knowledge needed to start or expand business projects, and entrepreneurs participating in the IYB component will have improved their business performance through improved management skills.

#### Summary outline of Phase III:

- SIYB Unit established at SBDC and institutionalization process put in place, with five staff including a CTA;
- A network of over 100 partners established. MOUs and LOAs signed between the SIYB unit and 18 National partner organisations (NPOs). Successful partnerships established with National Fishery Authority to implement SIYB activities. Network partner organization meetings held regularly;
- Draft adaptation of SIYB materials developed and tested for fisheries, timber, and agriculture sectors, with materials being used by partners. SIYB adaptation for eco-tourism and livestock also developed;
- 25 Master trainers and 150 trainers trained through training of trainers and refresher training (30-40% active);
- Since 2004, 2328 people (29% female) completed skills training to start and expand their businesses;
- SIYB fishery materials were revised and printed and are ready for distribution;
- Project suffered from capacity limitations of the SIYB unit and the SBDC. Internal management shortfalls of SBDC affected project operation, putting into question viability of establishing a self-sustained SIYB institution. SIYB committee formed but functioning weakly. Project also suffered from absence of ILO presence due to death of former CTA before incumbent's appointment;
- The ILO conducted a biennial country programme review of its Pacific countries in Oct 2007, with review touching briefly on SIYB project, identifying constraints and solutions to overcome problems during remaining period of project;
- The SIYB is currently carrying out an impact assessment, targeting entrepreneurs trained from 2004. The assessment is aimed at measuring the impact of the programme with regard to key beneficiaries and stakeholders after four years of implementation, to give feedback to SIYB

programme stakeholders in the country, including the Government/SBDC, Donors, NPOs, Master trainers and trainers, facilitators, and others, to provide feedback for the development of a future phase, and for strategic planning to improve the programme. The conclusions and recommendations of the assessment will provide input concerning strategy and adaptations needed to implement the project in the future.

### 3. Purpose, Scope and Clients of the evaluation

**Purpose:** The purpose of the final evaluation is to assess the performance and achievements of Phase III of the project, particularly the institutionalization of the SIYB unit with a view to identifying lessons learned that could be used as a knowledge base to mainstream SIYB in PNG. Findings from the evaluation exercise should be used for potential incorporation into, or modification of, the design, strategies, and activities of possible future programmes, where appropriate. The evaluation will identify good practice, and examine the causes of problems and constraints.

**Scope:** The final evaluation will cover interventions of Phase III of the SIYB project, from the start of the project and may include related initiatives during the bridging period. The evaluation should also focus on the project approach and strategy and the project's responsiveness to changing circumstances in addressing the objective of SIYB institutionalization. The evaluation will require a review of Phases I and II of the programme, including through their evaluation and telephone discussions with David Lamotte, the CTA of Phase I and backstopping officer for Phase II, and Karl Olming, the past Global SIYB Coordinator.

**Clients:** The principal clients for the evaluation are project management, the donor, the ILO Suva Office, SRO Manila, RO-Bangkok and the ILO HQ technical unit.

### 4. Key Evaluation Questions/Analytical Framework

The evaluation should address overall evaluation criteria: the **relevance and strategic fit** of the project, the **validity of project design, project progress** and **effectiveness, efficiency** of resource use, **effectiveness of arrangements** for project management and **impact orientation** and **sustainability** as defined in the *ILO Guidelines for Planning and Managing Project Evaluations 2006*.

Key evaluation questions should take into consideration the following:

- Building commitment and design of Phase III of the project;
- Mobilization, consultation and cooperation between partners;
- The project management structure and its effectiveness;
- Implementation modalities;
- Project achievements and contribution of support to
  - a. Institutionalization of SIYB,
  - b. Strengthening the capacity of local agency, trainers and network partners,
  - c. Sustainability of SIYB activities;
- Possible impact on ultimate beneficiaries;
- Major constraints and external factors.

The evaluation will adhere to UN Evaluation Norms and Standards and OECD/DAC quality standards.

#### Definition of key evaluation criteria

- **Relevance and strategic fit** – the extent to which the objectives of the SIYB project and its intervention are consistent with beneficiary requirements, country needs, global priorities and partner and donor policies.
- **Validity of project design** – the extent to which the design of Phase III of the SIYB project is logical and coherent.
- **Project progress and effectiveness** - The extent to which the project's immediate objectives were achieved.
- **Efficiency** - the productivity of the Project implementation process taken as a measure of the extent to which outputs achieved were derived from an efficient use of financial, material and

human resources.

- **Effectiveness of management arrangement-** the extent to which management capacities and arrangements put in place supported the achievement of results.
- **Impact and sustainability–** The strategic orientation of the project towards making a significant contribution to broader, long-term, sustainable development changes. The likelihood that the results of the project are durable and can be maintained or scaled up and replicated by project partners after assistance has been completed.

Suggested specific questions to be addressed include:

#### **A. Relevance and Strategic fit**

- Does the project address a relevant need and decent work deficit? Were various needs of different stakeholders analysed before the start of Phase III of the project? Are these needs still relevant? Have new, more relevant needs emerged? Has the project addressed such needs as well?
- Have stakeholders taken ownership of Phase III of the project?
- How does the project align with and support PNG national development plans, as well as the programme priorities of social partners?
- How does the project align with and support ILO strategies, i.e., the operational objective of thematic programming, the PNG Decent Work Country Programme, mainstreamed strategies and other relevant strategies and policies of the office?
- How well does the project complement and link to activities of other donors at local level? How well does the project fit within the broader local donor and project context, including within UNDAF and UN Agency country programmes?

#### **B. Validity of design**

- Are the planned project's immediate objectives relevant and realistic with respect to the situation on the ground? Do they need to be adapted due to changing situations?
- Are objectives clearly stated, describing solutions to identified problems and needs?
- Are indicators of achievement clearly defined, describing changes to be brought about?
- Have external factors affecting project implementation been identified and assumptions proven valid? Have shortcomings encountered during the bridging period and at the beginning of phase III been internalized into project design?
- Is the project document logical and coherent, linking inputs, activities and outputs to each immediate objective?
- Are the roles and commitments of partners clearly identified?

#### **C. Project progress and effectiveness**

- Have project objectives been achieved?
- Have the quantity and quality of outputs produced been satisfactory? Have benefits accrued equally to men and women?
- Are project partners using project outputs? Have outputs been transformed by project partners into immediate objectives?
- How do outputs and outcomes contribute to the ILO's mainstreamed strategies?
  - How do they contribute to gender equality?
  - How do they contribute to strengthening of social partners and social dialogue?
  - How do they contribute to poverty reduction?
  - How do they contribute to increasing the influence of labour standards?
- How effective has the project been in establishing national ownership?
- Are project management and implementation participatory, and has participation of actors contributed towards the achievement of project objectives?

- Has the project been responsive to political, legal, economic, and institutional changes in the project environment?
- Has the project approach demonstrated successes?
- What, if any, alternative strategies would have been more effective in achieving project objectives?

#### **D. Efficiency of resource use**

- Have resources (funds, human resources, time, expertise, etc.) been allocated strategically to achieve outcomes?
- Have resources been used efficiently? In general, do the results achieved justify costs incurred? Could the same results have been attained with fewer resources?
- Have project activities been delivered in a timely manner?

#### **E. Effectiveness of the management arrangement**

- Have management capacities been adequate?
- Has project governance facilitated good results and efficient delivery? Has there been a clear understanding of roles and responsibilities by all parties?
- Has the project received adequate political, technical and administrative support from SBDC and the PNG Government?
- Has the project received adequate political, technical and administrative support from ILO Suva, SRO Manila and the technical unit at HQ?
- How effective has communication been between the project and its strategic partners and SBDC?
- How effective has project management monitored project performance and results?
- Has a monitoring and evaluation system been in place?
- Have appropriate means of verification for tracking progress, performance, and achievement of indicators been defined?
- Was relevant information and data collected systematically? Has data been disaggregated by sex?
- Has information been analysed regularly to feed into management decisions?

#### **F. Impact and Sustainability**

- Do conditions exist to ensure that the project's results will have lasting effects?
- What are realistic long-term effects of the project on poverty levels and decent work conditions of the people?
- How effective and realistic is the exit strategy of the project? Is the project gradually being handed over to national partners? Once external funding ends, will SBDC be likely to continue the project or carry forward its results?
- Are project results, achievements, and benefits likely to be durable? Are national partners willing and committed to continue the project? How effectively has the project developed national ownership?
- What unintended or unexpected positive and negative effects can be observed as consequences of project interventions?

The evaluator will draw conclusions and make recommendations based on the above questions as well as on other available information and questions.

<h3><b>5. Main Outputs of the Evaluation</b></h3>
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The main outputs of the evaluation will be:



- An evaluation instrument or note, proposing a workshop agenda and a process for facilitation of a stakeholder evaluation workshop, including questions to be addressed through follow-up individual interviews and consultations;
- Facilitation of a stakeholder evaluation workshop;
- First Draft of an evaluation report;
- Second and final drafts of the evaluation report, based on stakeholder input; and
- Evaluation summary, in accordance with the ILO template.

The evaluation report is expected to contain the following:

- Cover page with key project data (project title, project number, donor, project start and completion dates, budget, technical area, managing ILO unit, geographical coverage); evaluation data (type of evaluation, managing ILO unit, start and completion dates of the evaluation mission, name of external evaluator who conducts and leads the independent evaluation, and of ILO official with no previous links to project who participates as a team member in the evaluation, date of submission of evaluation report);
- Abstract;
- Brief background of the project and its logic;
- Purpose, scope and clients of evaluation;
- Methodology;
- Review of implementation;
- Presentation of findings;
- Conclusions;
- Recommendations, including to whom they are addressed;
- Lessons Learnt;
- Possible future directions for SIYB work in PNG; and
- Annexes.

## 6. Methodology

The following is the suggested methodology for the final Evaluation of the SIYB project in PNG. The methodology can be adjusted by the evaluator if considered necessary for the review and evaluation process, and in accordance with the scope and purpose of the evaluation. This should be done in consultation with the evaluation manager.

**Evaluator's tasks:** The evaluation will be led by an external independent evaluator responsible for conducting a participatory and inclusive evaluation process. The external independent evaluator and one independent ILO official as member of the evaluation team will deliver evaluation output using a combination of methods:

- Desk review;
- Initial consultations via telephone or email as appropriate with project manager, ILO Suva, SRO Manila, ILO HQ and other key stakeholders to identify key issues and coverage areas;
- Field visit to PNG to meet and interview key stakeholders;
- Stakeholder workshop to gather additional information (facilitate and prepare workshop agenda and specific questions to raise with stakeholders);
- Draft evaluation report; and
- Finalize evaluation report and evaluation summary.

### ***The tasks of Project Staff and ILO Suva Staff***

- Preparation for the in-country mission and work of the external Independent Evaluator and independent ILO team member in cooperation with the evaluation manager, including the detailed schedule, lists of people to be interviewed, including ILO Suva management and

backstopping officers, SRO Manila and ILO HQ, a list of key stakeholders to be interviewed in PNG including the donor, and a list of participants for the stakeholder workshop;

- Ensuring project documentation is up to date and easily accessible;
- Provision of support to the evaluator and team member for in-country work, including arrangement of local transportation and a detailed itinerary;
- Preparation of stakeholder evaluation workshop;
- Provision of administrative and logistic support to the evaluator throughout the evaluation process;

**Sources of Information:**

- SIYB PNG Phase III project documents
- SIYB project work plan(s)
- SIYB progress/status report(s)
- Project impact assessment report
- Relevant documents on the socio-economic situation of PNG
- Relevant SBDC development plan, PNG national development plan, UNDAF and UNCP
- DWCP Implementation in the Pacific Island Countries (2006-2007): Issues and Challenges
- SIYB PNG Phase I and II evaluation(s) and selected project documents

The evaluator will have access to all relevant materials. To the extent possible, key documentation will be sent to the evaluator prior to in-country travel to PNG.

<b>7. Management Arrangements, Work Plan and Time Frame</b>
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**Management arrangements:**

Keiko Niimi, Deputy Director of SRO Manila, is the manager of the final project evaluation.

The evaluation will be conducted and led by Mr. Tony Powers, an external evaluator with no previous links to the project. An independent ILO official, Charles Bodwell, Senior Enterprise Specialist for SRO Manila, based in Bangkok, will participate as a team member in the evaluation.

ILO Suva (Werner Blenk and Surkafa Katafano), SRO Manila (Keiko Niimi) and ILO HQ (David Lamotte and Martin Clemensson) will provide input on the TORs, the evaluation, and the draft report. The ILO Regional Office, through its evaluation focal person (Pamornrat Pringsulaka), will provide support to the evaluation process and ensure quality control of the process and of the report.

SIYB project management and ILO Suva will provide logistical and administrative support for the evaluation.

**Work plan and Timeframe:**

<b>Task</b>	<b>Responsible person</b>	<b>Time frame</b>
Gathering initial input from stakeholders for TOR preparation	Evaluation Manager	March 08
Preparation of TOR	Evaluation Manager	March 08

Sharing of TOR for comments and input	Evaluation Manager	March 08
Finalization of TOR	Evaluation Manager	April 08
Approval of TOR	Regional Evaluation Focal Point	April 08
Selection of consultant and team composition	Evaluation Manager/ Regional Evaluation Focal Person	April 08
Ex-col contract, based on TOR	ILO Suva/ Project Manager	May 08
Draft mission itinerary of evaluator, list of key stakeholders to be interviewed, and list of participants for stakeholder workshop	Project/ ILO Suva	April 08
Local transportation and stakeholder workshop venue arranged	Project Manager	May 08
Evaluator briefed on ILO evaluation policy	Evaluation Manager (by phone)	April 08
Desk review of documents	Evaluator	2 days
Visit to PNG, including stakeholder workshop	Evaluator and Sr Enterprise Development Specialist	Week of 26 May:  5 days (plus 2 days for arrival and departure)
Drafting of evaluation report and submission to Evaluation Manager	Evaluator	5 days
Sharing of draft report for comments	Evaluation Manager	2 weeks
Consolidated comments on draft report provided to evaluator	Evaluation Manager	1 week

Finalisation of report	Evaluator	2 days
Review of final report	Regional evaluation focal person	1 week
Submission of final report to EVAL	Evaluation Manager	June 08

**Resources:** The following resources are required from the project.

- Cost of external evaluator
  - Fee for 16 days of work (2 days desk review, 7 days field visits and stakeholder workshop, 5 days draft report, 2 days finalization of report);
  - Travelling costs and DSA; and
  - Reasonable communication costs
- Cost of travel and DSA to PNG from Bangkok for ILO Senior Enterprise Development Specialist
- Cost of Stakeholder Evaluation workshop
- Cost of local transportation (to be arranged by project)

Travel schedules, means of transport and communication subject to arrangement and agreement with ILO.

30 April 2008

## ANNEX B: Field Visit Schedule

### Monday 26 May 2008 – Port Moresby (Tony Powers)

9-11am: SIYB Unit Staff  
11-12am: SBDC Interim Caretaker Managing Director, Mr Diri Kobla  
12-2pm: ILO CTA, Mr Julius Mutio  
2-3pm: Department of Commerce, Mr John Andrias, Secretary  
3.30-4pm: National Forest Authority, Mr Isher Libitino

### Tuesday 27 May 2008 – Port Moresby (Tony Powers and Charles Bodwell)

9-10am: National Fisheries Authority, Mr John Kasu  
10-11am: Community Development Australian Volunteers International, Mrs Marion Jacka  
11-12am: AusAID, Ms Christine Croeger  
2-3pm: World Vision, Mr David Moru  
3-4pm: TVET, Mr Ruben Aue

### Wednesday 28 May 2008 – Madand (Tony Powers)

9-10am: Department of Commerce, Business Advisor, Mr Bul Dulau  
10-11.30am: Various SIYB participant entrepreneurs  
11.30-12.30pm: Madang Individual and Community Development Association, Mr Noah  
12.30pm-1pm: The Nature Conservancy, Mr Francis Hurahura  
1pm-1.30pm: World Vision, Mr David Moru  
2pm-3pm: Trainers, Mr Harry Sioni and Mr Taksy Dobon

### Wednesday 28 May 2008 – Rabaul (Charles Bodwell)

9-10am: Department of Commerce, Business Advisor  
10.30-12pm: Kokopo Secondary School, Daniel Ninkama  
2-3pm: Master Trainer, Mr Henry Tavul  
3-5pm: Various SIYB participant entrepreneurs

### Thursday 29 May – Port Moresby (Charles Bodwell)

10-11am: Institute of Business (SIYB Steering Committee Member), Mr Ray Clerk  
12-1pm: Department of Education (SIYB Steering Committee Member), Ms Jennifer Sangga  
2-4pm: SIYB Master Trainers, Paulus Boge, Geowa TOMala, Gertrude Gaunara  
3-4pm: National Planning Office, First Assistant Secretary, Mr Otto Tiam  
4-5pm: Foundation for People and Community Development, Mr Yali Bun

### Friday 30 May – Port Moresby (Tony Powers and Charles Bodwell)

9-10am: ILO CTA, Mr Julius Mutio  
10-11am: PNG Employers Federation, Mr John Jeffreys  
12-2pm: SIYB Unit De-brief  
5-7pm: Sponsor de-brief, Christine Croeger, AusAID

## ANNEX C: Network Partners

### **Organizations Providing Training and Networking**

Bamiringnuc Consultancy Services
Bougainville Prov. Admin - Div.of Commerce
Bougainville Prov. Admin -Div. of Fisheries, Buka
Bulolo Business Consultancy Services
Commercial Training College
Community Development Scheme (AusAID Project) - Moitaka
Conservation Melanesia Inc.
Correctional Services - Alotau
Correctional Services - Bomana
Correctional Services - Kavieng
Correctional Services - Lae
Department of Education (DoVET Programme)
Dept. of Education - Curriculum Division
Didgana Consultancy Services
East New Britian Prov. Admin - Division of Commerce
East Sepik Prov Administration - Div Fisheries & Marine Resources
East Sepik Prov Administration - Division Of Commerce
East Sepik Prov. Administration - Div. Of Agriculture & Livestock
Eastern Highlands Women's in Agriculture
Enterpreneurial Training (Entrain)
Entreprenuerial Development Company (ENDECO) Limited
FORCERT Inc
Foundation for People & Com. Development (FPCD) - Madang
Foundation for People & Com. Development (FPCD) - P/Moresby
Foundation for Rural Development (FORD) Inc.
Foundation for Social-Economic Devt (FOSED) Inc
German Development Service
Ginigoada Business Development Foundation Inc.
Gordon & Gotch (PNG) Limited
Gulf Prov. Admin - Division of Commerce
Gulf Prov. Admin - Division of Fisheries & Marine Resources
Highlands Famer's Association
Highlands Pacific Limited
Kapurangi Accountants & Managers
Kavugara Development Corporation Ltd
Kimakili Vocational Centre - Goroka
Kogiau & Associates
KUM-GIE Consult Limited
Kumul (PNG) Ltd
Levi & Associates
Lihir Management Company
Madang Prov. Admin - Division of Fisheries & Marine Resources
Madang Prov.Administration - Division of Commerce

Malahang Technical High School
Manus Prov.Adminstration - Division of Commerce
Mato Business Consultants
Milne Bay Forest Services
Milne Bay Prov. Admin. - Division of Fisheries & Marine Resources
Milne Bay Prov. Administration - Division of Commerce
Misima Mines P/L
MLM Commercial Services
Moonaa Construction
Morata Development Foundation Inc.
Morobe Gold Project
Morobe Prov. Administration - Div. Fisheries & Marine Resources
Morobe Prov. Administration - Division of Commerce
National Fisheries Authority
National Fisheries College - Kavieng
National Forest Service
National Forest Service - Port Moresby
New Ireland Prov.Admin - Div of Commerce
NIU Ailan Business Consultancy Service
Niuggini Ailan Planning and Training Conusltancy Service
North Fly Prov. Admin - Division of Commerce ( Kiunga)
North Waghi District Council of Women
Nuigini Computer and Business Training Centre
Numbori Training Services
OK Tedi Mining Ltd
Oro Prov. Administartion - Division of Commerce
Param-Mizz Training & Business Development
PNG Cocoa Coconut Extension Agency
PNG Designs
PNG Eco- Forest Programme
PNG Forest Service - Popondetta
PNG Forest Service - Port Moresby (HQ)
Porgera Joint Venture Limited
Professional Secretarial Consultancy Training Centre - Kokopo
SAI Business Consultants
Sally's Training School
Sandaun Provincial Sundaun Prov Administration - Division Of Commerce
Saunia Limited
Simbu Provincial Admin - Division of Commerce
SIYB Programme Office
Small Business Development Corporation
Southern Bisnis Services
Southern Highlands Prov.Admin - Division of Commerce
St. Joseph's Technical School - Lae
St. Therese Vocational Centre
Talidig Vocationla Centre - Madang
Timber & Forestry Training College

Tumayang Consultants
UNDP - Port Moresby
United Nations Development Programme (UNDP) - Arawa
University of Goroka - Goroka
Village Development Trust
Vocational Training Institute (Popondetta)
West New Britian Prov. Admin - Division of Commerce
West New Britian Prov. Admin - Division of Forest
Western Highlands Prov.Admin - Division of Commerce
Western Highlands Provincial Council of Women
Western Highlands Womens Entrepreneurs Association
Western Provincial Admin. - Div of Agriculture & Livestock
Western Provincial Admin. - Div of Commerce (Daru)
Western Provincial Admin. - Div of Commerce (Kiunga)
Western Provincial Admin. - Div of Fisheries & Marine Reources
World Vision - Madang
World Vision - Port Moresby
World Wide Fund (WWF)
Yagaria Women's Association - Lufa
Eastern Highlands Prov.Admin - Divison of. Commerce
Herbertshohe Bisnis Services Ltd
Eastern Highlands Prov.Admin - Divison of. Natural Resources

### ***Organizations Promoting SIYB to Youth***

Badili Vocational Centre
Kundiawa Vocational Centre - Kundiawa
Limana Vocational Centre
Popondetta Vocational Centre
Raval Vocational Training Centre (Rabaul)

### ***Organizations Promoting SIYB to Women***

BEE BEE Womens Associations
Bougainville Inter-Church Womens Forum
Bougainville Provincial Council of Women
Menyama Women's Group - Menyama
Meri Dinau Association
National Womens Entrepreneurial Association
Ngatawine Bola Association Inc.

### ***Organizations Promoting SIYB to Informal and Rural Sectors***

BEST Inc
Bougainville Micro-Finance/Boug.Haus Moni Project
Caritas (PNG) - Lae
Caritas (PNG) - Port Moresby



Central Provincial Admin - Division of Agriculture & Livestock
Central Provincial Admin - Division of Commerce
City Investments Inc
Dept. of Welfare and Social Development
Div. Of Home Affairs - Lae

***General Network – Like Minded Organizations***

Ausbiz (PNG) Limited
Associated Resources Management
Bougainville Business Association
Chevron Niugini Pty Ltd.
Coffee Industry Corporation Limited
Dept. of Trade & Industry - Industry Dev. Div
Division Commerce and Industry
Eco-Citizen International Inc
ECOSEEDS inc.
Fresh Produce Development Company
Hayes & Ekas Pty. Ltd.
Income Marketing Limited
Integrated Development Services
Internal Revenue Commission
National Business Association
Oil Search Limited
Ongum Plantation Ltmited
PNG Institute of Banking & Business Management
PNG Institute of Public Administration
PNG Power Ltd( Elcom)
Prime Consulting Limited
Rural Costal Fisheries Devt Programme (EU Project) - Madang
Sahm Art (PNG) Ltd
South Pacific Indigenous Community Empowerment (SPICE)

## ANNEX D: Characteristics of SIYB Course Participants

### By Participants' Age

Age	
< 25	16%
25-30	20%
31-35	21%
36-40	16
41-45	12
46-50	6
> 50	5
Unknown	4

### By Training Course Type

	IYB		SYB					TOTAL
	Generic	Micro	Generic	Agriculture	Fisheries	Forestry	Micro	
Female	59	21	395	20	43	18	223	779
Male	187	39	1433	4	226	164	403	2456
Total	246	60	1828	24	269	182	626	3235

### By Participant's Education Level (Percentage)

Yrs Education Completed	
None	5%
< 6 yrs	14%
7-10 yrs	70%
> 10 yrs	11%

### By Participants' Business Type (Percentage)

Line of Business	
Service	17%
Agriculture	17%
Fisheries	13%
Forestry	8%
Manufacture	7%
Retail	38%

## ANNEX E: References

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ILO, SIYB Project in Papua New Guinea – Phase 3 (2004-2008) Impact Assessment Study, April-May 2008 (Prepared by Olip Research and Consultancy)

World Vision, Responses to Poverty – The Annual Program Review of World Vision Australia, 2007