



UN BROAD-BASED WEALTH AND JOB CREATION PROJECT IN ZAMBIA

ECONOMIC EMPOWERMENT THROUGH MSME DEVELOPMENT PROGRAMME

Final Evaluation

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LIST OF ACRONYMS AND ABBREVIATIONS

ACP	Africa, Caribbean and the Pacific
AfDB	African Development Bank
AMSCO	African Management Services Company
BBW&JC	Broad-Based Wealth and Job Creation
BDS	Business Development Services
CEE	Citizens' Economic Empowerment
CEEC	Citizen's Economic Empowerment Commission
DWST	Decent Work Support Team
EU-ACP	European Union
EYB	Expand Your Business
FAO	Food and Agricultural Organization
FNDP	Fifth National Development Plan
GOF	Government of Finland
GRZ	Government of the Republic of Zambia
GSB	Growing Sustainable Business
ILO	International Labour Organization
IMD	Inclusive Market Development
IOA	Indicator of Achievement
ITC	International Trade Centre
LMI	Labour Market Information
M&E	Monitoring and Evaluation
MCTI	Ministry of Commerce, Trade and Industry
MDGs	Millennium Development Goals
MLSS	Ministry of Labour and Social Security
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprise
MTR	Mid Term Review
PARDEV	Partnership Development Department
PMU	Programme Management Unit
PSD	Private Sector Development
PSD-CP	Private Sector Development Cooperating Partners
PSD-RP	Private Sector Development Reform Programme
PTLC	Programme Liaison and Technical Committee
RBSA	Regular Budget Supplementary Account
SEDA	Systemic Enterprise Development Approach
SIDA	Swedish International Development Agency
SNDP	Sixth National Development Plan
STA	Senior Technical Advisor
SYB	Start Your Business
TCPR	Technical Cooperation Progress Reports
TORs	Terms of Reference
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Plan
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UN-PSD	United Nations Private Sector Development
US\$	US Dollar
WEDGE	Women Entrepreneurship Development and Gender Equality
WFP	World Food Programme
ZCSMBA	Zambia Chamber of Small and Medium Business Associations
ZDA	Zambia Development Agency
ZDA BDS-VP	Zambia Development Agency Business Development Services-Voucher Programme
Z-DWCP	Zambia Decent Work Country Programme
ZFE	Zambia Federation of Employers
ZIBA	Zambia Indigenous Business Association
ZNFU	Zambia National Farmers' Union

ACKNOWLEDGEMENT AND DISCLAIMER

This document entails the Independent Final Evaluation report of the “UN Broad-Based Wealth and Job Creation (BBW&JC) in Zambia–Economic Empowerment through Micro, Small and Medium Enterprises (MSMEs) Development Programme. The evaluation was undertaken by **Stanley Karuga**-Principal Consultant (Market Economies Development Inc-(Kenya).

The author would like to thank all the staff at the ILO Country Office in Lusaka and in particular the BBWJC project team for the technical and logistical support received during the mission. The author would also like to thank all those respondents who took time from their busy schedule to offer data and information which contributed immensely to the success of the Evaluation Mission.

The author made every effort to interpret and reflect as accurately as possible, the information and data provided by the various respondents. However, views expressed in this report are those of the author and **not** the ILO Country Office (Lusaka), the BBW&JC management unit, the Government of Finland, the Government of the Republic of Zambia, and other collaborating agencies including UNDP, UNCTAD Geneva and the UN Global Compact Zambia. Any errors of omission or commission that may be found in the report are entirely the responsibility of the author.

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EXECUTIVE SUMMARY

Programme Objective and Anticipated Outcomes: The overall objective of BBW&JC Programme was to “*contribute to broad-based wealth and job creation in Zambia mainly by stimulating investment, entrepreneurship and employment creation within the MSME sector*”. The programme was meant to contribute to the achievement the FNDP (2006-2010) that called for policies, programmes and projects that would accelerate and sustain economic growth, and which would enable the poor to participate in, and benefit from, the growth process. It was meant to contribute to the development objective of the FNDP by stimulating investment, entrepreneurship and employment creation within the micro-, small- and medium enterprise (MSME) sector and through pro-poor business models. The expected overall outcome of the BBW&JC programme was “*increased number of employment opportunities in the Zambian MSME sector, and increased incomes for both MSME owner-managers and their employees*”. The expected immediate project outcomes were as follows: (a) Increased up take rate of BDS among MSMEs; (b) Sustainable and resilient national institutional capacity to facilitate and deliver these BDS to MSMEs; (c) Increased coherence in the policy, regulatory and legal framework that constitutes the policy environment for PSD in Zambia, as it relates to MSME development; and, (d) Enhanced synergies and scale effects resulting from the better coordination among and greater engagement of UN-PSD initiatives, and among them prominently initiatives that focus on MSME development. The programme’s vision of success is reduced vulnerability and material improvement in the market opportunities and incomes of at least ten thousand (10,000) MSMEs as a result of the project-which the BBW&JC ultimately unbundled to comprise 2,000 new job opportunities created and 8,000 MSMEs recording 10% increase in both annual income and labour productivity.

Programme Development Approach: The BBW&JC Programme was based on the ILO systemic enterprise development approach which recognizes the need for interventions at the macro, meso and the micro-level systems interventions. However, the approach focused on the meso level with the aim of developing the capacity of local institutions. It also aims at improving coordination of United Nations support on private sector development in Zambia.

Programme Management and Budget: The Programme was initially scheduled to commence in January 2008 and end in December 2010. However, due to unforeseen and prolonged administrative processes in approving and adopting programme management arrangements, start up was delayed for one year and operations did not commence up until January 2009. The lifespan of the programme was however not changed and the Programme is scheduled to end in December 2011. Programme management and implementation is carried out by a team of experts from the ILO. The team is administratively and financially backstopped by the ILO Country Office for Zambia, Malawi and Mozambique, and technically backstopped by the ILO DWST for Eastern and Southern Africa, UNCTAD Geneva (for the Business Linkages component) and UNDP/PSD New York (for the GSB/IMD-component). The total programme budget was US\$ 2.24 million out of which US\$ 1.68 was committed by the Government of Finland (GOF) and the balance of US\$ 0.56 million by the UN systems. However, due to foreign exchange losses occasioned by the depreciation of the Euro against the US dollar, the budget from the donor was eroded by about 5.65% to US\$ 1.585 million.

Purpose, Scope and Clients of the Evaluation: This evaluation is being undertaken in accordance the agreement between the GOF and the ILO-which stipulated undertaking of final independent evaluation around the 32nd month of the programme cycle, and the ILO Evaluation Policy adopted by the Governing Body in November 2005. The main clients of this evaluation comprise the PLTC, GOF and UN Systems, the ILO and its tripartite constituents.

Methodology and Approach: The evaluation approach was participatory as required by the ILO procedures and was based the review of relevant documents, field interviews and observations by the evaluation mission.

Relevance and Strategic Fit: Based on literature review and field interviews with a wide spectrum of stakeholders, the overall objective, activities, outputs and emerging outcomes of the programme were found to be fundamentally relevant and strategically in line with to the needs of MSMEs in Zambia; the development agenda of the GRZ as enunciated in the FNDP and the SNDP; the development agenda of GOF for Africa; development aspirations of the ILO constituents in Zambia; and the ILO-DCWP for Zambia. The programme objectives, activities and outputs are also complementary and well linked to other ILO initiatives as well as other UN agencies, and non-UN development agencies.

Validity of Design: The design of the Programme was found to be logical and coherent. This conclusion is based on a number of observations particularly relating to the foundational information base, degree of consultations and appropriateness the ILO systemic enterprise development approach which emphasizes interventions that are tailored to the specific needs of the corresponding core stakeholder, acknowledges the inter-dependence between stakeholder groups within a given wealth creation system and recognizes the need for interventions at all levels and that reinforce the links between those levels. Furthermore, the programme design also comprised relevant and appropriate mix of programme interventions. However, the Mission observes the

following issues: (a) That the Programme was rather ambitious from the point of view of the multiplicity of activities that were needed to deliver anticipated programme outcomes and impact against a modest budget, and the number of stakeholders that the programme was expected to work with; (b) That owing to the importance of finance as a generic constraint facing MSMEs, facilitation of access to finance should have been included as a separate immediate objective to receive the emphasis it deserves. The mission however recognizes that the PMU made efforts towards facilitating access to finance through the AfDB/AMSCO funded sub-project for growth oriented enterprises and the CEEC Funds for empowerment of youth enterprises. (c) That gender (women) concerns, do not appear to have been adequately addressed perhaps because of the failure of the Programme Document to incorporate very specific gender-related indicators of achievement in the log frame.

Programme Progress and Effectiveness: Overall, the Programme has done quite well despite the one year delay in start up occasioned by the unprecedented and prolonged administrative processes in approving and adopting programme management arrangements; about three months inadvertent delay in the recruitment of technical staff; and financial constraints occasioned by foreign exchange losses resulting from depreciation of the Euro against the US dollar culminating in the initial donor funded budget of US\$ 1.68 million being eroded by about 5.65% to US\$ 1.585 million.

- Under *Immediate Objective 1 on "stimulating demand for business development services among targeted MSMEs"*, the following are some of the outstanding achievements of the BBW&JC programme: (a) Nine (9) business linkage between MSMEs and large corporations (versus a target of 10) have been operationalized; (b) 1,634 service units have been sold of which 822 were sold through the BDS-VP; and eight hundred and twelve (812) service units sold through the BBW&JC Programme;
- Under *Immediate Objective 2 on "Strengthening BDS service delivery"* the following are some of the outstanding achievements: (a) Evaluation of the BDS Voucher Scheme pilot phase; (b) A BDS providers directory with 800 registered service providers (versus a target of 300) is now available on the ZDA website; (c) Fifty (50) local BDS organizations were trained in international best practice in BDS marketing strategies in Siavonga (August 2010); and (d) An analytical research report on MSME sector was completed in January 2011.
- Under *Immediate Objective 3 on "Strengthen Policy Dialogue, Planning and Coordination on Economic Empowerment through MSME Development"* the following are some of the outstanding achievements: (a) The MSME Policy Implementation Plan was developed with programme support.; (b) The MSME Coordinating Committee has been formed; (c) The National Business Linkage Committee has been established and is meeting regularly; and (d) An analytical research has been conducted and report produced;
- Under *Immediate Objective 4 on "generating greater coherence and engagement among UN-PSD interventions"* the following are some of the outstanding achievements: (a) A UN-PSD tracking tool has been developed; (b) A brochure profiling UN-PSD projects has been finalised; (c) The UN-PSD Joint Programme on "Improved Livelihoods through Private Sector Development Project" (an outcome of BBW&JC initiative) has been launched and the appraisal mission was being conducted the week starting 24th October 2011 with five agencies (ILO, FAO, ITC, UNCTAD and UNEP) collaborating in the exercise.

In addition, the Programme has also acted on all the 12 recommendations made by the MTR Mission with the exception of the recommendation on the "*development and implementation of a communications strategy for the BBW&JC programme*" and the "*reviewing of the terms of reference for the Programme Liaison and Technical Committee (PLTC)*". The former is currently being done while the latter was deemed by the PLTC to be unnecessary because the time was too close to the end of the project.

Effectiveness of Management Arrangement and Efficiency of Resource Use: The programme management arrangement was highly commended by a wide spectrum of stakeholders met during the Mission whose view was that it worked very well. The interaction between the BBW&JC programme, the ILO Country Office and other ILO-facilitated projects in Zambia was reported to have been good. The Programme Management Unit (PMU) comprised qualified and committed team members. The backstopping role of the ILO Country Office (Lusaka) and the DWST (Pretoria), and that of UNCTAD (Geneva) and UNDP/PSD (New York) were described by the PMU as having been good. The programme budget of US\$ 2.24 million was rather inadequate given the wide range of activities underpinning the delivery of the four immediate objectives. As a direct consequence, the PMU ended up spreading the available financial resources too thinly across the various interventions. However, the PMU used the available financial resources quite prudently and also applied cost-cutting measures. The PMU also did a commendable job by way of leveraging programme financial resources with funds from other sources. This is for example US\$ 257,000 from the ABD/AMSCO-funded Project on "*Enhancing the Zambian SMEs Competitiveness and Access to Finance Project*"; and US\$ 150,000 from the ILO RBSA.

Impact Orientation and Sustainability: The BBW&JC Programme has significantly built the capacity of collaborating local institutions for example MCTI in policy formulation and planning; ZDA in business linkages; and the CEEC in financial access strategies for youth entrepreneurs. The forthcoming UN PSD Joint Programme will constitute a good mechanism for consolidating

the coordination mechanism of UN initiatives in Zambia. In this respect, it is also noted that the UN PSD activities are now under outcome 2.2 of the Zambia's UNDAF (2011-2015). In terms of contributing to longer term impact, the programme has also performed quite well. Based on the "BBW&JC Impact Assessment Draft Report" (16th October 2011), an estimated 1,634 enterprises or about 20.4% of the original target of 8,000 MSMEs, had been directly and indirectly reached by the Programme across the whole of the country by the time of the evaluation. Based on a sample of 168 MSMEs, the report observed that during the period 2009-2011, annual sales had increased by an average of 25%, annual profits by an average of 51%, and job creation by an average of 2.5 additional jobs per MSME reached by the programme-giving an overall estimated total of 430 new jobs (of which 178 were women employees) across all the 1,634 sampled enterprises¹. By extrapolating on this result, it would imply that programme interventions resulted in the creation of about 4,085 additional jobs across the 1,634 enterprises reached directly and indirectly by the programme.

Main Conclusions: BBW&JC Programme interventions remain as relevant to all the stakeholders as when the project started. In spite of the general view that the programme was somewhat ambitious, it performed quite well. Programme outputs and outcomes so far achieved are likely to result in increased employment and income in the MSME sector in Zambia. It was anticipated that Programme interventions would result in the creation 2,000 new job opportunities and increase in annual income earnings of 8,000 MSMEs by 10% during the programme period. Based on the recent impact assessment survey referred to above, the programme has so far created an estimated 4,085 new jobs or more than double the initial target and increased profitability by about 51% or over five times the target increase for about 1,634 enterprises. Although the programme reached only 1,634 enterprises or about 20.4% of the initial but rather ambitious target of 8,000 MSMEs, this overall achievement is indeed laudable. In addition, the programme impact assessment report referred to above indicated that about 33% (against a target of 40% which was subsequently developed by the PMU) of programme beneficiary MSMEs were women-owned and or managed enterprises. The balance, 67%, were male-owned and or male managed enterprises.

Key Lessons Learned

What are the emerging good practices?

- i. That relevance of intervention underpins the realization of broad-based support and quick "buy-in" by target beneficiaries and other stakeholders including national public and private institutions as well as donor agencies-and market diagnosis should always be emphasized to ensure relevance of interventions;
- ii. That provided responsibilities of collaborating stakeholders e.g. coordination and budget authority as well division of labour are clarified right from the start; joint programming among ILO projects and between ILO and other UN agencies does in fact work for example as demonstrated by the UNCTAD/ILO cooperation in the business linkages programme.

What should have been incorporated?

- i. Omission in programme design of risk and assumptions relating to variations in foreign exchange rates over the lifespan of the project. This should always be explicitly built into the project design and budgeting framework whenever project budget is denominated in one currency and actual expenditure incurred in another currency.
- ii. Exclusion of facilitation of access to finance as one of the immediate objectives as it has emerged that in the context MSME development (in Zambia and elsewhere) this seems to be a major challenge and should always be considered;
- iii. Omission of gender (women) specific outputs, outcome and impact indicators in the programme log frame to ensure that their participation and sharing of benefits is not (inadvertently) side-lined. In this respect, the mission however acknowledges that the programme management unit subsequently incorporated the target of 40% outreach to women entrepreneurs.

What should have been avoided?

- i. Juxtaposing outputs and outcomes for projects that are differently managed, funded and coordinated should be avoided to minimize the possibility of non-delivery on the part of the party that has no control over the delivery of those outputs and or outcomes.

Recommendations

¹ The Impact Assessment Report however cautions that changes in profits, employment and labour productivity were not based on audited accounts but rather observations and or views of the respondents.

- i. The BBW&JC PMU should develop a clear exit strategy before the closure of the initiative in order to facilitate smooth programme closure and to enhance the possibility for continued service delivery after the end of the programme;
- ii. Similar future initiatives should consider during project design:
 - o Incorporation of risk and assumptions relating to variations in foreign exchange rates over the lifespan of the project where an initiative is budgeted in one currency and expenditure incurred in another currency;
 - o Incorporation of facilitation of access to finance MSME developments it has more often than not, emerged as a major challenge;
 - o Inclusion of gender (women)-specific outputs, outcome and impact indicators in the programme log frame to ensure that their participation and sharing of benefits is not (inadvertently) side-lined;
- iii. Similar initiatives should (as much as possible) avoid the following
 - o Juxtaposing outputs and outcomes for projects that are differently managed, funded and coordinated to minimize the possibility of non-delivery on the part of the agency that has no control over the delivery of those outputs and or outcomes.

1.0 INTRODUCTION

1.1 Brief Overview of Programme Background and Rationale

Narrow-based economic development, unemployment and poverty have been among Zambia's biggest challenges. The country's long-term development objective, as enunciated in the National Vision 2030, is *"to become a prosperous middle income country by the year 2030."* Towards this end, the overarching goal of the Fifth National Development Plan-FNDP (2006-2010)² was to *"achieve broad-based wealth and job creation"*. This is further being pursued under the Sixth National Development Plan-SNDP (2011-2015)³ whose theme is *"sustained economic growth and poverty reduction"* with a strategic focus on infrastructure and human development.

In relation to the above stated national objective, the Government of the Republic of Zambia (GRZ) views the micro-small-medium enterprise (MSME) sector as important engine for economic growth, employment creation and poverty reduction. Consequently, the GRZ has been supporting the MSME sector through a number of initiatives. Notable among these include the creation of the Citizens Economic Empowerment Commission (CEEC); The Zambia Development Organisation; the introduction of the Business Development Services (BDS) Voucher Scheme; and the tailor made MSME training in access to markets and finance.

It is against the above background that the Broad Based Wealth and Job Creation (BBW&JC) was conceptualized and launched. The programme is a joint United Nations (UN) initiative led by the International Labour Organization (ILO). It is being implemented under the auspices of the Zambia Decent Work Country Programme (Z-DWCP), including its implementation plan and monitoring and evaluation framework. It is primarily contributing to Priority I of the Z-DWCP, namely *"more and better employment for the youth, women and people with disabilities, supported by a functional Labour Market Information (LMI) system."*

1.2 Overall Programme Objective

The overall objective of the BBW&JC programme is to *"contribute to broad-based wealth and job creation in Zambia mainly by stimulating investment, entrepreneurship and employment creation within the MSME sector"*. The programme was meant to contribute to the achievement FNDP (2006-2010) that called for policies, programmes and projects that would accelerate and sustain economic growth, and which would enable the poor to participate in, and benefit from, the growth process. It is meant to contribute to the development objective of the FNDP as indicated above by stimulating investment, entrepreneurship and employment creation within the micro-, small- and medium enterprise (MSME) sector and through pro-poor business models.

1.3 Expected Programme Outcomes

The expected overall outcome of the BBW&JC programme is *"increased number of employment opportunities in the Zambian MSME sector, and increased incomes for both MSME owner-managers and their employees"*. The expected immediate project outcomes are:

- Increased up take rate of BDS among MSMEs;
- Sustainable and resilient national institutional capacity to facilitate and deliver these BDS to MSMEs;
- Increased coherence in the policy, regulatory and legal framework that constitutes the policy environment for PSD in Zambia, as it relates to MSME development; and,
- Enhanced synergies and scale effects resulting from the better coordination among and greater engagement of UN-PSD initiatives, and among them prominently initiatives that focus on MSME development.

The programme's vision of success is reduced vulnerability and material improvement in the market opportunities and incomes of at least ten thousand (10,000) MSMEs as a result of the project-which the BBW&JC ultimately unbundled to

²Government of the Republic of Zambia (December 2006)

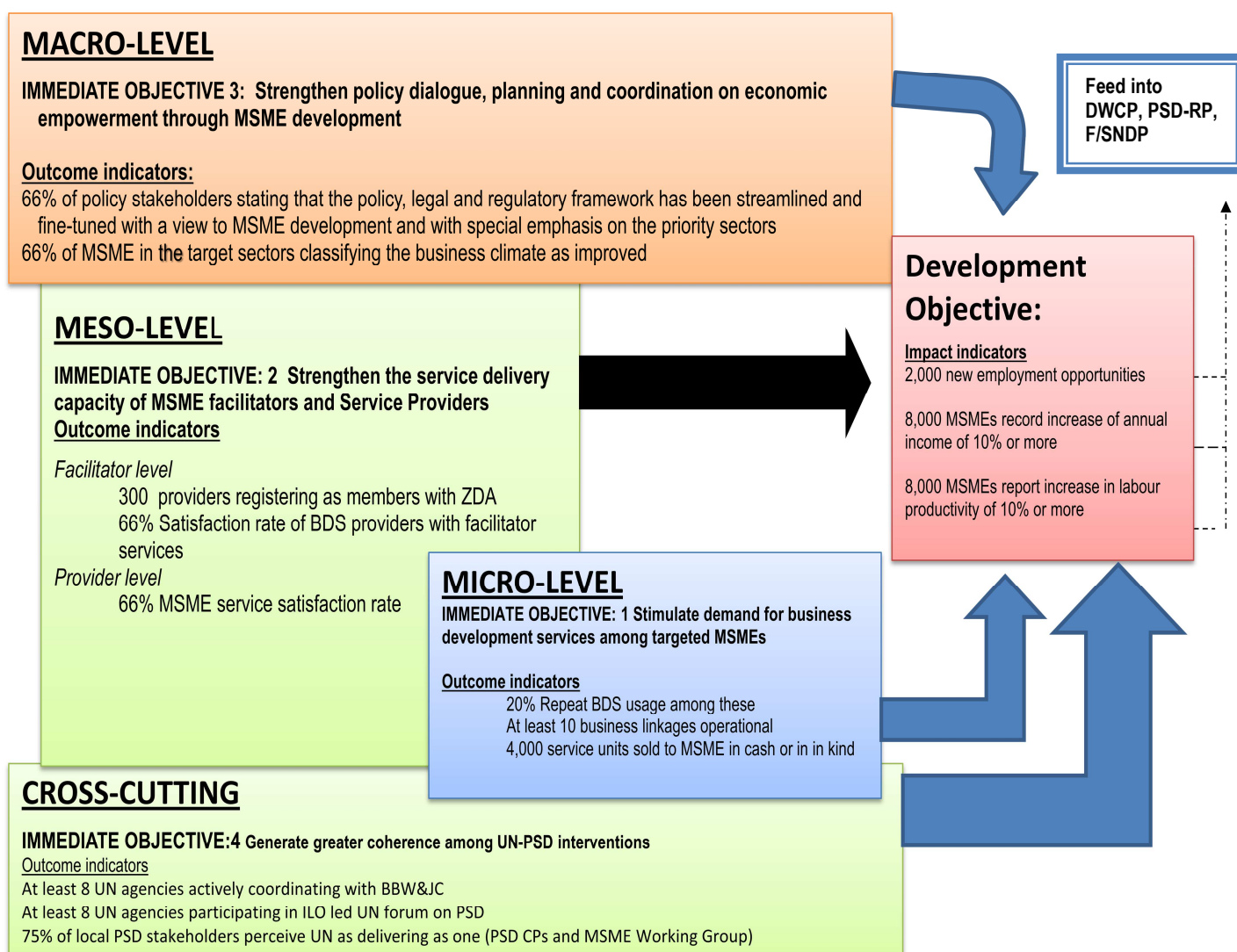
³ Government of the Republic of Zambia (January 2011)

comprise 2,000 new job opportunities created and 8,000 MSMEs recording 10% increase of both annual income and labour productivity.

1.4 Programme Development Approach

The BBW&JC programme is based on the ILO systemic enterprise development approach (SEDA), which recognizes the need for interventions at the various systems of intervention: (i) the macro-level systems of interventions-which aims at facilitating a more conducive regulatory framework for MSME development within and across system boundaries; (ii) the meso-level systems of interventions-which aims at boosting the breadth and depth of local supply with business development support services for MSME; and (iii) the micro-level systems interventions-which aims at stimulating business development up take among MSMEs. While the programme delivers interventions at each of these three levels, it particularly focuses on the meso level with the aim of developing the capacity of local institutions. It also aimed at improving coordination of United Nations support on private sector development in Zambia. Under the stewardship of the ILO on behalf of the UN System in Zambia (resident and non-resident agencies), the programme also aimed at consolidating the activities of various UN agencies operating Zambia including UNCTAD, UNDP and the UN Global Compact, within the context of the UN Development Assistance Framework and the recommendations of the High Level Panel report on UN System coherence at the country level. **Figure 1** below depicts the programme's immediate objectives, outcomes and impact indicators in the context of ILO systemic enterprise development approach:

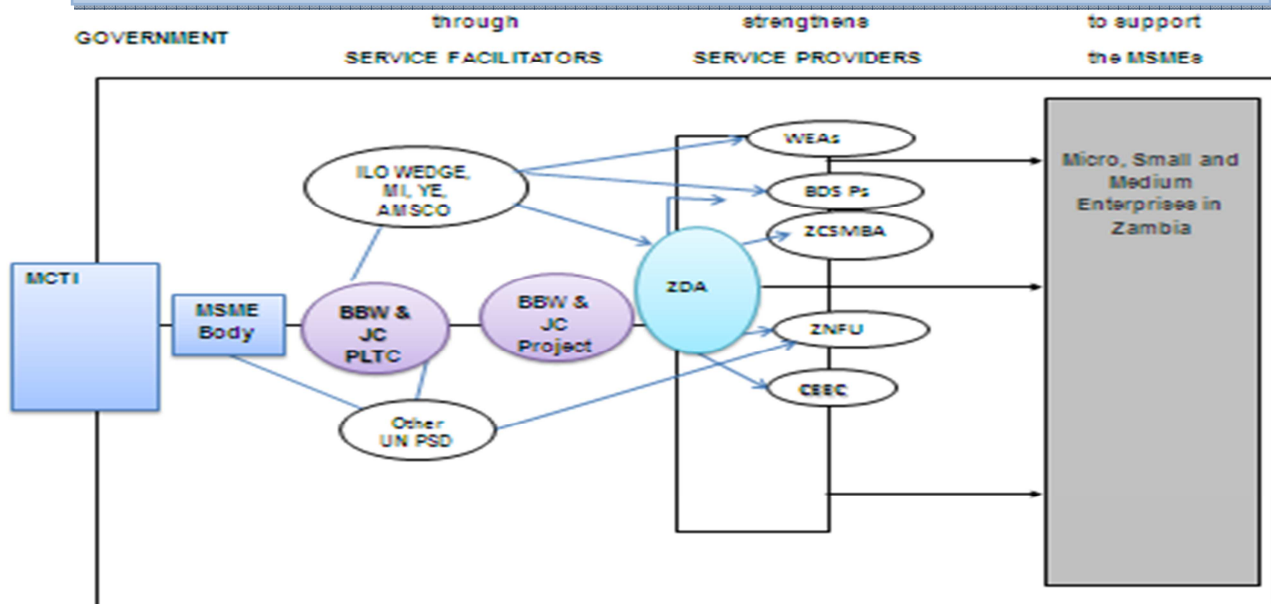
Figure 1: Programme Outcomes and Impact Indicators



1.5 Overall Programme Intervention Delivery Framework

The BBW&JC Programme is a donor-funded government initiative implemented through MCTI with oversight support by the MSME Working Group under the auspices of the Private Sector Development Reform Programme (PSD-RP). As depicted below, the programme therefore plays a facilitative role working with the Zambia Development Agency (ZDA) as the focal service provider which in turn works with other service providers including CEEC, ZNFU, ZCSMBA and private sector BDS service providers. This overall programme framework of service delivery is depicted on **figure 2** below:

Figure 2: BBW&JC Service Delivery Framework



1.6 Programme Management Arrangement

Following invitation by the Office of the UN Resident Coordinator, the ILO has been coordinating programme planning and implementation on behalf of the GRZ and UN systems. Programme implementation is carried out by a team from the ILO comprising three (3) technical experts⁴ and two (2) support staff. The team is administratively and financially backstopped by the ILO Country Office for Zambia, Malawi and Mozambique (Lusaka) and technically by the ILO Decent Work Support Team for Eastern and Southern Africa (Pretoria), UNCTAD Geneva (for the Business Linkages component) and UNDP/PSD New York (for the UNDP-Growing Sustainable Business-GSB/Inclusive Market Development-IMD component)

1.7 Programme Budget

Total programme budget was US\$ 2.24 million of which the Government of Finland contributed US\$ 1.68 million. The balance amounting to US\$ 0.56 million was provided in-kind and cash by UN collaborating partners (ILO, UNCTAD, UNDP and Global Compact). However, following unprecedented foreign exchange loss between the Euro and the US dollar amounting to US\$ 94,568, the donor-funded budget was eroded by about 5.65% reducing it to US\$ 1,585,432.

1.8 Present Situation of the Programme

Following commencement in January 2009, the Programme has been under implementation over the last 34 months. Having been planned as a 3-year project, only 2 months of the programme lifespan is remaining with closure scheduled for December 2011.

⁴ There were 3 members of technical staff until recently when the National Programme Manager resigned in October 2011 leaving the project with 2 technical members of staff.

1.9 Purpose, Scope and Clients of the Evaluation

This evaluation, which complies with UN and international evaluation standards, is being undertaken in accordance with two main provisions. (i) Firstly, the provision under the technical cooperation agreement between the Government of Finland and the ILO, which stipulated that an independent final evaluation would be carried out at the end of the programme. (ii) Secondly, the ILO Evaluation Policy adopted by the Governing Body in November 2005, which provides for systematic evaluation of programmes and projects in order to improve quality, accountability and transparency of the ILO's work, strengthen the decision-making process and support constituents in forwarding decent work and social justice.

The overall scope and purpose of the evaluation is to assess relevance and strategic fit of the programme in relation to the development aspirations of stakeholders in the programme; validity of programme design and implementation processes; achievements of the programme in relation to planned outputs, anticipated outcomes and impact; effectiveness of management arrangements and efficiency of resource use; sustainability and lessons learned. In this regard, the evaluation builds on the findings of the mid-term self-evaluation carried out in October 2010 and in particular assessing the extent to which the programme has implemented recommendations made therein.

The primary clients of this evaluation consists of key stakeholders involved in the implementation of the programme as represented by the Programme Liaison Technical Committee (PTLC), GRZ, GOF, the ILO and its tripartite constituents in Zambia other relevant stakeholders. The findings of the evaluation are intended to provide the ILO Office, its funding partners and other stakeholders; an opportunity for lesson learning and thereby contribute towards improvement on approaches and methodologies applied in their future effort private sector development support in Zambia and elsewhere in the world.

2.0 EVALUATION APPROACH AND METHODOLOGY

While the evaluation approach was participatory to ensure that the findings represent the views of the various key stakeholders, the evaluation tools comprised the following three research instruments:

- (i) Literature review of key relevant documents provided by the BBW&JC management and implementation team (see **Appendix 4**);
- (ii) Focused group discussion and one-on-one field interviews with key stakeholders (see **Appendix 2**);
- (iii) Field level observations by the Evaluation Mission.

On the upside, the evaluation mission was accorded a lot of support by the BBW&JC management and implementation team. On the downside, lack of adequate time was the biggest constraint that faced the evaluation Mission given that only one week (17th -21st October 2011) was allocated for the field work in Zambia.

3.0 MAIN FINDINGS

3.1 RELEVANCE AND STRATEGIC FIT WITH OTHER DEVELOPMENT INITIATIVES

The sections below assess the relevance, strategic fit and complementarity of the overall BBW&JC programme objective as stated earlier with the needs of target beneficiaries; and with the development agenda of the Government of the Republic of Zambia (GRZ); the Government of Finland (GOF); the ILO; collaborating United Nations (UN) agencies including the United Nations Development Programme (UNDP)-Lusaka and New York, the United Nations Conference on Trade and Development (UNCTAD)-Geneva and the UN Global Compact-Zambia; and national stakeholder institutions including the Ministry of Commerce, Trade and Industry (MCTI), Ministry of Labour and Social Security (MLSS), Zambia Development Agency (ZDA), Citizens Economic Empowerment Commission (CEEC); and the Zambia Chamber of Small and Medium Business Associations (ZCSMBA) among others.

3.1.1 Needs of the Target Beneficiaries

Based interviews conducted with direct intermediate and ultimate beneficiaries of the BBW&JC programme, the evaluation mission concludes that its objective is fundamentally relevant to their needs. Such intermediate beneficiaries included MSME policy coordination organizations, facilitators and providers of MSME support services such as the ZDA-particularly the Micro- and Small Enterprise Division, ZCSMBA and ZFE, while ultimate beneficiaries have been micro, small and medium entrepreneurs. There was unanimous agreement that programme objective, outputs and outcomes activities are highly relevant to the needs of both intermediate and ultimate beneficiaries. The quotes below which were collected during separate focused-group interviews with seven (7) BDS providers, seven (7) MSMEs who benefited from EYB training and business linkages, and six (6) MSMEs who benefited from the creative industries and the CEEC youth enterprise development interventions are only meant demonstrate the general view in this regard.

BOX 1: Verbatim Quotes from Respondents

“The Project is very relevant in that it has helped a lot of MSMEs to develop their businesses. On my part, I have benefited greatly and I am now generating profit from my business unlike before where my business was making losses”.

(MSME-Creative Industries beneficiary)

“I wish the BBW&JC Programme were to continue because of the impact it has had on my business and other MSMEs. Most participants of the ETW workshop have benefited so much and will never be the same again. Speaking for myself as beneficiary, I can only say that the world will change if I change my behaviour from a passive recipient of wealth to a creator of wealth”

(MSME-EMPRETEC training beneficiary)

“The BBW&JC project has greatly benefited Zambia Federation of Employers and me as a person. My skills in research and training have been greatly improved through the research project we had and the EYB training. As a Federation, we have been able to set a BDS Unit to offer BDS to members and MSMEs. It's a great project indeed.”

(BDS service provider-EYB training beneficiary)

3.1.2: National Policy, Strategies and Development Plans

The overall development objective of the BBW&JC Programme aimed at *contributing to broad-based wealth and job creation in Zambia*” is highly relevant to the national development aspirations of the country as briefly demonstrated below.

3.1.2.1 National Vision 2030

Zambia's National Vision 2030 is the current blue print for country's long-term development objective of "*becoming a prosperous middle income country by the year 2030.*" In this regard, *reaching middle-income status; significantly reducing hunger and poverty and fostering a competitive and outward-oriented economy* are among the main development goals in of the Vision. These goals call for policies that accelerate and sustain economic growth, and which enable the poor to participate in, and benefit from, the growth process. The overall objective of the BBW&JC programme is therefore squarely in line with the long term objective of Vision 2030 and national development goals.

3.1.2.1 Fifth National Development Plan

Conceptualization of the BBW&JC programme was a direct response to the FNDP whose theme is "*Broad-Based Wealth and Job Creation through Citizenry Participation and Technological Advancement*" with the strategic focus is economic infrastructure and human resources development. In this respect, the FNDP highly emphasizes poverty reduction, pro-employment economic growth and sound labour administration. In particular the vision of FNDP is to realize "*an efficient and effective labour market system that promotes job creation in the economy by 2030*", while the goal is "*to provide the policy and legal framework on employment creation, labour administration and social protection in order to contribute to the enhancement of job creation and productivity in the country*". It is also worth noting that the SNDP with its core theme of "*sustained economic growth and poverty reduction*" with a strategic focus on "*infrastructure and human development*" aims at building on the gains of the FNDP in the process towards attaining aspirations of Vision 2030. Again the objective of the BBW&JC is clearly in line with the goals and objectives of not only the FNDP, but also the forthcoming SNDP.

3.1.2.1 Other National Policies and Programmes

The objective of the BBW&JC programme is also relevant to the aims and activities of other national policies and programmes. These include:

- The *Citizens' Economic Empowerment (CEE) Policy and the CEE Act (2006)*-whose objectives are to "unlock the growth potential of citizens through business development support and empowerment initiatives in Zambia.
- *Zambia Development Agency-ZDA Act (2006)*-whose one of the key objectives is to provide and facilitate support to micro and small business;
- *The National MSME Development Policy*- which focuses on BDS support, entrepreneurial training, and market facilitation including linkage programmes as well as MSME financing.
- *The National Employment and Labour Market Policy*-whose goal is to create more employment opportunities in the Small and Medium Enterprises Sector and whose objective is to stimulate the creation and growth of small and medium enterprises.
- *Private Sector Development Reform Programme –PSD-RP II (2009-2013)* of the Ministry of Commerce, Trade and Industry- which is the country's main instrument for improving the business and investment climate in Zambia in accordance with the aspirations of the FNDP and whose goal is to promote and facilitate the development of a competitive business environment in the country in order to contribute to job and wealth creation.

3.1.3 Development Policy of the Government of Finland

The BBW&JC Programme is also in line with Development Policy of the Government of Finland whose main goal is to eradicate poverty and promote sustainable development in accordance with the UN Millennium Development Goals (MDGs) set out in 2000⁵. The policy framework explicitly recognizes that a well-functioning private sector is the engine of growth of economic development in Africa, and a basic necessity for the sustainable reduction of poverty, through employment and job creation⁶.

⁵ *Development Policy Programme 2007; Towards a Sustainable and Just World Community (Ministry of Foreign Affairs of Finland)*

⁶ *Africa in Finnish Development Policy; Finland's Development Policy Framework Programme (Ministry of Foreign Affairs of Finland)*

3.1.4 UNDAF and UNDAF Initiatives

The United Nations Development Assistance Framework (UNDAF) is the common strategic framework for the operational activities of the UN system at country level. It aims at providing a collective, coherent and integrated response of the United Nations to national priorities and the MDGs. The United Nations Development Assistance Plan (UNDAP) provides common business plans for UN agencies and national partners, aligned to the priorities of the host country and the internationally agreed development goals. While overall objective of the BBW&JC programme did not entail significant relevance to the four priority areas of co-operation under Zambia's UNDAF Country Programme of 2007-2010 (i.e. HIV and Aids, Basic Social Services, Governance and Food Security) it is highly relevant to outcome 2 of the country's UNDAF (2011-215)-which aims at *attaining sustainable livelihoods of targeted populations in rural and urban areas by 2015 through employment creation, labour administration and social protection* is notably relevant to the core thrust of the Programme.

3.1.5 Zambia-Decent Work Country Programme

The overall goal of the ILO is to promote opportunities for decent work for women and men in all countries through provision of technical and institutional assistance to constituents in Member States. The Decent Work Country Programme (DWCP) is essentially "a programming tool to deliver on a limited number of priorities over a defined period in order to increase the impact of the ILO's work and to be more visible and transparent". The objective of the BBW&JC Programme is directly relevant to Priority 1 of the DWCP for Zambia (2007-2011), which is to contribute to *"more and better employment for all, in particular for the youth, women and people with disabilities, supported by a functional Labour Market Information Systems (LMIS)*". The objective of the BBW&JC programme is particularly relevant to the two outcomes of the DWCP for Zambia (2007-2011):

- (i) Outcome 1.1 on *"increased employment opportunities for all, with focus on youth, women and persons with disabilities in particular through sustainable enterprise development and employment protection"*;
- (ii) Outcome 1.2 on *"enhanced employment and self-employment opportunities for the target groups through access to BDS, finance and skills development"*.

3.1.6 Complementarity with Other ILO Projects in the Country

The overall objective of the BBW&JC programme is to large extent relevant to the following initiatives that the ILO is associated with in Zambia which include:

- The **ILO-WEDGE** project-whose overall objective is *"to create quality jobs through women entrepreneurship development and development of enhanced employment opportunities for people with disabilities"*.
- **Tackling Child Labour through Education (TACKLE)**-with which the BBW&JC project collaborated in terms of *facilitating training of their clients and linkage to the CEEC financing programme in the Luanshya pilot programme under the auspices of the Global Economic Crisis response*.

3.1.7 Linkage with other UN and Non-UN Agencies and Initiatives

The BBW&JC Programme has established linkages with a number of UN and non-UN agencies and initiatives including: (i) the project on *"Support to Growth Oriented SMEs"* funded by the African Development Bank (US\$ 257,000) and financed by AfDB through the African Training and Management Services Foundation/African Management Services Company (AMSCO). The overall objective of the project is *"to contribute towards wealth and job creation with the immediate objectives being capacity building of BDS Providers, MSME Associations, ZFE and Financial Institutions to provide better services that address needs of growth oriented SMEs particularly women and youth; and growth oriented MSMEs access finance and are better able to manage their businesses after receiving business financing*". (ii) The project on *"Supporting creative industries in Zambia"* where the ILO has been collaborating with UNESCO and UNCTAD and in which the Embassy of Finland supported business skills training for artists (US\$ 60,000) while the core support from EU-ACP amounted to US\$ 30,000. (iii) the *Joint Business Skills Programme for Young Entrepreneurs*

where the ILO is collaborating with CEEC and SNV to help target beneficiaries access CEEC Empowerment Fund (US\$ 60,000) under the auspices of the PSD RP; and (iv) the *Programme on "Micro-insurance for Zambia* where the ILO is collaborating with UNDP, Finmark Trust and CENFRI;

3.2 VALIDITY OF PROJECT DESIGN

This section evaluates the following: (a) *Whether programme design was logical, coherent and adequate*; (b) *Whether programme design was based on needs assessment of the target beneficiaries and the focal areas*; (c) *Whether there is plausible causal linkage between outputs, outcomes and objective of the programme*; (d) *Whether gender analysis was adequately addressed and whether outputs realized really address gender concerns*; and (e) *Whether overall project design was realistic considering the results achieved so far*.

3.2.1 Logic and Coherence of Programme Design

The evaluation mission based the assessment of logic and coherence of programme design on five key criteria. (i) Relevance and adequacy of information base upon which the project was conceptualized and designed; (ii) Extent of stakeholder consultations; and (iii) Suitability of development approach adopted; and (iv) Appropriateness of intervention (immediate objectives) mix and plausibility of causal linkage with overall Programme objective, outputs and outcomes; and (v) Pragmatism of overall project design considering anticipated outputs, outcomes and impact and achievements made so far .

3.2.1.1 Foundational Information Base

The information base upon which the BBW&JC programme was conceptualized and designed was significant and appears adequate. In this regard, some of the key initiatives noted by the Mission include the following⁷:

- The *ILO-supported BDS Market Survey (2003)* on Developing Business Service Markets for Micro and Small Enterprises in Zambia-funded by Swedish International Development Agency (SIDA). The study concluded that the main constraints facing MSME development in Zambia included lack of entrepreneurial skills; access to finance; marketing skills and business linkages; appropriate equipment among others;
- The *MSME Sector Market Survey (2006)* by MCTI which had identified limited access to markets, limited access to suitable business financing solutions, limited technical and management skills, inadequate regulatory framework and other factors as the key challenges that were inhibiting growth of MSMEs in Zambia.
- The *BDS Diagnostic Survey (2008)* which was carried out as part of the process towards the implementation of the voucher programme aimed at improving MSMEs access to BDS. The survey concluded that there was high MSME demand for BDS services particularly marketing and sales, market research and market information, market linkage as well as training mainly in business management, accounting and book keeping, customer management, business registration and business linkage promotion. The survey concluded that there was definitely a supply gap and apart from the business associations and Government, most of the services were provided by poorly informed family members and friends.

Conclusions and findings of the above-listed initiatives were also to a large extent corroborated by subsequent related studies which were supported by the ILO. This included for example (i) the study on *"Identification of Potential Business Linkage Opportunities in Value and Supply Chains of Meat, Leather and High Value Vegetable Subsectors (November 2009)*; (ii) the study on *"Identification of Potential Business Linkage Opportunities in Supply and Value Chains in the Telecommunication and Information/Computer Technology and Wood Work/Furniture Sectors (February 2010)*; and (iii) *ILO Submission Report to the Parliamentary Committee on Economic Affairs and Labour on "Causes of Unemployment in Zambia (January 2010)*-which placed significant emphasis on enterprise development, skills development, enhanced productivity and competitiveness .

⁷ In addition to BBW&JC Programme Appraisal Report of (September 2007)

3.2.1.2 Stakeholder Consultations

The BBW&JC programme has consistently upheld the principles of stakeholder consultations. In this regard, the Mission observes that this is in fact embedded in the overall strategy for service delivery which takes place through national institutions including the MCTI, the MSME Working Group, PLTC-which meets quarterly, the Citizens Economic Empowerment Commission (CEEC), Zambia Development Agency and service facilitators such as ZCSMBA and the Zambian National Farmers Union (ZNFU) among others. Interviews with a cross section of respondents during the evaluation mission indicated that programme design and implementation entailed significantly extensive consultative processes between ILO programme implementation staff and other stakeholders-which corroborates well with findings of the mid-term evaluation mission (October 2010).

3.2.1.3 Development Approach Adopted

The BBW&JC Programme was founded on the systemic enterprise development approach which emphasizes interventions that are tailored to the specific needs of the corresponding core stakeholder, acknowledges the inter-dependence between stakeholder groups within a given wealth creation system and recognizes the need for interventions at all levels and that reinforce the links between those levels. Characteristics central to this approach include analysis of market systems to identify underlying causes of market failures which prevent participation of the poor; identification of interventions which can effectively address these underlying causes of market underperformance; focus on sustainability and scale, which means striving for both systemic change and developing a clear vision of the future beyond a particular intervention or project; undertaking a facilitative rather than an interventionist role on the part of the concerned development agency.

In this respect, the approach adopted by the BBW&JC programme, which explicitly recognized the need for interventions at micro, meso and macro levels with particular focus on the meso level in order to develop the capacity of local institutions, was largely found to be logical and valid. As the mid-term evaluation mission observed, even the unexpected delay of programme start-up (which necessitated the review of some of the assumptions underpinning programme log frame, amendment of the terms of the partnership envisaged between the BBW&JC programme and the ZDA BDS-VP as well as re-alignment of work streams related to some outputs), did not effectively undermine the systemic enterprise development approach which underpinned BBW&JC programme intervention mix.

3.2.1.4 Intervention Mix and Causal Linkage with overall Programme Objective, Outputs and Outcomes

The programme interventions mix (immediate objectives) comprised the following: (i) *Stimulate demand for business development services* among targeted MSMEs; (ii) *Strengthen the service delivery capacity of MSME service facilitators and providers*; (iii) *Strengthen policy dialogue, planning and coordination on economic empowerment through MSME development*; and (iv) *Generate greater coherence and engagement among UN-PSD interventions*. The evaluation mission considers these interventions to be appropriate in their own rights and to have plausible causal relationship with the overall objective of the programme. The outcomes are also well placed to feed into the realization of broader development goals of a wide spectrum of stakeholders including national governments and development partners, namely; stimulating broad-based wealth and job creation and enabling the poor to participate in, and benefit from the growth process.

However, the Mission is of the view that intervention aimed at promoting access to finance at the immediate objective level would have been desirable. In fact the issue of access to finance was consistently raised as a major constraint facing MSMEs in Zambia in many of the studies conducted before and after the Programme was initiated. Additionally, the market (business) linkage intervention-which was incorporated into the Programme-should probably have been at the immediate objective level rather than just as an activity to give it the due weight it deserves. In this respect, it is worth mentioning that the recent Programme Impact Assessment Report (October 2011) indicates that most respondents identified access to finance and markets are still among their major challenges.

3.2.1.5 Pragmatism of Project Period in relation to Anticipated Outputs and Outcomes

The BBW&JC programme was designed as a three (3) year initiative scheduled to run from January 2008 and end in December 2010. However, due to unforeseen and prolonged administrative processes in approving and adopting programme management arrangements, start up was delayed for nearly one year and operations did not commence up until January 2009 and in earnest around March/April 2009 when key project staff came on board. While the programme period was rescheduled to run from January 2009 to January 2011-thereby leaving the planned 3-years project life-cycle unchanged, the delay necessitated review of some of the assumptions underpinning the log frame (as indicated above). As the MTR mission observed, these modifications did not materially affect the systemic enterprise development approach underpinning the BBWJC programme intervention mix. Overall, the mission is of the view that programme design was valid.

Nevertheless, the view the Mission is that the BBW&JC programme is more complex than it seems on paper. It involved eleven outputs and more than 56 activities. It also involved over seven (7) national institutions whose technical capacity, commitment and understanding of the systemic enterprise development approach at the beginning were questionable. It also involved working with a wide spectrum of UN and non-UN organizations. It was meant to impact directly on 8,000 MSMEs whose entrepreneurial aptitude was and still remains generally low. Thus, the view of the Mission is that the design was actually quite ambitious and the achievements made so far can only be attributed to hard work, commitment, team spirit and innovativeness on the part of the implementation team.

3.2.2 Gender Analysis and Concerns

In relation to gender concerns, the Programme Appraisal Document (2007) explicitly states that *“while some ongoing programmes do have a focus on MSME, few of them use labour-intensity as eligibility criteria, and few of them deliberately aim at unlocking the full potential of women entrepreneurs as a driver of growth”*. Furthermore, output 2.3 of the programme log frame also insinuated the need for the development of *“BDS products that are affordable for, and meet the demand of, MSME in the selected sectors and target groups including women*. While the Programme Document (2007) was not explicitly clear on gender-specific indicators, the mission noted that the programme management unit took an affirmative action by subsequently building in a 40% outcome indicator as the programme’s target for women-owned and managed MSMEs. Based on the recent Programme Impact Assessment Report (October 2011), the overall outreach for women-owned and managed enterprises was in the order of 35% or about 572 enterprises out of the total of 1,634 enterprises reached by programme interventions. In essence, this means that the programme attained an impressive 87.5% of their target outreach for women-owned and managed enterprises.

3.3 PROGRAME PROGRESS AND EFFECTIVENESS

This section addresses issues relating (i) Progress towards achievement of programme outputs, objectives, anticipated outcome and impact; (ii) Quality of outputs produced and relevance to achievements of programme objectives and outcomes; (iii) Distribution of benefits between men and women; (iv) Extent of stakeholders' participation in programme planning and implementation; (v) Effectiveness in fostering national ownership of programme activities and ideals; (vi) Factors that influenced programme effectiveness; and (vii) any unintended results associated with the programme.

As indicated earlier, immediate objectives of the BBW&JC Programme consisted of the following: (i) Stimulation of demand for business development services among targeted MSMEs; (ii) Strengthening of the service delivery capacity of MSME service facilitators and providers; (iii) Strengthening of policy dialogue, planning and coordination on economic empowerment through MSME development; and (iv) Generating greater coherence and engagement among UN-PSD interventions. Table 1 below summarizes the Mission's overall performance rating to date with respect to each of these immediate objectives (interventions):

Table 1: Overall Performance rating by Intervention

Classification	Intervention	Overall Performance Rating
IMMEDIATE OBJECTIVE 1	<i>Stimulation of demand for BDS services among targeted MSMEs;</i>	Very Good
IMMEDIATE OBJECTIVE 2	<i>Strengthening of BDS service delivery capacity of MSME service facilitators and providers;</i>	Good
IMMEDIATE OBJECTIVE 3	<i>Strengthening of policy dialogue, planning and coordination on economic empowerment through MSME development;</i>	Very Good
IMMEDIATE OBJECTIVE 4	<i>Generating greater coherence and engagement among UN-PSD interventions</i>	Very Good

3.3.1 Immediate Objective 1: Stimulate Demand for BDS among Targeted MSMEs

Immediate objective 1 had two planned outputs:

- (i) Establishment of a BDS voucher programme for MSME in selected sectors of the Zambian economy supported;
- (ii) Increased awareness among existing and potential TNCs and large local companies of the importance and benefits of creating business linkages with MSME

BOX 2: Summary of Outcomes and Achievements under Immediate Objective 1-Stimulating Demand for BDS

- **Seventeen (17) large companies** had expressed interest for business linkage with MSMEs by the time of the evaluation;
- **Nine (9) business linkages** out of the 17 that previously expressed interest have been operationalized (Zambian Breweries, Taj Pamodzi Hotel, Pick N' Pay Zambia, Mopani Copper Mines, Konkola Copper Mine, Copper Belt Energy Corporation, National Housing Authority and TATA-Zambia, Kayela Smallholder Company);
- **Two (2) additional business linkage initiative are at an advanced stage** (Lumwana Mines and Zambia Sugar) and are likely to materialize before the end of the project;
- **One thousand six hundred and thirty four service units (1,634)** sold comprising:
 - Eight hundred and twenty two (822) service units through the BDS-VP;
 - Eight hundred and twelve (812) service units sold through the BBW&JC Programme;

While the programme's under-performance in terms BDS service units sold was primarily because of the premature suspension of the of BDS-VP form where the sale of BDS service units were supposed to come from, it achieved 9 out of anticipated 10 business linkages-which is a 90% achievement against the target.

The following sections provide a summary of achievements by output under immediate objective 1:

3.3.1.1: Output 1.1-Establishment of Fully Operational Voucher Programme

The original indicator of achievement (IOA) for this output was the establishment and operationalization of the BDS voucher scheme by June 2010. The BBW&JC programme was not able to deliver on this output because by the time it commenced operations in January 2009, the ZDA-BDS-Voucher Scheme undergone the pilot (August-December 2008) and was actually at the roll out phase. Moreover the BDS-VP initiative was suspended in mid-2010 for reasons not in any way associated with the BBW&JC programme. Consequently, the mid-term review mission recommended that output 1.1 be removed from the BBW&JC programme log frame. The programme implementation unit has since cancelled the output and added a new indicator of achievement namely; "documentation of lessons learned under the BDS-VP by July 2011.

The Mission however recognizes significant technical support provided by the BBW&JC to the voucher scheme which included:

- Target group research in BDS-Voucher Scheme in 4 pilot districts
- Review of the Voucher Programme in 4 pilot districts;
- Development of the M&E framework for the scheme;
- Co-facilitation of multi-stakeholder evaluation of the pilot phase of BDS voucher scheme;
- Support towards the setting up of data base registry for 800 BDS providers which is now available on the ZDA-website;

3.3.1.2: Output 1.2-Increased Awareness of the Importance and Benefits of Business Linkages

The original IOA was that at least 20 large companies express willingness to develop business linkages with MSMEs. In this regard, the BBW&JC Programme achieved the following outputs:

:

- Facilitated the development of the National Business Linkages Strategy for Zambia-which was adopted by ZDA in October 2009;
- Assisted ZDA to organize a series of business linkages awareness workshops;

3.3.2 Immediate Objective 2: Strengthening Delivery Capacity of MSME Service Facilitators and Providers

Immediate objective 2 comprised the following six (6) outputs:

- (i) A widely accessible BDS market information system covering the supply of, and demand for, BDS for selected sectors and target groups;
- (ii) Standard operating procedures and quality standards manuals for BDS coordinators, BDS facilitators and BDS providers;
- (iii) BDS products that are affordable for, and meet the demand of, MSME in the selected sectors and target groups, including ICT-based BDS and those that target women;
- (iv) BDS pricing, promotion and distribution systems tailored to the needs of MSME in the priority sectors and target groups;
- (v) Increased understanding of and capacity to play the roles that local institutions can perform in facilitating and brokering business linkages and related pro-poor business models;
- (vi) Increased understanding of BDS coordinator, facilitators and providers of the functions of an MSME Incubation Centre.

BOX 3: Summary of Outcomes & Achievements under Immediate Objective 2-Strengthening BDS Service Delivery

Output 2.1 BDS Information Market Systems

- BDS providers directory with 800 registered BDS providers (Vs target of 300) is now available on the ZDA website;
- An analytical research report on MSME sector was completed in January 2011.

Output 2.2: Standard Operating Procedures and Quality Standards Manuals

- The BBW&JC facilitated hosting of a national BDS conference which produced an action plan to ensure formation of a BDS association by the last quarter of 2011 with the oversight of an interim executive committee that was formed during the conference;
- ZDA was identified as the lead agency for executing accreditation systems and a focal officer was appointed;
- Draft BDS Providers accreditation framework has been developed;

Output 2.3: Affordable BDS Products

- A portfolio assessment report on the main project partners has been developed;
- The BBW&JC Programme so far launched and brought to market the following four (4) new products/adapted (i) EMPRETEC entrepreneurship training course focusing (business) attitude change; (ii) Start Your Artistic Business; (iii) EYB; and (iv) Computer-based SME toolkit
- An electronic Computer Based EYB tool is currently under development.
- A BDS innovation challenge developed in 2010;
- BBW&JC tracking commercial viability taking place
- Tracer studies and case documentation to monitor impact of newly developed are under way but only the ones on Creative industries and Business Linkages have been concluded;

Output 2.4: MSME Tailored BDS Pricing, Promotion and Distribution Systems

- This deliverable was originally also tied to BDS providers associated with BDS-VP which was suspended but the BBW&JC Programme moved on to broaden its scope and set out to facilitate capacity building support for local BDS providers on a broader and more generic scale.
- Fifty (50) local BDS organizations were trained in international best practice in BDS marketing strategies in Siavonga (August 2010).
- Follow up survey to assess changes in promotion, pricing and packaging of BDS was conducted

Output 2.5: Increased Institutional Capacity to Facilitate Business Linkages

- Two business linkage opportunity studies have been completed and information disseminated to stakeholders;
- Focal points at ZDA were identified and are actively executing the business linkage role;
- A standards operations manual has been developed;
- Business linkage M&E tools have been developed and incorporated into a manual;
- Nine (9) business linkage agreements have been entered into between MSMEs and large corporations and business partnerships operationalized;

Output 2.6: Capacity to Operate an MSME Incubator Centre

- This has not been achieved because of the failure by ZDA to initiate the incubator programme during the BBW&JC Programme phase .
- The BBW&JC Programme, through the advice of the PLTC, dropped this output.

The following is a summary of programme achievements under each of the outputs against set indicators and also the summary of outcomes:

3.3.2.1 Output 2.1: A Widely Accessible BDS Information Market System

The two main indicators of achievement under this output included the following

- Physical evidence of a fully operational market information system hosted by ZDA by December 2010.

- Project specific analytical research report on the MSME market segments with high potential for employment creation (that in turn was supposed to inform the new product development effort linked to output 2.3) produced by December 2009;

Although the deadlines for these outputs were missed, the evaluation mission noted the following achievements of which the target of 300 BDS providers registered with ZDA has been surpassed:

- With financial and technical support by the BBW&JC programme, a BDS providers directory (with 800 registered BDS providers compared with 300 set as the indicator of achievement) is now available on the ZDA website;
- Following the commissioning of consultancy services in 2010, an analytical research report on MSME sector was completed in January 2011.

As the midterm self-evaluation Mission observed, the challenge now is on the capacity to manage the data and to disseminate widely e.g. by way of an online accessibility.

3.3.2.2 Output 2.2: Standard Operating Procedures and Quality Standards Manuals for BDS Coordinators, facilitators and Providers

With the suspension of the ZBDS-VP in mid-2010, the indicator of achievement for this output as originally envisaged in the Log Frame became obsolete, and following recommendations by the Mid-term Self Evaluation Mission, the BBW&JC project management proposed the following two new output indicators of achievement:

- Physical evidence of a network of BDS providers;
- Framework for BDS accreditation system developed;

In this regard, the evaluation Mission notes the following achievements:

- The BBW&JC facilitated the hosting of a national BDS conference which produced an action plan to ensure formation of a BDS association by the last quarter of 2011 with the oversight of an interim executive committee that was formed during the conference;
- ZDA was identified as the lead agency for executing accreditation systems and a focal officer was appointed;
- Draft BDS Providers accreditation framework has been developed;

3.3.2.3 Output 2.3: BDS Products that are Affordable for, and Meet the Demand of MSME in the Selected Sectors and Target Groups

The expected output in this case was industry-specific BDS tailored for MSME while the main indicators of achievement were as follows:

- Portfolio assessment reports for each partner organisation by June 2010;
- At least six (6) new products development/adaptation initiatives launched by June 2010;
- At least four (4) commercially viable BDS products to market by June 2011;
- M&E tools and processes to monitor outcomes and impact of the new product development efforts in place by December 2009;

In this respect, the Mission noted the following achievements:

- A portfolio assessment report has been developed;
- The BBW&JC programme has so far launched and brought to market the following four (4) new products:
 - EMPRETEC entrepreneurship training course with its focus on (business) attitude change;
 - Start Your Business Artistic;

- EYB training;
- Computer-based SME toolkit;
- A BDS innovation challenge developed in 2010;
- BBW&JC tracking commercial viability taking place;
- Tracer studies and case documentation to monitor impact of newly developed products are under way but only the ones on Creative industries, youth enterprise development and Business Linkages have been concluded;

3.3.2.4 Output 2.4: MSME Tailored BDS Pricing, Promotion and Distribution Systems

The main indicators of achievement included the following:

- Fifty (50) BDS providers modify existing pricing, distribution and promotion systems in line with international best practice, and in response to established needs and wants of target MSMEs by June 2010;
- M&E tools and processes to monitor impact of marketing by December 2009;

This deliverable was originally also tied to BDS providers associated with the BDS-VP which was prematurely closed. The BBW&JC programme however moved on to broaden its scope and set out to facilitate capacity building support for local BDS providers on a broader and more generic scale. A national BDS seminar was held in Siavonga in August 2010 where more than 50 local BDS providers were trained in international best practice in BDS marketing strategies.

According to a survey commissioned by the BBW&JC programme, some modifications in pricing, distribution and promotion systems towards international best practice are taking place. To this effect, some stories have been documented and disseminated through the programme newsletter and other fora. Additionally, tracer studies have been conducted to assess progress towards modifications. The survey indicates that about 70% of those studied demonstrated notable positive changes.

3.3.2.5 Output 2.5: Increased Institutional Capacity to Facilitate Business Linkages between Corporate and MSMEs

The main indicators of achievement were as follows:

- A report summarizing and ranking business linkage opportunities by sector and geographical distribution by November 2009;
- Focal points in ZDA identified and trained;
- Other ZDA capacity training needs identified and delivered by August 2010;
- M&E tools and processes to monitor outcomes and impact of business linkages in place by December 2009;
- Standard operations manuals for local organizations developed by June 2010;
- At least 10 business linkages between MSMEs and large corporate facilitated and operationalized by June 2011;

The main achievements in relation to output 2.5 are as follows:

- Two business linkage opportunity studies have been completed and information disseminated to stakeholders;
- Focal points at ZDA were identified and are actively executing the business linkage role;
- A standards operations manual has been developed;
- Business linkage M&E tools have been developed and incorporated into a manual;
- Nine (9) business linkage agreements have been entered into between MSMEs and large corporations and business partnerships operationalized;

3.3.2.6 Output 2.6: Increased Capacity to Operate an MSME Incubator Centre

The main indicator of achievement was the development of an M&E framework for MSMEs incubation programme. This has not been achieved because of the failure on the part of ZDA to initiate the incubator programme during the BBW&JC Programme period. Consequently, the BBW&JC programme, through the advice of the PLTC, dropped this output from the log frame.

3.3.3 Immediate Objective 3: Strengthen Policy, Dialogue, Planning & Coordination

This immediate objective comprised the following three (3) outputs:

- (i) Increased coherence and efficacy of relevant policies, strategies and legal frameworks;
- (ii) Strengthened policy dialogue among key stakeholders;
- (iii) MSME component of a labour market information system developed;

BOX 4: Summary of Outcomes and Achievements-Immediate Objective 3-Strengthen Policy Dialogue, Planning and Coordination on Economic Empowerment through MSME Development

Output 3.1

- The MSME Policy and Implementation Plan have been launched ;
- MCTI has invited ILO to develop the monitoring and evaluation framework;
- MSME Coordinating Committee has been formed;
- ILO has participated in workshops to discuss coordination issues;

Output 3.2

- ILO participated in the Tripartite Labour Consultative Council thereby strengthening dialogue on the MSME Policy;
- The National Business Linkage Committee in place and meeting regularly;
- BBW&JC participate in monthly PSD-CP meetings;
- Analytical research conducted and report produced;

Output 3.3

- i. Incorporation of MSME data in the LMIS is yet to be done-because the Government has not yet initiated the Labour Market Information Systems

The following is a summary of programme achievements under each of these outputs and also the summary of outcomes:

3.3.3.1 Output 3.1: Increased coherence and efficacy of relevant policies, strategies and legal frameworks

The three (3) main indicators of achievement under this output included the following

- Recommendations for implementation of MSME Policy, regulatory and administrative amendments by June 2010;
- Implementation of selected recommendations by December 2011;
- Improved coordination and implementation of MSME related policies and strategies by December 2011;

With support by the BBW&JC programme, the main achievements of the in relation to this output are as follows:

- The MSME Policy and Implementation Plan have been launched and MCTI having appreciated the support by the programme has subsequently invited ILO to develop the monitoring and evaluation framework;
- MSME Coordinating Committee has been formed;
- ILO has participated in workshops to discuss coordination issues;

3.3.3.2 Output 3.2: Strengthened policy dialogue among key stakeholders

This output had the following five (5) indicators of achievement

- Formalised mechanism for ILO constituents to participate in national policy dialogue on MSME issues by December 2009;
- Suggestions regarding the CEE Act and its implementation generated with ZCSMBA/ZIBA on an annual basis;
- PLTC Committee on business linkages established and actively supporting and monitoring business linkages on a continuous basis;
- Active participation in PSD-CP group as key contact on economic empowerment, MSME and BDS
- MSME data incorporated in LMIS by December 2011;
- Project specific analytical report on MSME sector by December 2009;

With support from the BBW&JC programme, the following have been achieved:

- ILO participated in the Tripartite Labour Consultative Council thereby strengthening dialogue on the MSME Policy;
- The National Business Linkage Committee is now in place and meeting regularly;
- The BBW&JC programme implementation unit participates in monthly PSD-CP meetings;
- Analytical research conducted and report produced;

3.3.3.3 Output 3.3: MSME Component of a LMIS Developed;

The following have however not been undertaken:

- i. Incorporation of MSME data in the LMIS-because the Government has not yet initiated the Labour Market Information Systems;

3.3.4 Immediate Objective 4: Generate Greater Coherence and Engagement among UN-PSD Interventions

The main output under this immediate objective was “all activities within UN-PSD interventions harmonized and coordinated and additional engagement mobilized. The main IOA under this output were as follows:

- ii. UN-PSD focal point established and actively tracking all UN-PSD interventions from December 2009 onwards;
- iii. Governance of Programme aligned and harmonized with structures of PSDRP by December 2010;
- iv. Eight (8) UN agencies participating on joint activities;

The following is a summary of achievement under immediate objective 4:

BOX 5: Summary of Outcomes and Achievements under Immediate Objective 4-Generate Greater Coherence and Engagement among UN-PSD Interventions

- UN-PSD tracking tool developed;
- UN-PSD brochure profiling UN projects finalised;
- UN-PSD Joint Programme on “Improved Livelihoods through Private Sector Development Project”-which is a commendable outcome of the BBW&JC Programme is currently being finalized with the Appraisal Mission planned for the week starting 24th October 2011 with five UN Agencies expected to collaborate under the Joint Programme)
- New governance structure to be implemented under UN-PSD joint programme;

3.3.5 Implementation Status of the Recommendation by the Mid-Term Evaluation Mission

The following is the implementation status of the recommendations made by the Mid-term evaluation Mission:

Table 3: Status of the Recommendations by the Mid-term Evaluation Mission		
Recommendation	Status	Remarks
• Cancel output 1.1	Done	• Output removed from the log-frame
• Formulate new indicators for output 2.2	Done	• Two new indicators formulated (Physical evidence of a network of BDS providers; and Framework for BDS accreditation system developed);
• Reschedule the delivery deadlines for outputs 2.1 and 2.2 to December 2010	Done	• Deadline rescheduled to December 2010
• Reschedule the delivery deadline for output 2.6 to mid 2011	Done	• Deadline rescheduled to December mid 2011
• Upscale the scope of the business linkage scheme under output 2.5	Done	• Business linkage scheme upscaled
• Under output 2.4 and 2.5, more strongly emphasize follow-up support after the initial treatment	Done	• Follow up actions stepped up (case studies) • Follow up training and counselling facilitated for EYB graduates Coca-Cola Vendors and creative industries artists
• Develop and implement a communications strategy for the BBWJC programme	Not Done	• Communication strategy not yet fully articulated (use of multi-channels) • Informal meetings held to update senior government officials about programme progress
• Review the Terms of Reference of the PLTC and explore avenues for more strongly engaging PLTC in their supervisory function	Not Done	• PLTC felt that the project was too close to the end and hence no need for new TORs
• Upgrade the monitoring and evaluation system of the BBWJC programme	Done	• A computerised data base of Programme beneficiaries was developed to facilitate reporting
• Further to the above, carry out tracer studies, draw up case studies, document emerging impact	Done	• Four tracer studies (Creative industries, Business Linkages, BDS Voucher Programme and CEEC Youth Enterprise) completed and others under way.
• Cut staff costs through sharing of programme support staff with other ILO projects, leveraging funding, mobilizing additional resources through the development of further spin-off projects and/or through the development of a joint UN programme	Done	• Cost-cutting measures instituted and external financial resources leveraged (US\$ 257,000 from AfDB/AMSCO project and US\$ 150,000 from ILO-RBSA)
• In the last year of the programme implementation cycle, focus the work of the Chief Technical Advisor on UN programme coordination, resource mobilization and policy level dialogue and correspondingly delegate management of work streams related to the first and second programme objectives over to national professional staff.	Done	• BBW&JC team putting significant attention to programme coordination and sustainability issues • A new UN Joint Programme on “Sustainable Livelihoods through PSD” has been developed and submitted to the donor.

3.4 EFFECTIVENESS OF MANAGEMENT ARRANGEMENTS AND EFFICIENCY OF RESOURCE USE

3.4.1 Effectiveness of Programme Management Arrangements

Following the departure of the National Programme Manager, the core team charged with the responsibility of coordinating the implementation of the BBW&JC programme now comprises two (2) technical members of staff, namely the Senior Technical Advisor (male), the National Programme Officer/Business Linkage Officer (female), and two (2) support staff, the Finance and Administration Officer (female); and a Project Driver (female).

The programme is technically backstopped by the ILO Decent Work Support Team (DWST) for Eastern and Southern Africa (Pretoria); UNCTAD Geneva (for the Business Linkages component) and UNDP/PSD New York (for the UNDP-Growing Sustainable Business-GSB/Inclusive Market Development-IMD component). Administratively and financially, the programme is backstopped by the ILO Country Office for Malawi, Mozambique Zambia (Lusaka). Additionally, and since the programme is implemented in accordance with MOU between the GRZ, Private Sector and the Donor Group on the coordination of the PSDRP of the GRZ and its institutional structures, the PSD Steering Committee through its MSME Working Group (the Technical Advisory Group and Stakeholder Committee for the initiative before it was disbanded) also supported the implementation team. The implementation team has also been collaborating with various national stakeholder organizations (MCTI, ZDA etc.) as well donor agencies under the auspices of the PLTC.

As mentioned earlier, the BBW&JC initiative with wide range of outputs and activities and also multiplicity of stakeholders with whom it was expected to work with; is not a straightjacket project as it seems on paper. The good thing is that the programme management arrangement which is highly commended by local stakeholders and donor agency alike, has worked quite well. In addition, the implementation team (although lean) has consistently demonstrated both technical competence and commitment to quality and timely delivery of planned outputs and anticipated outcomes. The team also effectively been drawing technical support from local expertise including individual consultants (some of them trained earlier under ILO projects) as well as relevant national institutions; ILO Headquarters; ITC-ILO and DWST for Eastern and Southern Africa. In this regard, the Programme implementation team described the backstopping role of the ILO Country Office (Lusaka) and the DWST (Pretoria) as excellent. They also described the backstopping role of UNCTAD (Geneva) and UNDP/PSD (New York) as reasonably good. The Mission also noted that the programme implementation team was able to articulate their needs in terms what they required to be backstopping in by the respective specialized from these sources. There was clear understanding of the respective roles by the various parties within BBW&JC and the ILO offices, and among the various national stakeholders and UN and non-UN collaborating partners.

Largely due to the relevance of interventions, the BBW&JC initiative received good and broad-based political, technical and administrative support from national and UN collaborating partners. The only problem (albeit not serious) was the failure of the some PLTC members to maintain consistency in terms of members who attended meetings.

3.4.1 Efficiency of Financial Resource Use

The programme budget was US\$ 2.24 million of which the Government of Finland contributed US\$ 1.68 million or 75% of the total. However, following one year delay in programme start up and the unexpected foreign exchange loss amounting to US\$ 95,000 (about 5.65%), the donor funded budget was effectively reduced to US\$ 1.585 million. This Programme budget was by no means adequate, given the wide range of outputs (11) and numerous underlying activities (over 56) towards attaining the target outcome of creating 10,000 jobs (later unbundled into 2,000 new employment opportunities and increase in annual income and labour productivity for 8,000 MSMEs). Financial constraints were also exacerbated by the fact that the initial budget as contained in the Programme Document had not taken into account annual increment of staff cost over a 3-year period (2008- 2010) which in essence became 4 years (2008-2011) given the one year delay in project start up; under-budgeting the cost of the STA; and the decision taken by the then Director of the ILO Lusaka Office (prior to the recruitment of the STA) to employ a senior Finance and Administration (FAA) instead of a Junior Finance Officer and to create a position for a project driver.

Against this background, the BBWJC programme ended up spreading available financial resources rather thinly across multiple and concurrent work streams, though it made every attempt to match programme operations with work plans and budgets. Towards countering this, the Mission noted commendable actions on the part of the Programme management unit in leveraging financial resources so as to ensure quality and timely delivery of planned programme outputs. Notable among these included leveraging of financial resources from the AfDB/AMSCO funded but BBW&JC implemented project on “*Enhancing Zambia’s SME Competitiveness and Access to Finance*” amounting to US\$ 257,000, and from the ILO Regular Budget Supplementary Account (RBSA) amounting to US\$ 150,000. Together, this resulted in an additional US\$ 407,000 being available for programme activities. In addition, the BBW&JC programme implementation team cost-shared support staff positions with the ILO-Labour Law MSME Development Nexus Project which saved the BBW&JC significant amount of financial cost. This helped the project to overcome the problem of budgetary short falls which was otherwise going to be imminent and as a result affecting project performance. Overall, the Mission found the programme management unit to have been very innovative in leveraging financial resources and also quite prudent in the way they expended available financial resources.

3.4.2 Programme Monitoring and Evaluation

With regard to monitoring and evaluation (M&E) framework and systems of the BBW&JC programme, the Mission observes that the Programme Document did not offer adequate guidance on the programme monitoring and evaluation framework and systems. It only indicated that “*the Project would submit quarterly programme implementation updates to ILO, UNCTAD, UNDP and the Global Compact Zambia; and half-yearly progress reports for submission to the designated governance body and that on occasion of such meetings the Programme Management Team would submit detailed work plans of activities for the next six months in the programme cycle*”. It also adds that an ILO-internal mid-term evaluation and an external independent evaluation would be conducted towards the 18th and 32nd month of the programme cycle respectively.

As per the requirement in the Programme Document, the BBW&JC management unit has consistently produced quarterly and bi-annual reports in the form of Technical Cooperation Progress Reports (TCPR) as well as forward work plans. As per the programme provisions, a comprehensive mid-term self-evaluation of the Programme was carried out in October 2010, while this report entails the external independent evaluation of the programme as required in the Programme Document (2007). The Mission also observed that a comprehensive M&E Strategy Map together with the relevant indicators was developed at the beginning of the programme in 2009, and has since been used as the basis for reporting on programme performance to the PLTC and other stakeholders.

3.5 IMPACT ORIENTATION AND SUSTAINABILITY

The Programme Document strongly emphasized the importance of sustainability of interventions beyond the lifetime of the BBW&JC programme. This is partly the reason for placing strong emphasis on facilitating a sustainable market exchange for business development services and developing the national capacity to perform such a facilitation role in the future. The report emphasized the need for implementation to be carried out in close liaison with relevant PSD Working Groups and or other PSDRP structures. The document also emphasized the need to formulate a clear exit strategy at the outset of the programme implementation process, highlighting how support interventions will gradually phase out over time at all system levels, to reduce donor-dependency and to build national institutional capacity.

The BBW&JC management team strictly followed the implementation of the programme through national institutions. While recognizing that the capacity for policy implementation among national institutions is still in need of further strengthening, the Mission noted that the BBW&JC programme has significantly built MSME development planning capacity of a number of key and relevant institutions. These include for example MCTI (policy planning); ZDA (Business linkages); the Citizens' Economic Empowerment Commission–CEEC (financial access) and the Zambia Chamber of Small and Medium Business Associations (ZCSMBA) among others.

As far as other new BDS to market are concerned, the prospects are more uncertain. For example, the capacity of organizations like the National Artists' Council to facilitate Start Your Cultural Business training is still very limited, and the EMPRETEC trainers are yet to be certified competent in the delivery of the training package. Nevertheless, the business linkage initiative, which is fully commercial, is an excellent example for sustainable intervention that local stakeholders are likely to carry on with after the end of the project. While policy planning capacity of MCTI has positively been strengthened, it is recognized that making MSME policy implementation plan actionable will require external inputs. With regard to the coordination role of UN agencies work currently being played by BBW&JC initiative, the mission notes that new UN PSD Joint Programme to be implemented by five UN Agencies will consolidate the coordination mechanism. In this respect, it is also noted that the UN PSD activities are now under outcome 2.2 of the Zambia's UNDAF (2011-2015).

However, that notwithstanding the Mission recommends that the Programme Management Unit develops a very clear Programme exit strategy before the project closes in December 2011.

The agenda of MSME development in Zambia will not end with the BBW&JC programme and most activities will need to be pursued beyond the life of the programme. It is therefore paramount that relevant future projects in Zambia continue to build on the work of the BBW&JC programme. One of this could be the forthcoming the UN-PSD Joint Programme on *"Improved Livelihoods through Private Sector Development"* whose overall outcome is to attain sustainable livelihoods, through the creation of green and decent jobs among MSMEs operating in the building and housing industry of Zambia

4.0 CONCLUSION

4.1 Relevance and Strategic Fit of BBW&JC Interventions

The interventions of the BBW&JC programme remain as relevant to target beneficiaries, ILO constituents, national stakeholders and collaborating partners as when the project started. Virtually all stakeholders, especially target MSMEs and Government institutions, feel that the project closure has come “just too soon” and hope that another initiative will carry on with what they consider as a very noble agenda towards their common aspirations.

4.2 Validity of Programme Design

Programme design was founded on reasonably adequate and reliable information base which included information from The ILO-supported BDS Market Survey (2003) on Developing Business Service Markets for Micro and Small Enterprises in Zambia; the MSME Sector Market Survey (2006) by the Ministry of Commerce Trade and Industry; and the BDS Diagnostic Survey (2008) which was carried out as part of the process towards the implementation of the voucher programme aimed at improving the access MSMEs to BDS, among others.

Programme design processes strongly embraced stakeholder consultations and many of the respondents met indicated that they have been involved at one time or the other and in one way or the other in either project design and or implementation.

A wide spectrum of stakeholders confirmed that the ILO systemic enterprise development approach was the right approach. However, many of them, especially target MSMEs felt that the programme should have included financial access as one of the immediate objectives as it is one of the most binding constraints facing MSMEs in Zambia. Indeed nearly all the studies done before and or during project implementation period confirm that access to finance was a major constraint facing MSMEs in Zambia. In this respect however, the mission acknowledges efforts made by the Programme towards facilitating access to finance through the AfDB/AMSCO project.

Although the programme has made good achievements, the general feeling among some key stakeholders (especially the programme implementation unit, was that the programme was quite ambitious given the number of interventions and activities towards the realization of anticipated programme outcomes and impact. The Mission is of the view that achievements made so far would not have been possible without the hard work, commitment, team spirit and innovativeness on the part of the implementation team, effective technical and administrative support by the ILO and other collaborating partners.

Although the Programme Document did not explicitly provide specific outputs, outcomes and impact indicators for gender-owned and managed enterprises, the management unit was constantly conscious of the need to proactively engage and involve women-owned and managed enterprises. In this regard, the Mission noted (from the impact assessment report of October 2011) that about 35% of total MSME programme beneficiaries or about 87.5% of their original target were women-owned and managed enterprises.

4.3 Performance and Effectiveness of the Programme

Despite the delay in programme start up, delayed staff recruitment and limitations in financial resources, the BBW&JC Programme has performed quite well under all immediate objectives of the programme.

Notable achievements under immediate objective 1 include facilitation of the development of the National Business Linkages Strategy for Zambia-which was adopted by ZDA in October 2009 and assistance to ZDA in organizing a series of business linkages awareness workshop.

Key achievements under immediate objective 2 include technical support to ZDA which culminated in the registration of

800 BDS service providers against a target of 300 and establishment and the subsequent development of ZDA's BDS providers website, and facilitation of nine (9) business linkages between MSMEs and large corporations against a target of ten (10).

The main achievements under immediate objective 3 include support to the development of the MSME Policy and Implementation Plan and facilitation towards the formation of an MSME Coordinating Committee.

Major achievements under immediate objective 4 include the development of UN-PSD tracking tool and brochure profiling for UN projects and the development of the forthcoming UN-PSD Joint Programme on "Improved Livelihoods through Private Sector Development Project"-which is a commendable outcome of the BBW&JC Programme is currently being finalized with the Appraisal Mission planned for the week starting 24th October 2011.

The programme has exceeded the target increase in annual sales by having attained an average increase of 25% during the programme period. It has also exceeded the target increase in recorded annual profits by having attained an average increase of 51% (compared with the original target of 10%). Additionally, it has exceeded the target of new job creation by having created an estimated 4,085 new jobs (compared with the original target of 2,000 new jobs). However, it is likely to come short of achieving the target outreach of 8,000 MSMEs-given that the current outreach is at 1,634 micro, small and medium enterprises. As mentioned earlier, the target of 8,000 MSMEs was quite ambitious and the programme would require massive up-scaling in the remaining 2 ½ months project period to attain this target.

These Programme achievements were underpinned by the relevance of intervention, staff commitment and innovativeness in terms of fast tracking some key interventions as well as effective backstopping particularly by the ILO Country Office (Lusaka), ILO-DWST (Pretoria) and UNCTAD (Geneva), and effective collaboration of national institutions and collaborating donor partners as well as synergy with their projects.

The agenda of the BBW&JC of significantly *"contributing to broad-based wealth and job creation in Zambia through stimulating investment, entrepreneurship and employment creation within the MSME sector under the pro-poor business models"* is far from being completed. Given this situation, future MSME development-oriented initiatives -including the forthcoming *UN-joint PSD initiative on "Improved Livelihoods through Private Sector Development Project"* -which is an outcome of the work of the BBW&JC- should as much as possible, strive to build on the work of the BBW&JC which have great potential generating wealth and job creation.

4.4 Effectiveness of Management Arrangement and Efficiency in Financial Resource Use

The programme management arrangement was highly commended by stakeholders met during the Mission. The view of most stakeholders was that it worked very well. The coordination role of the BBW&JC was particularly extolled. The initial programme budget was inadequate resulting in the budget being thinly spread across interventions. However, the programme management unit also used programme financial resources very prudently and also applied cost cutting measures through sharing transport costs with other ILO projects. The team also did a commendable job by way of leveraging programme with funds from other sources including the AMSCO Project (US\$ 257,000) and the ILO RBSA (US\$ 150,000).

4.5 Impact Orientation and Sustainability

Towards sustainability of programme interventions, BBW&JC has significantly built the capacity of national institutions. This is for example MCTI in policy planning; ZDA in business linkages and the Citizens' Economic Empowerment Commission-CEEC in financial access strategies.

With regard to the coordination role of UN agencies work currently being played by BBW&JC initiative, the mission notes that new UN PSD Joint Programme to be implemented by five UN Agencies will constitute a good mechanism for consolidating the coordination mechanism.

In terms of contributing to longer term impact, the programme has also performed quite well. Based on the *"BBW&JC*

Impact Assessment Draft Report” (16th October 2011), an estimated 1,634 enterprises or about 20.4% of the original target of 8,000 MSMEs, had been directly and indirectly reached by the Programme across the whole of the country by the time of the evaluation. Based on a sample of 168 MSMEs, the report observed that during the period 2009-2011, annual sales had increased by an average of 25%, annual profits by an average of 51%, and job creation by an average of 2.5 additional jobs per MSME reached by the programme-giving an overall estimated total of 430 new jobs (of which 178 were women employees) across all the 1,634 sampled enterprises⁸. By extrapolating on this result, it would imply that programme interventions resulted in the creation of about 4,085 additional jobs across the 1,634 enterprises reached directly and indirectly by the programme.

These outcomes are likely to contribute significantly to sustainability of programme interventions. However, the programme management unit should develop a clear exit strategy to facilitate orderly and smooth closure of the project.

5.0 KEY LESSONS LEARNED

Based on literature review, field interviews and observations by the evaluation mission, the following lessons emerge:

5.1 What are the emerging good practices?

- i. That *relevance of intervention underpins the realization of broad-based support and quick “buy-in”* by target beneficiaries and other stakeholders including national public and private institutions as well as donor agencies-and market diagnosis should always be emphasized;
- ii. That *provided responsibilities of collaborating stakeholders e.g. coordination and budget authority as well division of labour are clarified right from the start and joint programming among ILO projects and between ILO and other UN agencies can in fact work* as demonstrated by the UNCTAD/ILO cooperation in the business linkages programme.

5.2 What should have been incorporated?

- i. *Risk and assumptions relating to variations in foreign exchange rates over the lifespan any given project* should always be explicitly built into the project design and budgeting framework where project budget is denominated in one currency and actual expenditure incurred in another currency.
- ii. In the context MSME development initiatives finance is by and large an integral part towards achieving results and *facilitation of access to finance* should always be considered when developing MSME growth focused projects/programmes.
- iii. *Gender (women) concerns* should be built into project logframes by way of outputs, outcome and impact indicators otherwise the participation and sharing of project benefits by women may inadvertently be side-lined.

5.3 What should have been avoided?

- i. In the context of the “cause and effect framework”, *juxtaposing outputs and outcomes for projects that are differently managed, funded and coordinated should be avoided* to minimize the possibility of non-delivery on the part of the project that has no control over the delivery of those outputs and or outcomes. The suspension of the ZDA-BDS Voucher project and the ultimate failure to deliver on output 1.1 on the part of the BBW&JC programme and which also affected the delivery on interconnected outputs 2.6 and 3.3 is a case in point.

6.0 APPENDICES

⁸ The *Impact Assessment Report* however cautions that changes in profits, employment and labour productivity were not based on audited accounts but rather observations and or views of the respondents.

Appendix 1: Itinerary for the Evaluation Mission

Time	Activity and Participants	Venue	Contact Telephone
16th October	<i>Arrival of the Consultant</i>		
Mon, 17th Oct			
08.30 – 09.00	Briefing with Director, ILO Lusaka CO	Director's Office	
09.15 – 11.00	Meeting with BBW & JC Team	ILO Lusaka Board Room	
11.30 – 12.30	Ms. Fiorina Mugione, UNCTAD, Geneva	Email-based	+41 22 917 29 43
12.30 – 14:00	Lunch		
14. 30 – 15:30	Meeting with UNDP- Ms. Eldah Chirwa	UNDP Offices	
15.45 – 16.45	Meeting with Mr. Windu Matoka and Mrs. Kalobwe Chansa Director, ZDA MSE Division	ZDA Offices	0977 889717 Matoka 0966 880312 Chansa
Tue, 18th Oct			
08.30 – 09.30	Meeting with ILO TACKLE Project – Ms. Mukatimui Chabala	ILO Offices	
10:00 – 11.00	Meeting with Finnish Embassy, Mr. Ville Luukkanen	Finnish Embassy	251988
12:00 – 13:00	Meeting with Mr. Chibanda, ZFE	ZFE Offices	0977 810281
13:00 – 14:00	Lunch Break		
14:30 -15:30	Meeting with MCTI, Mr. John Mulongoti & Mr Boniface Kunda	MCTI Offices	0979 526189
15:45 – 16:45	Meeting with Mrs. Kayula Siame, PSDRP PMU	MCTI Offices	235892
Wed, 19th Oct			
08:30 – 09:30	Tele-meeting with Ms. Julliette Odhiambo, AMSCO, S.A	BBW & JC Offices	+27 82 317 5691
10:00 – 11:00	PSD Donor Group, Mr. Ville Luukkanen and Ms. Natalie Den Bruegom de Hass	ILO Board Room	251988 Finnish Embassy 253819 RNE
11:30 – 12:00	Meeting with Mr. Ernest Muwamba, CEEC	CEEC Offices	0977 775328
12:10 - 13:00	Meeting with BDS Providers	ILO Board Room	
13:00 – 14:00	Lunch Break		
14:30 – 15:30	Meeting with Mr. Owen Mgemzulu, MLSS	MLSS Offices	0979 569771
15:30 – 17:00	Field Visit – Bakery Cairo		
Thur, 20th Oct			
08:30 – 09:30	Meeting with MSMEs		
10:00 – 11:00	Meeting with MSMEs	ILO Board Room	
11:30 – 12:30	Meeting with Ms. Jennipher Mpengaula, Zambian Breweries	ILO Board Room	0979 785535
12:30 – 13: 30	Lunch Break		
14:00 – 15:30	Field Visit 2	ILO Board Room	
15:00 – 17:00	BBW & JC Team meet with Snr. Enterprise Specialist, Mr. Andreas Klemmer	BBW & JC Offices	
Fri, 21st Oct			
08:30 – 09:00	Finalization of evaluation presentation		
09:30 - 12:30	Presentation of Findings to PLTC	ILO Board Room	
12:30 – 13:00	Debriefing with Director		
13: 00	End of Programme		
Sat, 22nd Oct			
10.00	Departure of the Consultant		

Appendix 2: List of People Met and/or Interviewed

	Name	Organization	Title/Position
1	Martin Clemensson	ILO Office (Lusaka)	Director
2	Johanna Silvander	ILO Office (Lusaka)	Programme Officer
3	Andreas Kleemer	ILO- DWST for Eastern & Southern Africa	Senior Enterprise Development Specialist
4	Jealous Chirove	ILO-BBW&JC Programme	Senior Technical Advisor
5	Naomy Lintini	ILO-BBW&JC Programme	National Programme Officer
6	Barbara Mmembeb	ILO-BBW&JC Programme	Financial and Administration Officer
7	Mukatimui Chabala	ILO-TACKLE Project	National Project Coordinator
8	Fiorina Mugione	UNCTAD-Geneva	Chief, Enterprise Policies and Capacity Building
9	Ville Luukkanen	Embassy of Finland	Counsellor-Economic Growth & PSD
10	Harri Sallinen	Embassy of Finland	Counsellor-Regional Manager
11	Jussi Vuoti	Embassy of Finland	Programme Officer-Trade & Investment
12	Elina Rimpä	Embassy of Finland	Attache-Unit for Southern Africa
13	Elizabeth Simonda	ILO-WEDGE Programme	Manager
14	Eldah Chirwa	UNDP	National Economist
15	Jennifer Mpengaula	Zambian Breweries	Sales Manager
16	Boniface Kunda	Ministry of Commerce, Trade and Industry	Chief Economist
17	John Mulongoti	Ministry of Commerce, Trade and Industry	Chief Economist
18	Kayula Siame	Ministry of Commerce, Trade and Industry	PSDRP-Programme Coordinator
19	Banji N'gandu	Ministry of Commerce, Trade and Industry	Economist
20	Owen Mgemezsulu	Ministry of Labour and Social Security	Chief Planner
21	Windu Matoka	Zambia Development Agency	Director-Micro & Small Enterprises Division
22	Anastazia Muleya	Zambia Development Agency	Enterprise Development Officer- MSEs Division
23	Dariso Mbewe	Zambia Development Agency	Enterprise Development Officer- MSEs Division
24	John Suzya Banda	Zambia Federation of Employers	Research and Marketing Manager
25	Juliette Odhiambo	AMSCO-South Africa	Programme Manager
27	Earnest Muwamba	Citizen's Economic Empowerment Commission	Manager, Economic Empowerment
28	Anthony Shipasha	ILO-SYB & EYB training beneficiary	BDS Provider
29	Nelly Nyirenda	EMPRETEC Project Beneficiary	BDS Provider
30	Mukula Makasa	ILO-EYB training beneficiary	BDS Provider
31	Zondo Chulu	ILO-SYB & EYB training beneficiary	BDS Provider
32	Khama Mbwe	Entrepreneur, Lumono Foods	BBW&JC Business Linkage beneficiary
33	Rodwell Malama	Entrepreneur, Tresha Enterprises	BBW&JC Business Linkage & EYB training beneficiary
34	Mary Munyosi	Director-MOM'sMom's Snacks	BBW&JC Business Linkage
35	Muwemba Mugala	Entrepreneur	BBW&JC-EYB-TOE
36	Chibesa Chitangal	Entrepreneur	BBW&JC EYB-TOE
37	Walusungu Banda	Project Officer, CEEC	EYB Training Beneficiary
38	Helen Mwalongo	Entrepreneur, Creative Industries	BBW&JC Business Linkage beneficiary
39	Chileshe Chafilwa	Coca Cola Vendor	BBW&JC Business Linkage beneficiary
40	Beecome Msiska	CEEC Youth Project	BBW&JC Financial Linkage beneficiary
42	James Kalala	Farmer (Farming as a Business)	BBW&JC Business Linkage beneficiary
42	Levasi Mbazima	Coca Cola Vendor	BBW&JC Business Linkage beneficiary
43	Mary Tembo	Potential Entrepreneur -	TACKLE training beneficiary
44	Mercy Phiri	Trainer, Creative Industries	BBW&JC Business Linkage beneficiary

Appendix 3: Terms of Reference

Independent Final Evaluation of the *Broad Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development Programme*

Project No:	M.250.10.165.868
Project Title:	Broad Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development
Total Budget:	USD 2.24 million (USD 1,680,000 (Government of Finland). The initial contribution was reduced by USD 95,000 due to exchange rate losses, which led to a budget of USD 1,585,000 from the Finnish Government. Additionally, UN agencies provided USD 560,000 as in-kind contributions).
Donor:	Government of Finland
Starting Date:	January 2009
End date:	December 2011
Implemented by:	ILO Country Office for Zambia, Malawi and Mozambique
Technical Unit:	
Type of Evaluation:	Independent Final
Evaluation Manager:	Johanna Silvander
o Evaluation Team:	To be added
o Date Evaluation Completed:	To be added

Terms of Reference

Independent Final Evaluation of the

Broad Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development Programme

Introduction and rationale

The Broad Based Wealth and Job Creation Programme (BBW&JC Programme), a joint UN initiative led by the International Labour Organization and funded by the Government of Finland, started its operations in January 2009. The implementation started one year after originally planned, due to official processes for the adoption of the project in Zambia.

This final independent evaluation is undertaken in accordance with the project document of the Broad-Based Wealth and Job Creation Programme which states the need for a final evaluation of the programme. The evaluation is undertaken in line with the ILO Evaluation Policy adopted by the Governing Body in November 2005, which provides for systematic evaluation of programmes and projects in order to improve quality, accountability and transparency of the ILO's work, strengthen the decision-making process and support constituents in forwarding decent work and social justice. The evaluation and the evaluation process shall also comply with UN and international evaluation standards.

The evaluation is intended to be an in-depth programme evaluation by multiple partners and beneficiaries. Its main objective is to evaluate the results achieved by the programme and to give recommendations to any possible further action to be taken in the field of MSME and private sector development in Zambia after the closure of the BBW&JC programme.

Brief background on project

The BBW&JC Programme is a joint UN initiative led by the International Labour Organization. The BBW&JC Programme is being implemented in the auspices of the Zambia Decent Work Country Programme (Z-DWCP), including its implementation plan and monitoring and evaluation framework. The BBW&JC Programme is primarily contributing to Priority I of the Z-DWCP: *More and better employment for the youth, women and people with disabilities, supported by a functional Labour Market Information (LMI) system.*

DEVELOPMENT OBJECTIVE

The development objective of the programme is to contribute to broad-based wealth and job creation in Zambia, in particular by stimulating investment, entrepreneurship and employment creation within the MSME sector and through pro-poor business models.

The Broad Based Wealth and Job Creation Programme is an economic empowerment initiative for micro small and medium enterprise development. It aims to unlock the full potential of entrepreneurs as drivers of economic growth by enabling the poor to participate in, and benefit from, the growth process in Zambia. The programme focuses on Micro Small and Medium Enterprise (MSME) interventions executed using the systemic approach to enterprise development. Within this MSME target market, the programme focuses on sub-groups with untapped growth potential including women and youth and with high employment creation potential, and on innovative mechanisms to release their creative entrepreneurial energy. This programme strategy is compatible with Zambia's long term development objective as articulated in the National Vision 2030, of Zambia becoming a prosperous middle income country by 2030 by focussing on pro-poor, growth oriented sectors that create employment and income opportunities for the poor, under the theme of "achieving Broad Based Wealth and Job Creation".

IMMEDIATE OBJECTIVE / PROJECT OUTPUTS

The programme intends to achieve this development objective using the systemic enterprise development approach. Objectives are at the following targeted levels of intervention including:

- Stimulating demand for Business Development Services (BDS) at enterprise level
- Strengthening the delivery capacity of BDS facilitators and providers at the meso level.
- At the macro level, creating a more conducive policy, legal and regulatory framework for MSME development in Zambia
- Coordinating the United Nations response to private sector development in Zambia

Although the BBW&JC programme was intended to begin in 2008, the project officially began in January 2009.

A mid-term evaluation of the BBW&JC programme was carried out in October 2010. The MTR report includes recommendations that have been followed up through a management response and subsequent action.

Major strategies of the programme

The programme followed the basic principle that private sector development is most successful and most sustainable when it is market-driven and business-focused. Other than to correct market failures, interventions should not distort the market but should seek to stimulate commercial solutions. The programme sought to integrate and coordinate the respective activities of UN agencies to Deliver as One, consolidate and coordinate the existing UN-PSD interventions in Zambia, as well as introduce new interventions and scale up the overall level of support.

The programme was grounded in a systemic enterprise development approach⁹, which acknowledges the inter-dependence between stakeholder groups within a given wealth creation system. The approach distinguishes between three major system levels of interaction between business stakeholders:

- The macro-level of the system is captured by stakeholders with a mandate for defining and coordinating a conducive policy and regulatory framework for 'doing business' within the set system boundaries. This includes relevant Government Ministries, statutory bodies and national umbrella bodies set up by employers and workers.
- The meso-level of the system is the institutional environment, and in the context of this programme comprises stakeholders with a mandate to facilitate or physically deliver BDS to MSME. A BDS, here, can be any non-financial or financial service meant to improve the performance of a business. Examples of such institutions are industry associations, consultancy companies or vocational training institutes.
- The micro-level of the system is made up by the stakeholders directly involved in the market exchange for a good or service, either by taking a stake in the production and provision of the product, or by buying and consuming it. In this context, this level comprises individual businesses or groups thereof.

Based on the framework above, the systemic enterprise development approach emphasizes interventions that are tailored to the specific needs of the corresponding core stakeholders and recognizes the need for interventions at all levels and that reinforce the links between those levels.

Programme management arrangement

The programme document for the BBW&JC programme differs from the final Agreement with the Government of Zambia in terms of Programme Management Arrangement. The latter will prevail, being the final Agreement with the Government.

The Agreement with the Government of Zambia stipulates as follows: The programme shall be implemented in accordance with the Memorandum of Understanding between the GRZ, the Private Sector and the Donor Group on the coordination of the Private Sector Development Reform Programme

⁹ This draws on an emerging framework developed by ILO within which all enterprise development activities in the sub-region are delivered.

(PSDRP) of the GRZ and its institutional structure, namely the Private Sector Development (PSD) Steering Committee. This Steering Committee through its MSME Working Group will act as a Technical Advisory Group and Stakeholder Committee for the BBW&JC programme.

The PSD Programme Management Unit of the GRZ will appoint a staff member to act as liaison person for the BBW & JC programme to ensure effective coordination.

The Programme will be implemented in accordance with the programme document (ZAM/07/01/FIN) which is attached to this Agreement as Annex I, together with semi-annual work plans and budgets to be mutually agreed. The Programme Document may be amended only through mutual agreement in writing.

After consultation with the MSME Working Group and MCTI, the ILO will recruit and employ personnel for the Programme in accordance with the regulations, rules and directives of the ILO. The ILO will pay due consideration to the opportunity of recruiting two officials of Zambian nationality as Programme Manager and Business Linkages Broker. The personnel shall be accountable to the ILO for the manner in which assigned functions are discharged. The results of their work shall be reported to the MSME Working Group on a regular basis, subject to the rules and regulations of the ILO.

Purpose, scope, and clients

Purpose:

"ILO project evaluations provide an opportunity for the Office and its funding partners to assess the appropriateness of design as it relates to the ILO's strategic and national policy framework, and consider the effectiveness, efficiency and sustainability of project outcomes. Project evaluations also test underlying assumptions about contribution to a broader development goal."¹⁰

The findings of the evaluation will contribute to further improving the methodologies applied and provide lessons learned for the key stakeholders of the programme and the ILO in their future efforts to support private sector development in Zambia.

Scope:

The independent evaluation will cover all outcomes/objectives of the BBW & JC programme. The evaluation will assess all key outputs that have been produced since the start of the programme. The evaluation will build on the findings of the mid-term self evaluation carried out in October 2010 and in particular assess to what extent the programme has taken on board the recommendations made by the mid-term evaluation.

The scope of the final evaluation in terms of time is the period as from the start of the project implementation in January 2009 to October 2011, when the final evaluation is carried out. This covers close to 100% of programme implementation period. The scope of the evaluation in terms of operational area is the BBW&JC Programme in its totality.

Clients of the evaluation:

The clients of the final evaluation are the key stakeholders involved in the Programme implementation, as represented by the Programme Liaison Technical Committee. The donor, the ILO Lusaka CO, the tripartite constituents and other relevant stakeholders of the project would use the evaluation findings and lessons learnt. In addition, the evaluation will be able to provide valuable information to related groupings and structures, such as the PSD Reform Programme and the UN PSD group and the UNCT in its totality.

Questions and criteria to be used

Evaluation Questions and Analytical Framework

I. Relevance and strategic fit

- Is the programme relevant to the achievements of the outcomes in the national development plan, the Zambian UNDAF and DWCP?
- How well does it complement other relevant ILO projects in the country?
- What links are established/being established with other similar activities of the UN or non-UN international development organizations at country level?
-

II. Validity of design

- Was the resulting project design logical and coherent? Was the design process adequate? Was it based on a needs analysis of the target area? Was a gender analysis included?
- Do outputs causally link to the intended outcomes/ objectives? Do they address gender concerns?
- Considering the results that were achieved so far, was the project design realistic?

III. Programme progress and effectiveness

- What progress has been made towards achieving the outcome/programme objectives?
- What outputs have been produced and delivered? Have the quantity and quality of the outputs produced been satisfactory? Do the benefits accrue equally to men and women? What outputs have not been implemented and why?
- To what extent do the outputs contribute to the achievements of the outcomes/ programme objectives?
- How adequate is the participation of stakeholders in programme planning and implementation? How effective is the programme in establishing national ownership?
- What factors influenced the effectiveness of the programme?
- Are there any unintended results of the project?

IV. Effectiveness of management arrangements and efficiency of resource use

- Were the available technical and financial resources adequate to fulfill the project plans?
- How effective were the backstopping support provided by ILO (regional office, DWT Pretoria and Geneva) to the programme?
- Was the programme receiving adequate political, technical and administrative support from its national partners/implementing partners?
- Do the operations of the programme match with the programme work plan and budget?
- Are the management, monitoring, and governance arrangements for the programme adequate? Is there a clear understanding of roles and responsibilities by all parties involved?
- How effectively does the programme management monitor programme performance and results? Was a monitoring & evaluation system in place and how effective was it?
- Is information being shared and readily accessible to national partners?

V. Sustainability

- Are the programme results, achievements and benefits likely to be durable? Are results anchored in national institutions and can the partners maintain them financially at end of project?
- Is there any progress in programme partners' capacity to carry forward the programme?
- Does the programme succeed in integrating its approach into government administrative institutions?

VI Lessons learned

- What good practices can be learned from the programme?
- What should have been different, and should be avoided in the future?

Methodology

The methodology of the final evaluation is based on a thorough desk review, including analysis of an impact evaluation done on the project in September 2011, as well as subsequent interviews with programme staff, implementing partners, beneficiaries, and key stakeholders and a stakeholders' workshop. Consultations with the relevant units and officials in Pretoria and Geneva will also be done.

The interviews with key stakeholders will be followed by a stakeholders' workshop that presents the preliminary findings based on the desk review and the individual interviews. In the stakeholders' workshop the partners have a chance to bring up any outstanding issues as well as any that may come up from the joint discussions.

Key documents for the final evaluation include:

- (a) Fifth National Development Plan document
- (b) MSME Policy and Implementation Plan
- (c) PSD Reform Programme Document Phase I and Phase II
- (d) ZDA Act and CEEC Act
- (e) National Employment and Labour Market Policy
- (f) UNDAF 2006 – 2010
- (g) UNDAF 2011 – 2015
- (h) Zambia Decent Work Country Programme 2007 – 2011, M & E Framework and Implementation Plan

Project-related Documents:

- (a) The BBW&JC programme Agreement between ILO and the Government of Zambia
- (b) The BBW&JC programme Agreement between ILO and the Government of Finland
- (c) BBW & JC project document
- (d) The BBW&JC management team ToRs
- (e) Project (revised) budget and summary of expenditure
- (f) Various project progress reports, project annual reports, work plans and strategy maps
- (g) Sector Analysis and selection document
- (h) Impact assessment on the BBW&JC outcomes
- (i) BBW&JC MTR report
- (j) BDS voucher programme project documents and progress reports
- (k) Various BDS VP programme documents as follows;
 - Evaluation report of the pilot phase
 - BDS VP M & E framework and system
 - Report of re-engineering process
 - Database of BDS providers
 - BDS Diagnostic study report
- (l) Minutes of PLTC meetings (various)
- (m) Paper on causes of unemployment in Zambia and Parliamentary Committee report on Employment and Labour
- (n) Reports of Business linkages policy workshop and strategy development workshop for senior policy makers
- (o) Business linkages opportunities study reports
- (p) Selected project TOT / workshop reports (on demand)
- (q) Entrepreneurs database
- (r) Handbook on UN-PSD interventions in Zambia
- (s) Business Linkages manual

- (t) Business linkages MoUs and Eols
- (u) Sub-project documents / proposals as follows:
 - LISIE project document
 - ILO/AMSCO/ITC Project document
 - ILO/AMSCO/ITC Annual Report
 - PSD-RP/ILO/CEEC/SNV project document
 - PSD-RP/ZDA Business linkages project document
 - UNJP on Sustainable Livelihoods through PSD (construction sector) programme document
 - ILO/ITC concept note on SME support project
- (v) Project case studies
- (w) Draft M&E framework to the M&E policy
- (x) Creative industries workshop reports
- (y) RBSA funds application and approval
- (z) Portfolio assessment report of BDS
- (aa) Database of BDS providers

Main outputs

The main outputs of the evaluation are: -

- Summary findings and recommendations to be presented at the stakeholders workshop at the end of evaluation mission
- First Draft of evaluation report
- Final draft of evaluation report incorporating comments received
- Evaluation summary (according to ILO standard template)

The Evaluation Report should be about 25 pages long, excluding annexes and conform to the quality checklist for evaluation reports of the ILO Evaluation unit. It should contain the following: -

- Cover page with key project data (programme title, project number, donor, project start and completion dates, budget, technical area, managing ILO unit, geographical coverage); and evaluation data (type of evaluation, managing ILO unit, start and completion dates of the evaluation mission, name(s) of evaluator(s), date of submission of evaluation report).
- Executive Summary
- Brief background on the project and its logic
- Purpose and scope of the evaluation
- Methodology
- Findings
- Lessons Learned and good practices
- Recommendations, including whom they are addressed to, on improvements in strategy and possible future directions
- Annexes – Work schedule and persons interviewed
 - List of project outputs examined
 - Other documents consulted

The preliminary outcomes of the evaluation will be discussed in a meeting with partners on 21st October (last mission day by the consultant), based on a draft report on preliminary findings by the consultant. The draft report will be available and presented in the meeting itself. The final report will thereafter be submitted to ILO by 2nd November 2011.

Management arrangements

The final evaluation is led by an international consultant that will be contracted based on these ToRs and the specific qualifications required.

The independent evaluation is managed by Johanna Silvander, programme officer in the ILO Country Office for Zambia, Malawi, and Mozambique. Ms. Barbara Mmembe, finance and admin assistant to the BBW&JC programme, and Anjali Patel, intern at the Programming Unit in the CO-Lusaka, will assist in the administrative and other arrangements, as necessary. Evaluation management includes preparation and circulation of the draft Terms of Reference for comments to stakeholders, finalization and circulation of the final Terms of Reference, organization of the meetings and circulation of the draft evaluation report as well as the final evaluation report to the key stakeholders. The independent evaluation is supported by the M&E Specialist of the Regional Office for Africa, Mr. Gugsu Farice.

Work plan & Time Frame

The evaluation will be carried out from 5th October to 2nd November (20 working days), when the final report will be submitted by the consultant to ILO. The period includes a mission by the consultant to Zambia from 17-21st October.

Evaluation Phases

The evaluation is foreseen to be undertaken in the following main phases and time period aiming for submission of the final evaluation report to the donor no later than 8 July 2011.

Phase	Tasks	Responsible Person	Timing
I	<ul style="list-style-type: none"> • Preparation of TOR, consultation with stakeholders 	Evaluation manager	By 22 September

II	<ul style="list-style-type: none"> • Identification of independent international evaluator • Entering contracts and preparation of budgets and logistics 	Evaluation manager	September
III	<ul style="list-style-type: none"> • Telephone briefing with evaluation manager • Desk review of project related documents • Evaluation instrument designed based on desk review 	Evaluator	5 - 14 October
IV	<ul style="list-style-type: none"> • Consultations with Programme staff in Zambia • Consultations with relevant stakeholder in Zambia • Consultations with ILO Pretoria, HQ Units • Presentation of preliminary findings in a Stakeholders workshop 	Evaluator with logistical support by Lusaka CO	17-21 October
V	<ul style="list-style-type: none"> • Draft evaluation report based on desk review, consultations from field visits and the stakeholders workshop 	Evaluator with support from evaluation manager	24 th October
VI	<ul style="list-style-type: none"> • Circulate draft evaluation report to key stakeholders • Consolidate comments of stakeholders and send to evaluation team leader 	Evaluation manager	25 th October
VII	<ul style="list-style-type: none"> • Finalize the report including explanations on if comments were not included 	Evaluator	2 nd November
VIII	<ul style="list-style-type: none"> • Submission to the Regional Evaluation focal person for review 	Evaluation manager	4 th November
IX	<ul style="list-style-type: none"> • Approval of report by EVAL 	EVAL	
X	<ul style="list-style-type: none"> • Official submission to the PARDEV 	Evaluation manager	

For this independent evaluation, the final report and submission procedure will be followed:

- The evaluator will submit a draft evaluation report to the evaluation manager.
- The evaluation manager will forward a copy to key stakeholders for comment and factual correction.
- The evaluation manager will consolidate the comments and send these to the evaluator.
- The evaluator will finalize the report incorporating any comments deemed appropriate and providing a brief note explaining why any comments might not have been incorporated. He/she will submit the final report to the evaluation manager
- The Evaluation manager will forward the draft final report to the Regional Evaluation Focal person for review who will then forward it to EVAL for approval.
- The evaluation manager officially forwards the evaluation report to stakeholders and PARDEV.
- PARDEV will submit the report officially to the donor.

Key qualifications and experience of the Evaluation Team

The **international consultant** should have the following qualifications:

- Master degree in Business Management, Economics or related graduate qualifications
- A minimum of 10 years of professional experience specifically in evaluating international development initiatives in the area of employment, entrepreneurship and management of development programmes, preferably in developing countries and with the ILO.
- Proven experience with logical framework approaches and other strategic planning approaches, M&E methods and approaches (including quantitative, qualitative and participatory), information analysis and report writing.
- Knowledge and experience of the UN System
- Understanding of the development context of the programme country (Zambia) would be a clear advantage.
- Excellent communication and interview skills.
- Excellent report writing skills.
- Demonstrated ability to deliver quality results within strict deadlines.

Appendix 4: Bibliography

1. AnnualReport -AMSCO Project on Enhancing the Zambia SMEs Competitiveness and Access to Finance
2. BBW& JC Project Document (2007)
3. BBW&JC BDS Annual Report (2008)
4. BBW&JC BDS Market Diagnostic Study (2008)
5. BBW&JC Impact Assessment Report (October 2011)
6. BBW&JC Management Team ToRs
7. BBW&JC Management Unit Response to MTR Findings and Recommendations (2010)
8. BBW&JC Newsletters (2009)
9. BBW&JC Newsletters (2010)
10. BBW&JC Programme Agreement between GRZ and ILO (Nov 2008)
11. BBW&JC programme Agreement between ILO and the Government of Zambia
12. BBW&JC programme Agreement between ILO and the Government of Zambia
13. BBW&JC Programme Agreement between Ministry of Foreign Affairs of Finland and ILO (Dec 2007)
14. BBW&JC Programme Case Studies (various);
15. BBW&JC Project Annual Reports (2009)
16. BBW&JC Project Annual Reports (2010)
17. BBW&JC Project Budget and Summary of Expenditure (revised)
18. BBW&JC Sector Analysis and Selection Document
19. BBW&JC Self-Evaluation MTR Report (Oct 2010)
20. BBW&JC Work Plans and Strategy Maps
21. BDS Portfolio Assessment Report
22. BDS Providers Data Base
23. BDS VP Programme -Evaluation Report of the Pilot Phase
24. BDS VP Programme-M & E Framework and Systems
25. Business Linkages (Expressions of Interest)
26. Business Linkages Manual
27. Causes of Unemployment in Zambia-ILO Submission to Parliamentary Committee on Economic Affairs and Labour (Jan 2010)
28. CEEC Youth Development Training Report
29. Citizen's Economic Empowerment Commission Act
30. Creative Industries Workshop Reports
31. Handbook on UN-PSD interventions in Zambia
32. ILO/AMSCO/ITC Annual Report
33. ILO/AMSCO/ITC Project document
34. ILO/ITC Concept Note on SME Support Project
35. LISIE Project Document
36. MSME Development Policy (Nov-2008)
37. MSME Policy M&E Framework (draft)
38. MSME Development Policy Implementation Plan (2010-2014)-April 2010
39. National Employment and Labour Market Policy (2004)
40. PLTC-Minutes of Meetings (various)
41. PLTC-Terms of Reference
42. PSD Reform Programme Document (Phase II)-May 2009
43. PSD-RP/ILO/CEEC/SNV Project Document
44. PSD-RP/ZDA Business Linkages Project Document
45. RBSA Funds Application and Approval Report
46. Report on Business Linkages Opportunities
47. Report on Business Linkage Strategy Development Workshop for Senior Policy Makers
48. Report on Business Linkages Policy Workshop
49. Selected BBW&JC Workshop Reports on TOT /EYB Workshop
50. UNDAF for Zambia (2007 – 2010)
51. UNDAF for Zambia (2011 – 2015)
52. UNJP Programme Document on Sustainable Livelihoods through PSD (construction sector)
53. Zambia Business Survey Report (undated)
54. Zambia Decent Work Country Programme (2007 – 2011)
55. Zambia Decent Work Country Programme Implementation Plan
56. Zambia Decent Work Country Programme M & E Framework
57. Zambia Development Agency Act (2006)
58. Zambia Fifth National Development Plan (2006-2010)-Dec 2006
59. Zambia Sixth National Development Plan (2011-2015)- Jan 2011
60. Zambia Vision 2030 (Dec 2006)
61. ZBS-Who is doing business in Zambia