



International Labour Organization

iTrack

Evaluation

# ILO EVALUATION

- **Evaluation Title:** The Sustainable Enterprise Development Facility for Job Creation in South Africa
- **ILO TC/SYMBOL:** SAF/13/05/FCA
- **Type of Evaluation :** Internal Final Evaluation
- **Country(ies) :** South Africa: Free State and Kwazulu Natal provinces
- **Date of the evaluation:** August 2015 to June 2017
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- **ILO Administrative Office:** DWT/CO Pretoria
- **ILO Technical Backstopping Office:** ILO Lusaka Office, Zambia
- **Date project ends:** January 2014 to June 2017
- **Donor: country and budget US\$** Government of Flanders, € 3,305,000
- **Evaluation Manager:** Sipho Ndlovu
- **Key Words:** Sustainable enterprises, decent jobs, youth, women,  
innovations, business development services

This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office

## Acronyms and Abbreviations

BCCI	Bloemfontein Chamber of Commerce and Industries
BDS	Business Development Services
BDSP	Business Development Service Provider
BBBEE	Broad based black economic empowerment
BEE	Black Economic Empowerment
CTA	Chief Technical Advisor
DETEA	Department for Economic Development, Tourism and Environmental Affairs
DPW	Department of Public Works
DTI	Department of Trade and Industry
DWCP	Decent Work Country Programme
DFI	Developmental Financial Institutions
EPWP	Expanded Public Works Programme
ETDP	Education and Training Development Programme
FDC	The Free State Development Cooperation
FICA	Flanders International Cooperation Agency
FISA	Free State (SME) Initiative
HoD	Head of Department
HRD	Human Resource Development
ILO	International Labour Organization
MTR	Mid-Term Review
NAFCOC	National African Federated Chamber of Commerce
NGO	Non-Governmental Organization
NPC	National Project Coordinator
NSC	National Steering Committee
NYC	National Youth Commission
NYP	National Youth Policy
NYDF	National Youth Development Framework
SEDF	Sustainable Enterprise Development Facility
SEFA	Small Enterprise Financing Agency
SETA	Sector Education and Training Authority
SMME	Small, Micro, and Medium Enterprises
SME	Small and Medium Enterprises
ToR	Terms of Reference
UN	United Nations
UNDAF	United Nations Development Assistant Framework
UFS	University of the Free State

## **Acknowledgement and Disclaimer**

This Final Independent Project Evaluation of the Sustainable Development Facility for Job Creation in South Africa was prepared by Mr. Tommy Mateo.

The Evaluator would like to sincerely thank the ILO-Country Office – Pretoria for their support during the evaluation mission period and entire preparation of evaluation process. In particular, sincere gratitude go to Mr. Joni Musabayana, Director, ILO (CO Pretoria), Mr. Sipho Ndlovu, Evaluation Manager, Ms. Valerie Flanagan, Chief Technical Advisor (CTA), Mr. Christensen Jens Dyring, Enterprise Development Specialist, Ms. Anjali Patel, Technical Advisor and Ms. Viola Seane, Finance Administrator.

The Evaluator would further like to thank all the respondents interviewed for sparing time from their busy schedules. The Evaluator would like to state that the views expressed in this report are those of the Evaluator. Any misrepresentations that may be found in the report are entirely the responsibility of the author.

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## **Executive Summary**

### **A. Introduction**

#### **i. Programme Background and Rationale**

The Sustainable Enterprise Development Facility (SEDF) was aimed at promoting the creation of decent jobs for youths and women through supporting mindset change towards entrepreneurship and development of small and medium enterprises (SMEs) in sectors with high employment growth potential. The project was implemented in Free State and Kwa-Zulu Natal Provinces. It was a EURO 3,305,000 or USD 4,490,489 funded by the Flanders International Cooperation Agency for a period of 36 months (January 2014 – December 2016).

The SEDF project was premised on South Africa being an exceedingly young nation with 60 percent of its population under the age of 35 with an unemployment rate that rose to 25.2 percent in the first quarter of 2013. The project sought to tackle the youth unemployment challenge through a systemic approach.

#### **ii. Programme Objectives**

The overall objective of the project was to promote creation of decent jobs for youths and women through entrepreneurship promotion and development of Small, Micro and Medium Enterprises (SMMEs) in sectors and value chains with high employment creation potential. This was to be achieved through four main outcomes (i) Immediate Objective 1: To nurture a culture of entrepreneurship among young men and women (ii) Immediate objective 2: To improve the enabling business environment (iii) Immediate Objective 3: To better match demand for and supply of business development services (BDS) (iv) Immediate Objective 4: To stimulate innovation, entrepreneurship and sustainable enterprise.

#### **iii. Purpose, Scope and Clients of the Evaluation**

This final evaluation has been conducted in accordance with the technical Cooperation between the Government of Flanders (Flanders International Cooperation Agency) and the International Labour Organization (ILO); and in adherence to the ILO Evaluation Policy provision which stipulates that the project be subjected to an Independent Internal Final Evaluation.

Focusing on the second phase of the project (January, 2014 to June 2017) with more emphasis on the period after the Mid-Term Evaluation, the evaluation serves to two main purposes:

(i) Give an independent assessment of progress of the project across the four outcomes outlined in the programme document; assessing performance as per the anticipated results and indicators of achievement at output, outcome and impact levels; strategies and implementation modalities chosen; partnership arrangements, constraints and opportunities; and

(ii) Provide recommendations and highlight lessons learnt during programme implementation. The primary clients of the evaluation are the Government of Flanders, as the donor of the initiative, the

Government of South Africa, constituents and the ILO Office of South Africa, including the Decent Work Support Team, as the executing agent of the initiative, and the Enterprise Development Department at the ILO's Headquarters.

## **B. Approach and Methodology of the Evaluation**

The evaluation employed a mixed methodology to solicit for data. The major approach used was the review of relevant documents due to the limited timeframe. The other techniques used were interviews with staff in the ILO Office; staff that were once on the SEDF project during implementation; interviews with beneficiaries in Kwa-Zulu Natal (KZN) and Free State (FS); and interviews with stakeholders in Kwa-Zulu Natal (KZN) and Free State (FS). Long distances between place and inaccessible mobile lines were major constraints that affected the response rate. The SEDF Project management team provided an indicative list of persons to be interviewed.

## **C. Main Findings and Conclusion**

### **i. Relevance and Strategic Fit of the Project**

The evaluation found that the SEDF development objective which is to "create decent jobs for youths and women in South Africa through entrepreneurship promotion and SMME development" to be relevant and aligned to the plans, policies and strategies of the government and the ILO frameworks. The objectives are also in line with aspirations of the partners and ultimate beneficiaries. Specifically, the project objective is in line with the National Youth Policy (2015-2010); National Development Plan (NDP, Vision 2030); ILO Programme and Budget (2014-2015); South Africa Decent Work Country Programme (DWCP, 2010-2014); and the Flanders Strategic Development Plan (2012-2016).

### **ii. Validity of Design**

The findings were that the project design was logical and coherent. The development process of the project in its initial form involved wide stakeholder involvement while the re-designing process which was prompted by the reduced budget (70% budget contribution not provided by Government Job Fund) had limited consultation. The project had a clear illustration of the linkages between project results elaborated in a logical framework.

The project logframe had sufficiently formulated and defined indicators that were measurable. However, the evaluation found that the indicators were not disaggregated sufficiently in line with project targets, e.g. age and gender, and that there were no annual targets in line with the annual reporting requirements.

The evaluation found that the project had a robust online document management and dissemination system uploaded with project publications and accessible to the stakeholders, beneficiaries and the general public.

### iii. **Project Progress and Effectiveness**

Over the period of implementation, the project created a total of 811 new jobs representing a 32 percent achievement against a planned project target of 2,500. The evaluation, on basis of available reports and interaction during the evaluation, found that there were a number of reasons for this level of achievement ranging from the re-designing of the project that discontinued and halted the replication of some core project interventions such as the 'startUP&go', a school based programme which would have otherwise inculcated entrepreneurship attitudes in the youths while still in school; collection of job creation data from only the participants who benefited from the 'enterPRIZE Challenge', leaving out other beneficiaries (e.g. Catering); and non-collection of data in the final year of implementation.

The evaluation observed the following achievements by objective:

#### **Immediate Objective 1: To Nurture a culture of entrepreneurship among young men and women**

The evaluation found that there was a 25 percent increase in entrepreneurship intentions of the students of the startUP&go school programme. Related to the intentions of participants, there was a 21 percent increase in entrepreneurship knowledge among the participants. The programme was implemented in 72 schools (12 above the project target) in Free State by a total number of 95 educators trained by the SEDF through 12 different workshops. At the request of the eThekweni Municipality Business Support, Tourism and Marketing Unit, the project provided customized modules of the startUP&go programme in a three-day after school training.

#### **Immediate Objective 2: To improve the enabling business environment for SMMEs to grow and create jobs**

This objective aimed at making the business environment more conducive for start-ups and development of SMEs especially for young people who decide to venture into business once they left school.

The SEDF project conducted the following researchers/studies in order to generate evidence to influence the business environment through structural and policy changes: (i) the implications of National Small Business ACT and its implications for entrepreneurs (ii) the administrative barriers and regulatory costs for SMMEs in the South Africa, completed in 2014 (iii) Smaller research investigation into the viability of the restaurant sector in Bloemfontein conducted by CUT (iv) Renewable energy sector and enterprise development strategy for the Free State (2 joint researches by FS Department of Economics, Small Business Development, Tourism and Environmental Affairs) (v) Formative research with the Matjhabeng Municipality for the development of a Tourism and Marketing plan. (vi) The Cost of Red Tape – An Assessment of Administrative Barriers and Regulatory Costs for SMEs in South Africa conducted with the Department of Small Business Development (DSBD) in collaboration with the Department of Cooperative Governance (DoCG) and South African Local Government Association (SALGA).



**Immediate Objective 3: To better match demand and supply of business development services (BDS)**

The aim of this objective was to ensure that BDS providers develop and bring to the market services that meet the needs of emerging and established entrepreneurs. To facilitate this, the evaluation found that the SEDF had developed a SMMEs database that would provide information on the entrepreneurs that were in a given area and their sub-sector of focus. The database also had a provision for interested emerging and existing entrepreneurs to register and participate in available business plan competitions. The priority sectors of for competitions were selected in stakeholder dialogue meetings facilitated by the SEDF.

The evaluation observed that the SEDF project had reached 73 percent of the planned target of 1,500 with innovative BDS using the SMME online database.

**Immediate Objective 4: To stimulate innovation, entrepreneurship and sustainable enterprise development**

The aim of this objective was to stimulate innovation and business ideas among emerging and established entrepreneurs through business plan competitions for young men and women.

The overall Objective 4 achievement on "number of business start-up and/or expansion" was 48 percent of the planned project target of 1000. The target for this objective was not met at the time of the evaluation.

**iv. Project Response to the Mid-Term Evaluation Recommendations**

The project endeavored to address most of the recommendations from the Mid-Term Evaluation which aided in achievement of project set targets through re-designing to more innovative and cost-effective strategies.

<b>Recommendations from the Mid-Term Evaluation</b>	<b>Management Response</b>
Some aspects of project strategy has shifted with the introduction of more advanced technological capabilities of the project, including the establishment of the SMME Database and the development of e-learning modules; therefore, systems should be redesigned to accommodate less-educated people.	<ol style="list-style-type: none"><li>1. Paper copies of the registration form and consent form were provided at all workshops and thereafter entered.</li><li>2. The e-learning modules are able to be easily projected to a group of people without having to have each person have access to a computer</li><li>3. Some aspects of the project strategy remained on encouraging use of technology as this in the longer run will be most sustainable and empowering for all</li></ol>
The enterPRIZE challenge should have mentoring for about two years.	<ol style="list-style-type: none"><li>1. The project made efforts to provide mentorship for at least 6 months due to budget constraints this could not be provided for all challenges.</li></ol>
The ILO project management should develop a stakeholder management plan especially in the Free State.	<ol style="list-style-type: none"><li>1. The evaluation found that the relationship with government department had improved despite the constant turnover of contact persons, for instance, at the time of the evaluation there was an acting Director in the</li></ol>

Recommendations from the Mid-Term Evaluation	Management Response
	Department of Social Development as the substantive Director had vacated the position. This also contributed to the inconsistent holding of NSC meetings.
The ILO project management should convene a stakeholder workshop to consider the draft M&E framework, agree on baseline and targets for all the project outcome and output indicators, take stock of achievements.	1. The project was re-designed in terms of strategy but not with particular focus on target indicators etc. The stakeholder workshop did not take place.
In order to improve project interventions the ILO should: i) mobilize additional funds from ii) strengthen the project staff capacity at provincial level	1. The ILO spearheaded the support for securing EU funding for the DSBD 2. The ILO spearheaded the partnership building with Private sector that also helped contribute financial and non-financial resources. 3. Two (2) interns were recruited in 2017 (one based in KZN and one based in Gauteng providing support to the National DSBD as well as provincial Free State Government). These were directly financed by the donor hence leveraging lean project resources.

**v. Effectiveness of Management Arrangements**

The evaluation observed that the management structure planned by a Chief Technical Advisor (CTA) was well thought out. However, some of the position were either never filled on or experienced high staff turn-over. The evaluation also noted that there was need for comprehensive handover notes in an event of staff exiting for both the project and partners for more effective continuation through better understanding of the project objectives and activity implementation. Engagement of International Interns covered under the donor budget helped improve operations specifically in KZN. Further, there was need for more interaction between senior project management staff and partners in the provinces to manage relations in order for ease of activity implementation.

**vi. Project Impact Orientation and Sustainability**

The project has high potential of achieving impact beyond the projects shelf-life in that it was entrenched in existing government structures and collaborated with like-minded private and NGO partners that had related objectives. Capacity building of partners as BDS providers entailed that they could provide training even after the project ended. The adoption of the SMME database by the DSBD with its intention to make it a nationwide database was a major sustainability achievement of the project. With the development of the e-learning modules project initiatives will continue to provide new and existing businesses gain business knowledge as well as certification freely. Further, through

collaboration with legal entities, the innovative ideas from the youth competitors were patented.

#### **D. Conclusion**

The project demonstrated the effectiveness of strategic targeting of beneficiaries; engagement of and partnering with likeminded entities both private and public, financial and non-financial sector players; and the importance of consulting in the selection of priority sectors for buy-in and collaborative implementation of activities. As such, the project was implemented with credibility, resulting in achievement of most of its planned results despite adverse changes to the original resource basket. The findings revealed that there was a bias to females going by the sampled respondents at beneficiary and partner level while sexual orientation seemed to have been taken into consideration in respect of the society but this could not be verified statistically.

#### **E. Lessons Learnt**

- i. It was learnt that circumstances outside the influence of project management team may adversely affect efficient and effective planned project implementation. In this particular instance, the reversal by a stakeholder providing their proportion of funding.
- ii. The project learnt that there is need to put in place a follow-up mechanism for the beneficiaries in order to trace them and measure impact of implementation. A case in point was the challenge faced with tracing participants in the startUP&go after they completed school. The reported impact was most likely an underestimation of the overall project impact.
- iii. Management of relations between project management team and partners for efficient implementation of activities was essential. The variations in the two implementing provinces provided lessons of how relations affect project implementation and oversight.
- iv. Entrepreneurship capacity building and mentorship of youths and women participating in project was essential for sustainability, income generation and job creation. Clear expectations and full-support package need to be communicated up front.

#### **F. Good Practices**

- i. Relevance of the project design to relevant government strategies and priority areas played a vital role towards government buy-in much easier. It further made the private sector to also support the programmes as they were aligned to their needs in the respective areas.
- ii. Management of relations between project management and partners for efficient implementation of activities was essential. The variations in the two implementing provinces provided lessons of how relations affect project implementation and oversight.
- iii. Internet platforms forms provide a broad means of project awareness reach of the project activity.
- iv. Embedment of project activities in structures such as government departments and partner institutions for sustainability which resulted in the possibility of government's willingness to take up the project's online SME registration database to its rollout nationwide.

## G. Recommendations

1. **To the ILO:** There is need for the steering committee meetings to be held to provide oversight on project activities. One of the identified bottlenecks for not holding the meetings was the management of relations between the NSC members and project staff. To counter this, it is recommended that the chairing of the NSC be on a rotational basis and more frequent communication between the CTA and the chairperson of the moment.
2. **To the ILO:** Need to subdivide targets into annual milestones for intermediate corrective measures as opposed to having life of the project targets while the reporting cycle is annual. This makes it difficult to visualize performance against targets at shorter intervals.
3. **To the ILO:** The monitoring instruments used for data capture should be developed and shared for project managers to know how and what is captured at any given time. The tools would also aide in data disaggregation for youth and women which are the project ultimate targets.
4. **To the ILO, the Donor:** There is need to sign clear MOUs with all partners sponsoring the competitions. This is important for accountability and role clarification. This would ensure that commitments made to the winners are honored. In the same light, the winners and runners-up need to be informed of the prizes at the start of the competitions.
5. **To the ILO and Partners:** Participants in the competitions should be clear on what is expected of them and what is expected from the organizers. This includes the amount of time for mentorship and time to be spent in an incubator.
6. **To the ILO:** Projects need not start or continue before signing an agreement and allocation of funds. This way planned activities would not be changed after a project. The Project strategies and spread was negatively by the withdrawal of the larger percentage of the budget (70%). The re-design had limited oversight of the NSC which hardly met.
7. **To the ILO:** Unless there is adequate secondary data for benchmarking, projects should endeavor to have a baseline against which progress can then be measured.
8. **To the ILO:** Planned Staff recruitment need to be done on time including replacement of staff. This would enhance efficiency by avoiding overburdening lean staff. Systematic handover of both documentation and activity responsibility need to be in place for easy follow-up and continuity.
9. **To the ILO:** Where the CTA is not located where most of activities occurs, there is need to either increase the frequency of partner engagement missions or rotational/temporal stationing of the CTA. This would improve management of activities and improve partner relationship.
10. **To the ILO:** Lobby for the Inclusion of the startUP&go programme into the regular school curriculum. This would increase the possibility of sustainability and broaden the reach to the beneficiaries.

11. ***To the ILO:*** Affirmative gender strategies need to be explicitly defined, implemented and consistently reported on. This should be based on gender participation differentials for equity.

# 1. Introduction

## 1.1 Background and Justification

The Sustainable Enterprise Development Facility (SEDF) was aimed at promoting the creation of decent jobs for youths and women through supporting mindset change towards entrepreneurship and development of small and medium enterprises (SMEs) in sectors with high employment growth potential. The project was aligned to the results of the Free State SME Development Initiative and an extension of the initiative to Free State (FS) province as well as to Kwazulu Natal (KZN). The SEDF project was premised on South Africa being an exceedingly young population with 60 percent under the age of 35 with an unemployment rate that rose to 25.2 percent in the first quarter of 2013. This translated into 4.5 million people who could not get employment. The youth - defined as those between 15-35 years - accounted for 75 percent of the unemployed which represented a national youth unemployment rate of 36.1 percent.

The project sought to tackle the youth unemployment challenge in a systemic approach that links support interventions aiming at entrepreneurship culture promotion; policy and regulatory reforms and micro-level small business development support. This was implemented through partnering with public and private stakeholders.

## 1.2 Project Objectives and Expected Results

The development objective of the Sustainable Enterprise Development Facility (SEDF) for South Africa was to promote creation of decent jobs for youths and women in FS and KZN provinces through entrepreneurship promotion and development of Small, Micro and Medium Enterprises (SMMEs) in sectors and value chains with high employment creation potential. The creation of jobs and enterprises within these sectors was to be achieved through a strengthened collaboration between private and public sector partners to identify gaps in the market where real business opportunities lied.

The immediate project objectives were:

- ❖ **Immediate Objective 1:** To nurture a culture of entrepreneurship among young men and women (*Meso*)
- ❖ **Immediate Objective 2:** To improve the enabling business environment (*Macro*)
- ❖ **Immediate Objective 3:** To better match demand for and supply of business development services (BDS) (*Micro*)
- ❖ **Immediate Objective 4:** To stimulate innovation, entrepreneurship and sustainable enterprise development

Adhering to the project theory of change, the project formulated the following outputs that would result in the achievement of the above results/immediate objectives:

**Outputs contributing to Immediate Objective 1:**

**Output 1.1:** Young people and learners in secondary schools have accessed practical and experiential entrepreneurship education to nurture their entrepreneurial talent

**Output 1.2:** Enterprising teachers in the Free State have delivered experiential and practical entrepreneurship education

**Output 1.3:** Young people have been exposed to entrepreneurship promotion culture campaigns for economic growth and job creation

**Outputs contributing to Immediate Objective 2:**

**Output 2.1:** Research to inform evidence based advocacy has been undertaken and disseminated

**Output 2.2:** Public and private stakeholders have jointly identified constraints in provincial business environments to business development and job creation

**Output 2.3:** Stakeholders have jointly addressed the identified constraints and implemented activities to improve the business environment

**Output contributing to Immediate Objective 3:**

**Output 3.1:** Priority sectors with growth potential have been identified and this will have informed the design of BDS provision to entrepreneurs

**Output 3.2:** A cost-effective system to encourage “self-learning-driven” BDS will have been developed, which will enhance training offered by BDS providers with innovative and market driven non-financial BDS

**Output 3.3:** BDS providers have delivered BDS to emerging and established entrepreneurs in provincial growth priority sectors

**Outputs contributing to Immediate Objective 4:**

**Output 4.1:** Information about business development and job creation opportunities in sectors and value chains has been made available to entrepreneurs

**Output 4.2:** Entrepreneurs have developed business ideas and business plans in response to identified opportunities

**Output 4.3:** Entrepreneurs have accessed financial and non-financial support and after care to create jobs in their businesses

### 1.3 Target Beneficiaries

The Sustainable Enterprise Development Facility targeted groups in the macro, meso and micro environment representing actors in policy making, institutional actors in the BDS provider and school environments, and learners and entrepreneurs in the market environment respectively.

**Immediate beneficiaries**

Immediate beneficiaries/stakeholders are institutions capacitated by the project to in turn capacitate the ultimate beneficiaries or who have a role in influencing how they are reached:

- Department of Trade and Industry (policy and strategy)
- National Department of Basic Education (policy and strategy)
- Provincial Offices of the Premier (policy and strategy)
- Executive councils of provincial governments (policy and strategy)
- Provincial department for Economic Development (strategy and direct services)
- Provincial departments for Education (strategy and direct services)
- Provincial universities (research & advocacy)
- Employers' organisations (advocacy and direct services)
- Workers' organizations (advocacy and direct services)
- BDS providers and consultants (direct services)
- Schools (direct services)

Most of the immediate beneficiaries are also the key development partners of the project, which means that these partners, on the one hand, receive capacity development support from the ILO and, on the other hand, are also key to the success of the project with regards to meeting the development objectives and reaching the outcomes. At national level the department for trade and industry (DTI) was the national implementing partner whereas at the provincial level implementing partners were the Offices of the Premier and the Departments for Economic Development, Education and Social Development.

### **Ultimate beneficiaries**

The ultimate beneficiaries of the initiative are:

- Potential, emerging and established entrepreneurs – men and women - who wish to start or expand their business to create jobs
- Unemployed youth who wish to start a business, but lack the skills, capacity and funding to do so
- Male and female secondary education learners/in-school youth who participate in the startUP&Go programme
- Male and female university students who wish to start a business upon graduation
- Out-of-school young men and women who wish to start a business (including learners who have received entrepreneurship education upon their entry into the labour market)

The aim was to reach out to young people by providing access to business development and employment channels found through the growth of SMEs and linkages to the private sector (through partnerships forged through the Challenge and other similar initiatives). These young people will also be better informed through more intensive communication of business opportunities through various electronic media channels. First, connection will have been made when they are still at school for those participating in the StartUP&Go entrepreneurship education modules and, secondly, youth will be encouraged to seek financial and non-financial business development services through other ILO programmes, as well as those of the initiative's partners. Partnerships with universities in the targeted provinces will also result in increasing numbers of



young graduates gaining access to information relating to starting up a business and receiving more relevant market intelligence to inform their business ideas.

## **1.4 Project Management Arrangements**

The day to day operations of the project were led by an International Chief Technical Advisor (CTA) supported by two (2) NPC, an M&E Officer and a Finance and Administrative Assistant (FAA). The CTA, M&E Officer and the FAA were based in the Pretoria Office whereas the 2 NPCs were based in the Free State and KZN. The initial recruitment plan of the project was to recruit 2 FAA and 2 Project Administrative Assistants that would be supporting the 2 NPCs. These were to be based in the provincial offices of KZN and the Free State. The evaluator observed that the recruitment had not been done. In place of that, however, the project engaged 2 interns which was more cost effective owing to budgetary constraints that the project experienced. The 2 interns were both placed in KZN.

The project governance was to be guided by a National Steering Committee (NSC) with members from the following institutions:

- DTI
- ILO
- Offices of the Premier
- NEDLAC
- Flanders Government

The NSC Chaired by the DTI was scheduled to meet every 6 months in Pretoria at the DTI or ILO Offices. The role of the NSC was to governance oversight to guide the implementation of the project based on information and evidence of progress in implementation presented to the committee by the CTA and the project team.

## **1.5 Purpose and Scope of the Evaluation**

### **Purpose**

This final evaluation has been conducted in accordance with the technical Cooperation between Government Flanders (Flanders International Cooperation Agency) and the ILO; and in adherence to the ILO Evaluation Policy provision which stipulates that the project be subjected to an independent internal final evaluation.

Focusing on the second phase of the project, the evaluation assessed progress made towards achieving the recommendations of the project's Mid-Term Review (MTR), the relevance of the project objectives and approaches, establish how far the project achieved its planned outcomes, its efficiency and effectiveness, and whether it is likely to have a sustainable impact.

To this end, the evaluation:

- i. Gave an independent assessment of progress of the project across the four outcomes outlined in the programme document; assessing performance as per the anticipated

- results and indicators of achievement at output, outcome and impact levels both intended and unintended; strategies and implementation modalities chosen; partnership arrangements, constraints and opportunities in South Africa;
- ii. Provided recommendations and highlight lessons learnt during programme implementation.

### **Scope**

The independent internal final evaluation reviewed the outcomes of the project with particular attention to synergies across components. This included a review of the key outputs produced since the MTR and evaluated:

- Progress made towards achieving the project outcomes (as reviewed in the MTR)
- Quality of outputs in the project period
- Internal and external factors that may have influenced project implementation during the period
- Management and coordination of the project, including staff management

## **1.6 Clients of the Evaluation**

The primary clients of the evaluation are the Government of Flanders, as the donor of the initiative; the Government of South Africa; constituents and the ILO office of South Africa, including the Decent Work Support Team, as the executing agent of the initiative; and the Enterprise Development Department at the ILO's Headquarters. As such, the ILO office, the tripartite constituents and other parties involved in the execution of the project may use, as appropriate, the evaluation findings and lessons learned.

## **2. Evaluation Approach and Methodology**

The evaluation followed the OECD-DAC criteria (relevance and strategic fit, validity of design, effectiveness, results and sustainability) for evaluating development projects. Key evaluation questions, framed around these criteria are provided in Annex 3 of this report were used to collect information and data and to analyse the findings. The key methods used in this evaluation includes desk review of relevant documents and included consultations with ILO management and project staff, implementing partners, beneficiaries and other key stakeholders.

### **Desk Review**

A desk review involved analysing the project progress reports, mid-term evaluation report, project assessment reports, government documents, national and international frameworks and other documentation provided by the project management team. Other documents were provided by partners and field staff in KZN and FS. The review of the secondary documentation were triangulated with the interviews of the selected beneficiaries and selected partners. It must be pointed out that the evaluation was heavy on review of documents as person interviews were limited due to inadequate time and non-availability of target respondents. Despite this, cross triangulation was done with project staff, partners and the few beneficiaries that were interviewed.

### **Interviews with ILO staff**

The evaluator undertook individual interviews with ILO staff, including project staff. The evaluator interviewed key ILO staff responsible for project management, finance, and technical backstopping of the facility in ILO Pretoria, KZN and FS. An indicative list of persons to be interviewed was provided by the project management team.

### **Interviews with key stakeholders in Pretoria and other project regions**

A first briefing and discussion was held with the project management in Pretoria prior to interviews with the relevant stakeholders selected by the SEDF project team from Pretoria, KZN and the FS.

The evaluation mission could not carry out adequate in-depth key informant interview due to short time and long distance between the respondents. The essence of the interviews was mainly to triangulate findings from the review of secondary data. Telephonic interviews were also used where possible. The interview guide that was used is attached as an appendix 8.3. The list of persons interviewed/consulted is provided in annexure 7.2

### 3. Main Findings

This section outlines the main findings of the evaluation based on interviews, observations and literature review in line with the ToRs aligned to the evaluation criteria addressing relevance and strategic fit, validity of design, project performance and effectiveness, effectiveness of management arrangements, efficiency of resource use, impact orientation and sustainability. The findings also cover management response to the recommendations made in the mid-term evaluation.

#### 3.1 Relevance and Strategic Fit of the Project

The evaluation assessed relevance and strategic fit with regards to the socio-economic needs of the ultimate beneficiaries and alignment to national and international frameworks, strategies and policies. It further assessed relevance with regards to alignment to donor requirements as stipulated in the Flanders Government Development assistance strategy.

As a first step in ensuring relevance and alignment to the socio-economic needs, the selection of geographic areas and priority subsectors were informed by a number of assessments carried out by the project management team and experience from the first phase of the project implementation that fed into the second phase. The project focus subsectors was found to be in line with provincial government priority areas. Whereas there was strong evidence of government involvement in the selection process, other tripartite partners such as trade unions were not as visible.

##### 3.1.1 Socio-Economic needs of the Target Beneficiaries

The evaluation found that the project's overall objective were and remain relevant to the needs of the intermediate and ultimate beneficiaries. This was evidenced through literature review and primary data from the different categories of beneficiaries. It was evident from the beneficiary interviews that the specific interventions they participated in or that the partners supported were relevant to their needs and aspiration as the verbal quotes below show. **Verbal Quotes** from interviews:

*"The absence of the ILO SEDF project is bound to leave the department somewhat incapacitated in that it brought in resources and expertise especially for the much needed capacity building. The project had the ability to bring different partners on board to support competitions and eased bureaucratic hurdles inherent in our government departments. The SEDF project changed our mode of funding youth projects from the previous one where submissions were made in an adhoc manner to funding based on competitiveness of the projects. It was a project endorsed by Members of the Executive Council (MEC) and the HODs who still indicate willingness to continue partnering with the ILO. The project has supported youths and given confidence with some creating jobs for fellow youths"*

- **A Senior Officer at The Department of Social Development**

*"I have improved my catering skills through the project which mentored me and took me to Focus Cooking School where I obtained a Diploma in Cratering. Upon completion I started my own registered catering business. I supply cakes and other bakery productson order. This provides me with an income to sustain myself. I even employed my mother who is now happier as she receives a salary at the end of the month. I knew about the competition through the online database"*

**-Nombusa: Master Caterers Winner-Durban**

### **3.1.2 Alignment to National Frameworks and other Strategies and Plans**

The project was to a large extent strategically aligned to the priorities of national and regional priorities primarily those aimed at addressing the economic challenges that the youths and women face. The projects result areas at all levels and its development objectives resonated with those outlined in government plans. With youth employment creation at the center of the government's development agenda, the project through its focus on youths directly aligned to government priorities.

### **3.1.3 Alignment to the National Youth Policy (2015-2020)**

The SEDF is directly aligned to objective 3 "to build the capacity of young people to enable them to take charge of their own well-being by building assets and realizing their potential". This objective is further supported by policy proposals 7.1 on economic participation and transformation and 7.2 on education, skills and second chances. The two policy proposals would ultimately result in youth absorption into economic activities which is also core to the SEDF.

### **3.1.4 Alignment to National Development Plan**

The evaluation found that the project was aligned to the National Development Plan which has five key elements. The project was directly aligned to element 3 "Decent jobs for sustainable livelihoods" falling under Chapter 3 Economy and employment in the NDP<sup>1</sup>. The project further supports Presidential Outcome number 4 "Decent employment through inclusive economic growth"<sup>2</sup>. This Outcome recognizes that there is high levels of unemployment that need to be addressed especially among the youth and marginalized.

The project was also aligned to the Provincial Growth Development Strategies (PGDS). The two PGDS prioritise job creation. In KZN the PGDS priority areas were the basis for the selection of the project interventions using the competition challenge models, for instance the Master Caterers Challenge, Design Challenge and the Responsible Tourism Challenge.

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<sup>1</sup> National Planning Commission, National Development Plan 2030, 2011.

<sup>2</sup> The Presidency Strategic Plan 2015-2020

### **3.1.5 Alignment to the ILO Programme and Budget (P&B) 2014-2015**

The evaluation found that the project objectives and activities are aligned to ILO P&B Outcome 3: Sustainable enterprises create productive and decent jobs. Specifically, the project was aligned to Outcome indicators 3.1 "Number of member states that , with ILO support, reform their policy or regulatory frameworks to improve the enabling environment for sustainable enterprises"; Outcome indicator 3.2 "Number of member states that, with ILO support, implement entrepreneurship development policies and programmes for the creation of productive employment and decent work"; and Outcome indicator 3.3 "Number of member States that, with ILO support, implement programmes to foster the adoption of responsible and sustainable enterprise-level practices.

The overarching aim of the strategy is to enable the ILO Members to support the development and growth of SMEs and cooperatives that are productive and competitive, create decent work for women and men, and contribute to social inclusion and sustainable development. The enterprises development strategy rests on three mutually supportive building blocks: (1) an enabling environment which in the SEDF project resonates with the second immediate objective (2) entrepreneurship and business development which in the SEDF project is aligned to objective four on stimulation of innovation, entrepreneurship and sustainable enterprise development; and (3) responsible workplace practices. It focused on creating an enabling environment for sustainable enterprises; and productivity and working conditions for SMEs. The strategy is founded on relevant international labour standards including the job creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189) and the Promotion of Cooperatives Recommendation, 2002 (No. 193) and guided by the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

### **3.1.6 Alignment to the Decent Work Country Programme (DWCP)**

The project overall development objective is aligned to DWCP Outcome 4 "Sustainable and competitive enterprises (including cooperatives) create productive and decent jobs especially for women, youth and persons with disabilities. The related outputs are: (1) Output 4.1: Facilitated access by SMMEs to markets. In the SEDF project, this is aligned to immediate objective 3 "To better match demand and supply of BDS. (2) Output 4.2: Support for a coherent and enabling policy environment for promotion of sustainable enterprises. This output specifically speaks to Immediate Objective 2 of the SEDF project. (3) Output 4.3: Support for the upgrading and promotion of social economy enterprises (including cooperatives) (4) Output 4.4: Support for the growth of rural based small and medium scale businesses.

### **3.1.7 Alignment to the Flanders Strategic Development Plan**

The evaluation found that the project was aligned to the objectives of the Development Cooperation of the Government of Flanders signed in August 2001 whose overall aim is to

contribute to poverty reduction and socio-economic development in developing countries. Specifically, the project was aligned to the objective on Job creation through small enterprise development in the “Country Strategy Paper II, Development Cooperation between Flanders and South Africa (2012- 2016)”. Emphasis is on facilitating access of the marginalized and poor to labour market by means of promotion of decent work, skills development, entrepreneurship training, and the promotion of small enterprise development. Further, the project’s geographical location was stipulated in the strategic paper based on the degree of poverty, HDI and size of rural population.

## **3.2 Validity of Project Design**

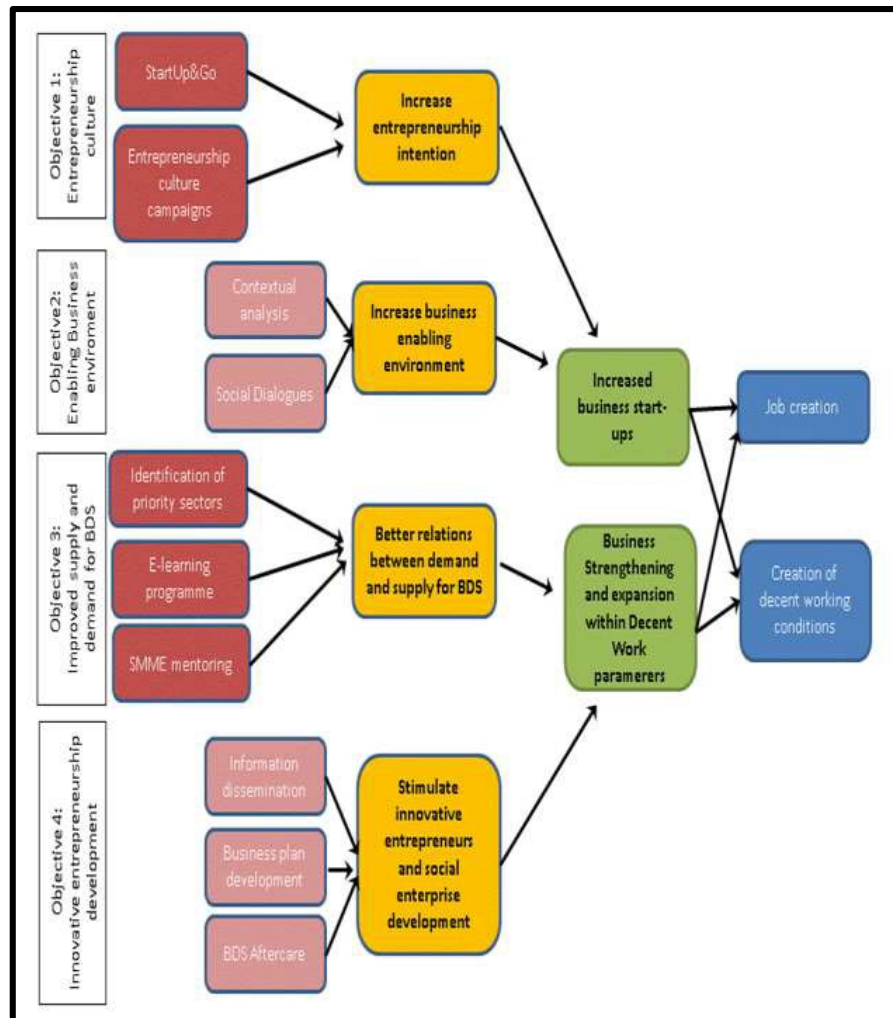
### **3.2.1 Logic of Design**

The evaluation found that there are clear and logical cause-and-effect linkages from activity to the projects development objectives presented in the project logical framework. The project logical framework has at each level of results, i.e., output, outcome and impact level, clearly defined indicators of measurement and targets. The indicators in the logical framework illustrate cause and effect relationship from inputs to outputs and on to immediate objectives and finally to the development objective of the project.

The four immediate project objectives are adequately defined and related synergies between each link elaborated. Further, for each of the objectives, contributing outputs are outlined with the required activities to undertake in order to achieve results. With a robust measurement and feedback system coupled with efficient implementation, managers and implementing partners would achieve desired results.

This cause-and-effect relationship is elaborated in the diagrammatic presentation in the Figure 1 below:

**Figure 1**



The evaluation found that one critical path of the theory of change, the startUP&go programme, that was aimed at mindset change of youths that were still in school had to be discontinued due to budgetary constraints that was to a large extent a negative externality to which the project management had little control over. This was mitigated through redesigning of the project to more cost effective approaches to reach out to the youths for entrepreneurship mindset impartment such as the introduction of the e-learning module. This was accompanied by hard copy based modules to reach out to potential beneficiaries who did not have access to e-learning modules. The SEDF partners also conducted road shows to reach out to potential beneficiaries. These innovative and cost effective approaches to a large extent countered the lack of continuation and replication of the startUP&go programme specifically in KZN. The e-learning modules provided an opportunity for one to obtain online certification to run and grow a business.

### 3.2.2 Indicators for M&E

As acknowledged in the previous section, the project had a logical link from the outputs to outcomes and finally to the impact or development objective of the project which is to create 2,500 jobs that meet basic standards of decent work. The project theory of change in this sense was clear



with measurable indicators at each level. The evaluator, however, observed that the project did not have a comprehensive baseline to inform the benchmarking for measurement of progress that would inform management for evidence based decision making. To some extent though, it was viewed that the second phase utilized data from the first phase to inform the design and setting of benchmarks of measuring progress. The source of information included assessment reports and monitoring reports. Despite this, most of the indicators did not have baseline values for measuring achievements made over the project implementation period. Further, there were no annual targets indicated to provide an insight of performance in the shorter term for remedial measures where needed.

The project relied on an annual reporting system for assessment of progress for the majority of the indicators and in some cases periodic assessments for what were considered higher outcome/impact indicators such as the number of jobs created and improved. A review of the project annual reports showed that data was not adequately disaggregated. For interventions that were implemented in both provinces, such as the enterPRIZE Challenge programme, data should have been disaggregated by region to allow assessment of progress or the lack of it by region for effective management decision making. Further, since the project focus was on the youths and women, the data should have been disaggregated as such to measure the progress direction with respect to project focus. Data provided in the annual reports, only provided aggregate results. The evaluation also found that there were hardly any elaborate data collection tools which could have been used for consistent data collection from the different regions.

As indicated above, the project logframe had sufficiently developed indicators that were measurable. The evaluation however found that some of the project indicators stated incoherent units of measurements between the actual units in the logframe and those in the achievement reports e.g. some indicators stated an absolute number whereas the results of achievements were recorded as percentages. In the absence of baseline data, as was the case in most of the indicators, this had the potential of not providing information that could be useful for management decision making. The evaluation found that the project online document management and dissemination system had most of the relevant publications and studies conducted uploaded and accessible to stakeholders, beneficiaries and the general public.

### **3.3 Project Progress and Effectiveness**

The overall development objective of the project is to promote the creation of 2,500 decent jobs for men and women through entrepreneurship promotion and development of Micro, Small and Medium Enterprises (MSMEs) in sectors and value chains with high employment potential. This section provides an assessment of project performance with respect to the set targets under the four immediate objectives.

As this is an end of project evaluation, more time was taken to interrogate outcome and impact level results while the lower level results were referenced to explain the achievements or the lack of achievement of set targets of the higher level results.

### 3.3.1 Progress made towards the achievements of higher outcomes

Over the period of implementation the project created 811 new jobs representing a 32 percent achievement against a planned project target of 2,500. The evaluation found that there were a number of reasons for the level of achievement ranging from the re-designing of the project that discontinued StartUp&Go school based programme which would have otherwise inculcated entrepreneurship attitudes in the youths while still in school; collection of job creation data from only the participants who benefited from the enterPRIZE challenge; and non-collection of data in the final year of implementation. Similarly, the number of start-ups was 566(57 percent) which refers only to the enterPRIZE Challenge participants leaving out the other beneficiaries for instance the e-learning beneficiaries who have started-up businesses.

Project Indicator	Life of the Project Target	Cumulative Achievement	Percentage Completed
<b>Development Objective:</b> To create decent jobs for men and women in South Africa through entrepreneurship promotion and MSME development			
Number of jobs created	2,500	811	32%
Number of start-ups supported	1,000	566	57%
Percentage increase in job quality improvement conditions	62%	NA	

**Immediate Objective 1:** To Nurture a culture of entrepreneurship among young men and women

The implementation strategy was to target young men and women while they are still in school and expose them to experiential entrepreneurship education. The goal was to improve their attitudes towards entrepreneurial intentions (promotion of entrepreneurship culture at meta-level).

According to the SEDF annual reports reviewed, it was found that there was a 25 percent increase in entrepreneurship intentions of the students of the StartUp&Go school programme. Related to the intentions of participants, there was 21 percent increase entrepreneurship knowledge among the participants. The programme was implemented in 72 schools (12 above target) in Free State by a total number of 95 educators trained by the SEDF in 12 different workshops. At the request of the eThakwini Municipality Business Support, Tourism and Marketing Unit, the project provided customized module of the startUP&go programme in a three-day after school training.

However, despite the demand as indicated above and noted importance of mindset change towards entrepreneurship, the startUP&go school programme could not be implemented in Kwa Zulu Natal due the limited financial resources which resulted from the non-release of 70 percent of budget funds committed by the government. The evaluation found that tracing participants especially after graduating proved to be very difficult resulting in difficulties to measure the impact

of the programme in terms of new start-ups and ultimately new jobs created. The planned replication of the programme coupled with a well-designed system of tracing beneficiaries would have created an essential pool of would-be entrepreneurs for employment creation and sustainability.

Project Indicator	Life of the Project Target	Cumulative Achievement	Percentage Completed
<b>Immediate Objective 1:</b> To Nurture a culture of entrepreneurship among young men and women			
% increase in entrepreneurial intentions of learners	50%	92% (Baseline 67%)	25%
% improved awareness of the merits of entrepreneurship	50%	52% (31% baseline)	21%

**Immediate Objective 2:** To improve the enabling business environment for SMMEs to grow and create jobs

This objective aimed at making the business environment more conducive for start-ups and development of SMEs especially young people who decide to venture into business once after they completed school. The project strategically generated evidence through research to influence policy change, thereby created a conducive policy environment within which start-ups and existing business can thrive and create jobs. The evaluation found that the project had conducted the following researches:

- The implications on National Small Business ACT and its implications for entrepreneurs
- The administrative barriers and regulatory costs for SMMEs in the South Africa, completed in 2014
- Smaller research investigation into the viability of the restaurant sector in Bloemfontein conducted by CUT
- Renewable energy sector and enterprise development strategy for the Free State (2 joint researches by FS Department of Economics, Small Business Development, Tourism and Environmental Affairs)
- Formative research with the Matjhabeng Municipality for the development of a Tourism and Marketing plan.
- The Cost of Red Tape – An Assessment of Administrative Barriers and Regulatory Costs for SMEs in South Africa conducted with the Department of Small Business Development (DSBD) in collaboration with the Department of Cooperative Governance (DoCG) and South African Local Government Association (SALGA).

The evaluation found that despite most of these studies having been done in the later period of project implementation vis vie the long time frame that policy adoption and implementation take, the strategic partnering with key stakeholders including policy makers in conducting the researches provides ownership and a high likelihood of incorporating the findings that would result in conducive policy environment after the completion of the project. This is also against the background that the project has minimal influence on actual adoption of findings. These studies

have also been disseminated on the project online website for broader access at: <http://www.sedfafrica.co.za/resources>

Project Indicator	Life of the Project Target	Cumulative Achievement	Percentage Completed
<b>Immediate Objective 2:</b> To improve the enabling business environment for SMMEs to grow and create jobs			
Number of joint actions taken by public and private stakeholders	6	10	167%

As can be seen, the target for this objective was exceeded. Similarly all but one of the output targets were exceeded which included the number of joint researches to inform evidence based advocacy, 6 done (target 3); the number of joint actions done was 10 against a target of 6; and the number of dialogue events with public and private stakeholders held 12 against the planned 18.

**Immediate Objective 3:** To better match demand for and supply of business development services (BDS)

The objective intended to ensure that BDS providers develop and bring to the market services that meet the needs of emerging and established entrepreneurs in the sectors that they and also the young people who have been exposed to entrepreneurship education while in school and who therefore are better prepared to access BDS upon their transition from school to the world of work (supporting institution building at the meso level).

The evaluation found that the SEDF had developed an SMMEs database that would provide information on the entrepreneurs that were in a given geographical area and their sub-sector of focus. The database also had a provision for interested potential and existing entrepreneurs to register and participate in available business plan competitions. The priority sectors for competitions were selected in stakeholder dialogue meetings facilitated by the SEDF. Growth economic areas were discussed during these dialogue meeting based of collectively identified challenging areas in the two provinces of FS and KZN. These economic growth areas were aligned to government priority areas. The partners included the government, private sector and the academia. The SEDF project reached 73 percent of the project planned target of 1,500 with innovative BDS using the SMME online database.

Project Indicator	Life of the Project Target	Cumulative Achievement	Percentage Completed
<b>Immediate Objective 3:</b> To better match demand for and supply of Business Development Services (BDS)			
Number of entrepreneurs reached with innovative BDS	1,500	1,095	73%

**Immediate Objective 4:** To stimulate innovation, entrepreneurship and sustainable enterprise development

The objective aimed to stimulate innovation and business ideas among emerging and established entrepreneurs through business plan competitions for young men and women. Initially it mainly targeted those who were exposed to entrepreneurship whilst in schools. The winners and runners-up would then be provided with BDS and financial support. From a total of 592 applications received, 306 applications were funded for winners and runners-up. These were against targets of 4,500 and 450 respectively showing that at the time of the evaluation the targets were not achieved. The evaluation, however, found that there was high interest in participating in the challenges going by the high number of hits recorded on the website, 1,900,000 against a target of 1,500,000.

Project Indicator	Life of the Project Target	Cumulative Achievement	Percentage Completed
<b>Immediate Objective 4:</b> To stimulate innovation, entrepreneurship and sustainable enterprise development			
Number of Business start-up and/or expansion	1,000	475	48%

From the table above, the overall objective achievement was 48 percent new start-ups/expanded businesses of the planned project target of 1000. The target for this objective was not met at the time of the evaluation.

**Negative factors that influenced project performance:**

- a) **Limited support from the Government:** The government promised to co-fund the SEDF through the Job Fund to cover 70 percent of the project budget while the Flemish would contribute 30 percent. The government's commitment was never honored and this led to the redesign of the project. Nobly the startUP&go was not replicated in KZN and discontinued in FS. This was further compounded by a \$ 600,000 lost due to foreign exchange transactions from Euro to US Dollar.<sup>3</sup>
- b) **Lack of adherence to commitments by challenge sponsors:** Some of the private sector sponsors of the EnterPRIZE Challenge did not provide the winners with financial and non-financial prize packages thereby affecting their morale and advancement in their areas of entrepreneurship.
- c) **Low staffing levels at Provincial ILO Offices:** The level of staffing at the provincial offices did not meet the planned levels hence burdening the office bearers and this ultimately affected activity coordination. With the FAA stationed in the Pretoria office, the NPC took up the day-to-day administrative work.
- d) **Management of relationship in a high employment turnover environment:** The constant changes among officials in government departments required constant re-engagement to

<sup>3</sup> Figure based on financial reports and Mid-Term Evaluation report.

maintain relations and understanding of project objectives. Most affected was the Department of Economic Development that chaired the Steering Committee. This negatively affected holding of Steering Committee meeting and disrupted implementation of activities. However, at the time of the evaluation the HOD and deputy Director were spearheading the project facilitated activities an indication of positive support.

- e) **Social-Cultural Environment:** Some of the program activities did not take in consideration the societal dynamics in which they were being implemented. This affected participation of some category of potential participants e.g. race and sexual orientation.

#### **Positive factors that influenced project performance:**

- a) **Alignment to Government Priorities:** The Government is committed to addressing the severe youth unemployment challenge, and one of the strategic means to pursue this policy goal is through the promotion of entrepreneurship and small, micro and medium enterprise (SMME) development.
- b) **Overwhelming external support to the SEDF project objectives:** Apart from Government's efforts to address the promotion of SMMEs in the country, other private partners have been active in supporting project interventions.
- c) **ILO's technical interventions:** The introduction of innovative approaches and models that have been brought to bear on the execution of the project, including the establishment of SMME Database and its effective functioning; the introduction of e-learning modules.
- d) **Effective sustainability strategies:** i) Capacity building is inherent in the strategies adopted for project implementation and this is fundamental to sustainability; ii) the ILO strategy in regard to partnership with relevant government departments, private institutions and bodies; iii) the ILO has also strategically integrated its work on SEDF with related projects within the South Africa Decent Work Programme (DWP) which has already been institutionalized, and into the United Nations framework of assistance to South Africa, thereby drawing on the larger structures of Government and the UN for sustained collaboration.
- e) **Credibility attached to the ILO by partners:** This created an easy partnering and willingness of supporting implementation as the ILO was held in high esteem by the partners both public and private alike. The partners indicated that there was efficiency in the way activities were carried when the partnered with the SEDF project.

### **3.4 Project Response to the Mid-Term Evaluation Recommendations**

The evaluation assessed the extent to which the Mid-term evaluation recommendations were addressed. As indicated in the summary table below, the SEDF addressed most of the recommendations. The evaluation found that the management team had to use limited resource to address the recommendations from the mid-term evaluation.

Recommendations from the Mid-Term Evaluation	Management Response
<p>Some aspects of project strategy has shifted with the introduction of more advanced technological capabilities of the project, including the establishment of the SMME Database and the development of e-learning modules; therefore, systems should be redesigned, not only to maintain such platforms and to ensure that these can become sustainable but also to accommodate less-educated people.</p>	<ol style="list-style-type: none"> <li>1. The SMME database took into consideration the limitations in accessing internet and computers and therefore paper copies of the registration form and consent form were provided at all workshops and thereafter entered. The intention is that these forms would also be readily available at local government offices where internet or access to technology is limited</li> <li>2. The e-learning modules are able to be easily projected to a group of people without requiring each of them to have access to a computer</li> <li>3. Some aspects of the project strategy remained on encouraging use of technology as this in the longer run will be most sustainable and empowering for all</li> </ol>
<p>The enterPRIZE challenge process has attracted quite a number of promising young entrepreneurs who have been given access to financial and non-financial business development services. However, there is need for sustained mentoring for about two years to build a solid entrepreneurial orientation and practice among these aspiring young business men and women.</p>	<ol style="list-style-type: none"> <li>1. The project made efforts to provide mentorship for at least 6 months after completion for some of the challenges (one of the Master Caterers and for the Youth Innovation Challenges). Due to budget constraints this could not be provided for all challenges</li> </ol>
<p>The ILO project management should develop a stakeholder management plan that will be more effective in maintaining consistent buy-in especially by government in the Free State for the second half of the project.</p>	<ol style="list-style-type: none"> <li>1. The evaluation found that the relationship with government department had improved despite the constant turnover of contact persons, for instance, at the time of the evaluation there was an acting Director in the Department of Social Development as the substantive Director had vacated the position. This also contributed to the inconsistent holding of NSC meetings.</li> </ol>
<p>The ILO project management should convene a stakeholder workshop at the middle management and operational level within the partner institutions to consider the draft M&amp;E framework, agree on baseline and targets for all the project outcome and output indicators, take stock of achievements to date and to confirm the planned way forward to ensure</p>	<ol style="list-style-type: none"> <li>1. The findings from the MTE were shared electronically and thereafter project re-strategizing was undertaken but not with particular focus on target indicators etc. It was also found that the re-designing of the project did not have wide consultations, for instance, oversight from the NSC. The stake holder workshop did not take place.</li> </ol>

Recommendations from the Mid-Term Evaluation	Management Response
that expectations at this level are realistic and manageable.	
In order to improve the quality and coverage of the delivery of project interventions by the ILO, and in anticipation of possible replication of the SEDF in additional provinces in the country, the ILO should: i) mobilize additional funds from government and private organizations; ii) strengthen the project staff capacity at provincial level by appointing, at least, 1 (one) Project Administrative Assistant (GLevel) or 1 (one) intern each, one in Bloemfontein and one in Durban; these interventions would greatly facilitate the smooth execution of the project by the ILO.	<ol style="list-style-type: none"> <li>1. The ILO spearheaded the support for securing EU funding for the DSBD</li> <li>2. The ILO spearheaded the partnership building with Private sector that also helped contribute financial and non-financial resources.</li> <li>3. Two (2) interns were recruited in 2017 (one based in KZN and one based in Gauteng providing support to the National DSBD as well as provincial Free State Government). These were directly financed by the donor hence saved project resources.</li> </ol>

Addressing of most of the recommendations resulted in better project activity implementation and improved relations with partners. This can be seen from actions such as engagement of International Interns and sourcing of funding from the EU for the SMME database.

### 3.5 Effectiveness of Management Arrangements

The **Project Management Unit (PMU)**, which was responsible for the management of project activities comprised of the Chief Technical Advisor (CTA) who was based in Pretoria, 2 National Project Coordinators initially each based in Bloemfontein and Kwa Zulu Natal. The CTA reported to the Director in the ILO Office in Pretoria while the 2 NPC reported to the CTA. The CTA was technically backstopped by the Senior Enterprise Specialist in the Decent Work Support Team also housed in the Pretoria Office. The evaluation found that for effective management of relations with partners at provincial level, more frequent engagement between the CTA and provincial structure was vital. However, the frequency was found not to be as adequate as required which in some instances affected smooth project relations with partners. The provincial project staff, private and public partners indicated that they preferred more direct engagement with the CTA. More frequent interaction at that level would have improved both the quality and timeliness of implementation.

The plan to engage **2 Project Administrative Assistants** in each provincial office did not come to fruition. This support function was transferred, by default and carried out remotely, to the Finance and Administration Assistant (FAA) who was based in the Pretoria off. The evaluation found that administrative and financial support was provided as and when requested by the NPC based on the provincial office requests. It was further revealed that the support to the NPC was adequately provided and in a timely manner. The evaluation found that the planned structure of the project



team was well thought out but this did not turn out to be the case as not all portfolios were filled at the planned time. Those that were actually filled either delayed, resigned early or both hence disrupting effective project implementation. It was observed that almost all the project positions including that of the CTA suffered from this in some way. Recruitment of Interns by the project helped to cover the staff gap particularly in KZN.

The **Durban based NPC's** resignation from the project resulted in the engagement of an International Intern to support implementation of activities. The evaluation found that the partners found the replacement to be an efficient and effective one despite an indication that there were no comprehensive handover documentation provided. The Intern was strategically housed at the municipality offices for government ownership and as a sustainability measure. At the end of the internship, all equipment and tools were left with the government department. Similarly, the NPC in the Free State was housed in the DEDTEA offices.

The overall **governance oversight** of the project was the mandate of the steering committee. The specific role of the NSC was to steer and guide the implementation of the project, based on information and evidence of progress in implementation presented to the committee by the CTA and project team. It was planned that meetings would be held every 6 months. The evaluation found that NSC meeting were rarely convened. The evaluation found that the Free State government, which chaired the NSC, continued to have frequent changes at all levels including HOD. At the time of the evaluation, for instance, there was a new HOD and the anacting Director in the Department of Social Development. The alluded low commitment to project work by the department was confirmed by the focal point person in the department although it was explained that the situation had improved and that the relation with the project had improved as evidenced by the HOD agreeing to participate in the planned SEDF facilitated award giving ceremony that was to take place during the evaluation period but had been postponed due to a clash in programming with a high level government engagement.

The project **monitoring and evaluation system** managed to collect and report data on a semi-annual and annual basis. As indicated above, there was no evidence of a robust system to track progress which would lead to under reporting of achievements. The data disaggregation was not comprehensively done for age and gender where necessary. However, the indicators were defined in a SMART way and available for all required levels of measurement, i.e., input, output, outcome and impact levels.

The project developed a robust **knowledge management and information sharing**: [www.sedfafrica.co.za](http://www.sedfafrica.co.za) The site houses the SMME database which is national register of SMMEs to build their business profiles and to get access to support and resources to start and grow their business; the enterPRIZE challenge which is a competitive process to identify best business plans in defines sectors; and the e-learning online modules which also includes a formalization component. For information sharing the platform has the media and publication tabs that can be used to access visuals and documented researches and publication with relevant information to the project. These

can be accessed by the public, government, private sector, institutions, partners and the youth for information, learning and BDS knowledge enhancement.

### 3.6 Project Impact Orientation and Sustainability

In its implementation plan, the project set out to use replication and roll-out of good practices learnt and in the process passing ownership of the tools and approaches to the stakeholders. This would then ensure that these approaches and tools would continue to be used and be sustained by local partner organizations. To this end, the evaluation found that the SEDF had a high potential of having multiplier effects beyond the life span of the project.

It was found that the project had **established collaborations** with strategic partners who bought into the project focus on the basis mutually aligned objectives. The project developed partnership with national and provincial government departments on development of a conducive policy environment to stimulate SMME development and start-ups; capacity development of institutions; and organizations to deliver services. One major evidence of collaboration with the government was exhibited by the office of the Intern being located at the Municipality in Durban and the NPC accommodated in the DEDTEA.

The **capacity development** of partners as BDS providers which then cascaded to the ultimate beneficiaries is core in having multiplier effects beyond the project life span. Through partnerships with private sector, Universities, Training schools, financial institutions and the government departments the SEDF project has provided mentorship, placed beneficiaries in incubators, capacitated educators as trainers and supported youth with BDS support.

Following the discontinuity of the startUP&go programme, the project's major approach to enhance the capacity of the beneficiaries at the time of the evaluation was the enterPRIZE challenge programme. These were an important component of the project which involved a competitive process to identify viable business plans focusing on growth potential economic sectors. The Challenges had a buy-in from the government departments, the private sector, academia and BDS providers who have been key in the organisation, coordination and sponsorship of events. Through collaboration with legal entities, the innovative ideas from the youth competitors were patented. This ensured that ownership was safeguarded to the initiators as a sustainability measure. The winners and runners-up of the enterPRIZE Challenge Programmes were also provide with financial and non-financial support for improvement, continuity, earn an income and be able to create employment to better lives.

The capacity building trainings and mentorship ensured that the youth participants would be provided with entrepreneurship skills that would go on beyond the project life. Winners who were placed in incubators had an opportunity to improve on their innovative ideas in conducive environments that had adequate facilities. The evaluator noted that one critical strategy to guarantee support to the winners and runners up was the ability to attract and bring on board partners that would sponsor the enterPRIZE Challenge Programme both financially and non-

financial such as provision of BDS mentorship or placement in incubators. It was observed that some of the partners did not honour their pledges as there was no binding agreement and winners were not preview to the prize packages at the start of the competition.

As a sustainability strategy, **the project developed cost-effect e-learning** modules that enhanced accessibility to business development support with referrals to trainings online and access to information. The sessions provides information on finance, decent work, social media, marketing and business formalization. This has enabled new and existing entrepreneurs to access certified business modules. The e-learning modules provides free BDS learning for new and established businesses. The SEDF project sourced funds from the EU and partnered with DSBD who committed to come up with activities to make the database a countrywide platform for SMMEs. This would be done through merging it with other government databases. This would make it a one-stop-shop for SMMEs. DSBD would communicate with other government departments and manage MOUs. Envisioned components of the one-stop-platform would be ability access government incentives, benefits and schemes; applying for EnterPRIZE Challenges; and requesting for support in form of e-learning and business development support advice. The World Bank would engaged on how to pilot innovative financing solutions. The Evaluation found that most of the winners and runners-up did not have access to finances or business linkages to start and/or grow their businesses. This was despite appreciating the support provided to them in the programmes.

The evaluation found that the Department of Social Development had adopted components of the EnterPRIZE Challenge into their selection of beneficiaries. Previously they would pick beneficiaries randomly from those who visited their offices seeking assistance. However, having participated in the SEDF project, they started subjecting the candidates to similar business plan writing competitions and expressed gratitude that this was yielding better outcomes than their earlier approach.

## 4. Conclusions

The project was logically designed with which facilitated satisfactory implementation of interventions despite the budgetary gap which resulted in reduction and non-replication of some project components like the startUP&go programme which would have further enhanced entrepreneurship mindset change of students and enhanced BDS training capacity for educators. Continuation in FS and replication in KZN of the startUP&go programme with an added robust longitudinal follow-up of beneficiaries would have resulted in wider reach and effective entrepreneurship mindset change for the learners. With a pool of graduates entering the world equipped with an entrepreneurship mindset, the enterPRIZE programme would have thrived more easily through linking the two programmes resulting in more jobs created, project sustainability and ultimately poverty reduction.

The project primary target, the youth and women, still continue to be the largest unemployed group. As outlined in the government frameworks, strategic plans and policy pronouncements, youth employment is still a priority and as such support projects like the SEDF aligned to government priorities remain relevant. It therefore follows that going forward, consolidation of achievements made thus far, coupled with a sufficient budget allocation for continuity and replication of the project activities in other regions, would contribute to SME development and enhancement which would result in more job creation.

The adoption of the SMME database by the government and its plans to make it a nationwide database for business development for the youth and women there is high prospect of for sustainability, entrepreneurship development, employment and income generation. The high number of hits on the EnterPRIZE Challenge Programme is clear indication of the high demand that exists for the project interventions which should be harnessed in order to address the economic challenges faced by the youth and women.

All in all the project demonstrated the effectiveness of strategic targeting of beneficiaries; engagement of and partnering with likeminded entities both private and public, financial and non-financial sector players; and the importance consulting in the selection priority sectors for collective buy-in and collaborative implementation. As such, the project was implemented with credibility resulting in achievement of most of its planned results despite adverse changes to the original resource basket.

## 5. Recommendations

Based on the findings from the evaluation discussed above, the evaluator draws some recommendations to improve future ILO projects. The following are recommendations based on literature review and findings from interviews conducted:

- **To the ILO:** There is need for the steering committee meetings to be held to provide oversight on project activities. One of the identified bottlenecks for not holding the meetings was the management of relations between the NSC members and project staff. To counter this, it is recommended that the chairing of the NSC be on a rotational basis and more frequent communication between the CTA and the chairperson of the moment.
- **To the ILO:** Need to subdivide targets into annual milestones for intermediate corrective measures as opposed to having life of the project targets while the reporting cycle is annual. This makes it difficult to visualize performance against targets at shorter intervals.
- **To the ILO:** The monitoring instruments used for data capture should be developed and shared for project managers to know how and what is captured at any given time. The tools would also aide in data disaggregation for youth and women which are the project ultimate targets.
- **To the ILO, the Donor:** There is need to sign clear MOUs with all partners sponsoring the competitions. This is important for accountability and role clarification. This would ensure that commitments made to the winners are honored. In the same light, the winners and runners-up need to be informed of the prizes at the start of the competitions.
- **To the ILO and Partners:** Participants in the competitions should be clear on what is expected of them and what is expected from the organizers. This includes the amount of time for mentorship and time to be spent in an incubator.
- **To the ILO:** Projects need not start or continue before signing an agreement and allocation of funds. This way planned activities would not be changed after a project. The Project strategies and spread was negatively by the withdrawal of the larger percentage of the budget (70%). The re-design had limited oversight of the NSC which hardly met.
- **To the ILO:** Unless there is adequate secondary data for benchmarking, projects should endeavor to have a baseline against which progress can then be measured.
- **To the ILO:** Planned Staff recruitment need to be done on time including replacement of staff. This would enhance efficiency by avoiding overburdening lean staff. Systematic handover of both documentation and activity responsibility need to be in place for easy follow-up and continuity.
- **To the ILO:** Where the CTA is not located where most of activities occurs, there is need to either increase the frequency of partner engagement missions or rotational/temporal stationing of the CTA. This would improve management of activities and improve partner relationship.

- **To the ILO:** Lobby for the Inclusion of the startUP&go programme into the regular school curriculum. This would increase the possibility of sustainability and broaden the reach to the beneficiaries.

## 6. Lessons learned

Based on literature review and interviews with project staff, project beneficiaries and stakeholders, a number of lessons have been learnt as outlined below:

- It was learnt that circumstances outside the influence of project management may adversely affect efficient and effective planned project implementation in this particular instance, the reversal by a stakeholder providing funding. The ability for project management to adjust and re-design the initial project plan ensured continuation. This was reinforced by the cost effective measures such as engagement of International Interns and e-learning modules with broader reach yet advancing BDS trainings.
- The project learnt that there is need to put in place a follow-up mechanism for the beneficiaries in order to trace them and measure impact of implementation. A case in point was the challenge faced with tracing participants in the startUP&go after they completed school. The reported impact was most likely an underestimation of the overall project impact.
- Entrepreneurship capacity building and mentorship of youths and women participating in programme was essential for sustainability, income generation and job creation. Clear expectations and full-support package need to be communicated up front.
- Management of a project from a central place from the actual project implementation region negatively affects relationships with the partners evident through time lapses in active initiations.

## **7. Good Practices**

- Relevance of the project design to relevant government strategies and priority areas played a vital role towards government buy-in much easier. It further made the private sector to also support the programmes as they were aligned to their needs in the respective areas.
- Management of relations between project management and partners for efficient implementation of activities was essential. The variations in the two implementing provinces provided lessons of how relations affect project implementation and oversight.
- Internet platforms forms provide a broad means of project awareness reach of the project activity.
- Embedment of project activities in structures such as government departments and partner institutions for sustainability which resulted in the possibility of government's willingness to take up the project's online SME registration database to it rollout nationwide.



## 8. Annexes

### 8.1 Annex 1: Terms of Reference

#### Terms of Reference

#### Final Review

#### Sustainable Enterprise Development Facility for South Africa

October 2017

Project Code	SAF/13/05M/FCA
Title	The Sustainable Enterprise Development Facility for Job Creation in South Africa
Country	South Africa: Free State and Kwazulu Natal provinces
P&B Outcome	Outcome 3, outcome indicators 3.1, 3.2, 3.3
DCWP Outcomes	ZAF 101: Sustainable and competitive enterprises create productive and decent jobs especially among women, youth and persons with disabilities
Donor	Government of Flanders
Budget	€ 3'305'000
Project duration	January 2014 to June 2017 (including six month no-cost extension)
Evaluation Period	August 2015 to June 2017

#### Introduction and rationale for the Mid-Term Review

#### Purpose, Scope and Clients of the Final Review

The final evaluation assignment will analyse progress made towards achieving the recommendations of the project's Mid-Term Review (MTR) and the extent to which the project objectives have been achieved. The evaluation will take stock, reflect, learn and share knowledge about the improvements in the implementation and monitoring of progress.

#### Scope

The internal final evaluation will review the outcomes of the project with particular attention to synergies across components. This will include a review of the key outputs produced since the MTR and evaluate:

- Progress made towards achieving the project outcomes (as reviewed in the MTR)
- Quality outputs in the project period
- Internal and external factors that may have influenced project implementation during the period
- Management and coordination of the project, including staff management
- Knowledge management and sharing

#### Clients

The primary clients of the evaluation are the Government of Flanders, as the donor of the initiative, the Government of South Africa, constituents and the ILO Office of South Africa, including the Decent Work Support team, as the executing agent of the initiative, and the Enterprise Development Department at the ILO's Headquarters. The evaluation process should be participatory. As such, the ILO Office, the tripartite constituents and other parties involved in the execution of the project may use, as appropriate, the evaluation findings and lessons learned.

#### Methodology

The evaluation will be carried out through a desk review by an internal appointed ILO staff member and include consultations with ILO management and staff, constituents, Flanders Government, implementing partners, beneficiaries and other key stakeholders.

The draft evaluation report will be shared with a selected group of key stakeholders requesting for comments within a specified timeframe. A validation workshop for selected key stakeholders will be held before finalisation of the report.

#### Desk Review

A desk review will involve analysing the previous project MTR, progress reports and other documentation provided by the project management.

#### Interviews with ILO staff

The evaluator will undertake group and/or individual discussions with relevant ILO staff, including project staff. The evaluation team will also interview key ILO staff responsible for financial, administrative and technical backstopping of the facility in ILO Pretoria. An indicative list of persons to be interviewed will be suggested by the project management, upon further discussion with the Evaluation Manager.

#### **Interviews with key stakeholders in Pretoria and other project regions**

A first briefing and discussion will be held with ILO senior management in Pretoria prior to interviews with the relevant stakeholders.

#### **Main Outputs**

The Evaluation Report should be presented as per the proposed structure in the ILO Evaluation Guidelines:

- Cover page with key project and evaluation data
- Executive Summary
- Acronyms
- Description of the project
- Purpose, scope and clients of the evaluation
- Methodology
- Clearly identified findings by criterion
- Conclusions
- Recommendations
- Lessons learned and good practices
- Annexes
  - Terms of Reference
  - Project Work Plan
  - List of Meetings and Interviews
  - Any other relevant documents

All draft and final outputs, including supporting documents, analytical reports and raw data should be provided in electronic versions compatible with Microsoft Office. Use of the data for publication and other presentation can only be made with the agreement of ILO Pretoria. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgment.

#### **Management arrangements, work plan and timeframe**

##### **Management arrangements**

The evaluator will report to the Evaluation Manager (Mr Sipho Ndlovu), who will work closely with the regional evaluation focal point in the regional office and with the Director managing the project. The Evaluation Manager will draw on the support of the project manager for all logistical arrangements related to the evaluation exercise.

##### **Work Plan and timeframe**

The evaluator should provide a draft report no later than 25 October 2017 for review by the Evaluation Manager, Regional Evaluation Advisor and Project CTA. A validation workshop will be held preferably in Free State where most of the beneficiaries are on 7 November 2017. A Final Report should be produced no later than 9 November 2017 after incorporating comments from stakeholders.

Task to be done	11 Oct 2017	12 Oct 2017	13 Oct 2017	14 Oct 2017	15 Oct 2017	16 Oct 2017	17 Oct 2017	18 Oct 2017	19 Oct 2017	20 Oct 2017	21 Oct 2017	25 Oct 2017	7 Nov 2017	9 Nov 2017
1. Travel to Pretoria, SA														
2. Briefing and evaluation overview-Director, CTA, Evaluation Manager														
3. Project staff interviews-enterPRISE Challenge Winner.														
4. Project staff interviews-Finance and Admin														
5. Literature Review and report writing														
6. Interview- DWT Backstopping Specialist, CTA and Stakeholders														
7. Travel to Durban														

Interviews- PPC and other relevant stakeholders/beneficiaries														
8. Travel to Bloemfontein														
9. Interviews- NPC and other relevant stakeholders/beneficiaries														
10. Travel to Pretoria														
11. Travel to Lusaka, Zambia														
12. Submit draft report and circulation for comments														
13. Validation Workshop														
14. Submit final draft														

## 8.2 Annex 2: List of People Interviewed

No.	Name	Position	Organisation
1.	Mr. Joni Musabayana	Director	ILO, Pretoria
2.	Ms. Valerie Flanagan	CTA	ILO, Pretoria
3.	Christensen, Jens Dyring	Enterprise Development Specialist	ILO, Pretoria
4.	Ms. Anjali Patel	Technical Advisor	ILO, Pretoria
5.	Ms. Viola Seane	Finance Administrator	ILO, Pretoria
6.	Mr. Darryl Crossman	M&E Officer	ILO, Pretoria
7.	Ms. Winnie Sereeco	NPC SEDF	ILO, Free State
8.	Mr. Cedric MuntuDube	Snr. Manager, Economic Development	EDTEA, KZN
9.	Ms. Aurelia Albert	Founder	Innovate Durban, Kwa-Zulu Natal
10.	Ms. NombusoNkosi	Entrepreneur	Kwa-Zulu Natal
11.	Ms. NakukhanaMbambo	Entrepreneur	Kwa-Zulu Natal
12.	Ms. Louise de Beer	Lecturer	Fusion Cooking School, Free State
13.	Mr. Abel Seetsi	Entrepreneur	Waste-Col Recycling & Management, Free State
14.	Mr. ThamiMbambo	Entrepreneur	Free State
15.	Ms. DibuoMaputle	Acting Director	Department of Social Development, Free State

## 8.3 Annex 3: Evaluation Instrument

### General questions:

1. In what way have you been involved in the project?
2. In your view what worked well and what did not work well and why?
3. Has the project made a difference to your life and other beneficiaries? If yes how?
4. What good practices can be learned from the project?
5. What should have been done differently?
6. Overall what is your opinion of the project?

### Relevance and strategic fit

1. Was a needs analysis carried out at the beginning of the project reflecting the various needs of different stakeholders? Are these needs still relevant? Have new, more relevant needs emerged that the project should address?
2. Have the stakeholders taken ownership of the project concept and approach since the design phase? How does the project align with and support national development plans, the national poverty reduction strategy (PRS), national decent work plans, national plans of action on relevant issues (e.g., on employment creation, child labour, antitrafficking, etc.), as well as programmes and priorities of the national social partners?
3. How does the project align with and support ILO strategies, i.e., the operational objectives of the thematic programming, decent work country programmes, mainstreamed strategies and other relevant strategies and policies of the ILO?
4. How well does the project complement and link to activities of the donor?

### Validity of design

1. What was the baseline condition at the beginning of project? How was it established? Was a gender analysis carried out?
  2. Are the planned project objectives and outcomes relevant and realistic to the situation on the ground?
  3. Is the intervention logic coherent and realistic? What needs to be adjusted?
- Do outputs causally link to the intended outcomes (immediate objectives) that link to broader impact (development objective)? How plausible are the underlying causal hypotheses?
  - What are the main strategic components of the project? How do they contribute and logically link to the planned objectives? How well do they link to each other?
  - Who are the partners of the project?
  - What are the main means of action? Are they appropriate and effective in achieving the planned objectives?
4. How appropriate and useful are the indicators described in the project document in assessing the project's progress? Are the targeted indicator values realistic and can they be tracked? If necessary, how should they be modified to be more useful? Are indicators gender-sensitive?

### Project progress and effectiveness

1. Is the project making sufficient progress towards its planned objectives? Has the project achieved its planned objectives upon completion?
2. Have the quantity and quality of the outputs produced so far been satisfactory? Do the benefits accrue equally to men and women?
3. How have stakeholders been involved in project implementation? How effective has the project been in establishing national ownership? Is project management and implementation participatory and is this participation contributing towards achievement of the project objectives?
4. Has the project been appropriately responsive to political, legal, economic, institutional, etc. changes in the project environment?
5. Has the project approach produced demonstrated successes?
6. In which areas (geographic, sectoral, issue) does the project have the greatest achievements? Why is this and what have been the supporting factors? How can the project build on or expand these achievements?

7. In which areas does the project have the least achievements? What have been the constraining factors and why? How can they be overcome?
8. What, if any, alternative strategies would have been more effective in achieving the project's objectives?

#### **Efficiency of resource use**

1. Have resources (funds, human resources, time, expertise, etc.) been allocated strategically to achieve outcomes?
2. Have resources been used efficiently? Have activities supporting the strategy been cost-effective? In general, do the results achieved justify the costs? Could the same results be attained with fewer resources?
3. Have project funds and activities been delivered in a timely manner?

#### **Effectiveness of management arrangements**

1. Are management capacities adequate?
  2. Does project governance facilitate good results and efficient delivery? Is there a clear understanding of the roles and responsibilities by all parties involved?
  3. Does the project receive adequate political, technical and administrative support from its national partners? Do implementing partners provide for effective project implementation?
  4. If the project has a national project steering or advisory committee, do the members have a good grasp of the project strategy? How do they contribute to the success of the project?
  5. How effective is communication between the project team, the field office, the regional office, the responsible technical department at headquarters, PARDEV and the donor? How effective is communication between the project team and the national implementing partners?
  6. Does the project receive adequate administrative, technical and, if needed, political support from the ILO field office, field technical specialists and the responsible technical unit in headquarters?
  7. How effectively does project management monitor project performance and results?
- Is a monitoring and evaluation system in place and how effective is it?
  - Have appropriate means of verification for tracking progress, performance and achievement of indicator values been defined?
  - Is relevant information and data systematically being collected and collated? Is data disaggregated by sex (and by other relevant characteristics, if relevant)?
  - Is information being regularly analysed to feed into management decisions?
8. Has cooperation with project partners been efficient?
  9. Has relevant gender expertise been sought? Have available gender mainstreaming tools been adapted and utilized?
  10. Has the project made strategic use of coordination and collaboration with other ILO projects and with other donors in the country/region to increase its effectiveness and impact?

#### **Impact orientation and sustainability**

1. Can observed changes (in attitudes, capacities, institutions, etc.) be causally linked to the project's interventions?
2. In how far is the project making a significant contribution to broader and longer-term development impact? Or how likely is it that it will eventually make one? Is the project strategy and project management steering towards impact?
3. What are the realistic long-term effects of the project on the poverty level and the decent work condition of the people?
4. Is there a need to scale down the project (i.e., if the project duration is shorter than planned)? Can the project be scaled up during its duration? If so, how do project objectives and strategies have to be adjusted?
5. How effective and realistic is the exit strategy of the project? Is the project gradually being handed over to the national partners? Once external funding ends will national institutions and implementing partners be likely to continue the project or carry forward its results?

6. Are national partners willing and committed to continue with the project? How effectively has the project built national ownership?
7. Are national partners able to continue with the project? How effectively has the project built the necessary capacity of people and institutions (of national partners and implementing partners)?
8. Has the project successfully built or strengthened an enabling environment (laws, policies, people's attitudes, etc.)?
9. Can the project approach or results be replicated or scaled up by national partners or other actors? Is this likely to happen? What would support their replication and scaling up?
10. Can any unintended or unexpected positive or negative effects be observed as a consequence of the project's interventions? If so, how has the project strategy been adjusted? Have positive effects been integrated into the project strategy? Has the strategy been adjusted to minimize negative effects?
11. Should there be a second phase of the project to consolidate achievements?

## 8.4 Annex 4: Statistical Results by Indicator

Project Indicator	Life of the Project Target	Cumulative Achievement	Percentage Achieved
<b>Immediate Objective 1:</b> To nurture a strong culture of entrepreneurship among young men and women			
<b>Output 1.1:</b> Learners in secondary school have accessed practical and experiential entrepreneurship education to nurture their entrepreneurial talent			
Number of schools implementing startUP&go	60	72	120%
Number of learners receive startUP&go	5,500	11,030	201%
Number of learners participating in school-based entrepreneurial market days	1,000	2,068	207%
<b>Output 1.2:</b> Enterprising teachers have delivered experiential and practical entrepreneurship education			
Number of teacher capacity building workshops held	9	12	133%
Number of teachers implementing the startup&go programme	95%	95	95%
<b>Output 1.3:</b> Young people have been exposed to entrepreneurship promotion culture campaigns for economic growth and job creation			
Number of mass-media based broadcast on provincial radio stations	10	25	250%
Number of young people participate in entrepreneurship culture campaigns	5,000	63,782	1276%
<b>Immediate Objective 2:</b> To improve the enabling business environment			
<b>Output 2.1:</b> Research to inform evidence based advocacy has been undertaken and disseminated			
2.1.1 Number of jointly conducted advocacy researches (Detea and SEDF)	3	6	200%
<b>Output 2.2:</b> Public and private stakeholders have jointly identified constraints in provincial business environments to business development and job creation			
Number of dialogue events with public and private stakeholders	18	12	67%
<b>Output 2.3:</b> Stakeholders have jointly addressed the identified constraints and implemented activities to improve the business environment			
Number of joint actions taken by public and private stakeholders	6	10	167%
<b>Immediate Objective 3:</b> To better match demand for and supply of business development services (BDS)			
<b>Output 3.1:</b> Priority sectors with growth potential have been identified and have informed the design of BDS provision to entrepreneurs			
Number of reports with key information on priority growth sectors	3	3	100%
<b>Output 3.2:</b> BDS providers and mentors have been capacitated to deliver innovative and market driven non-financial BDS			
<b>Output 3.3:</b> BDS providers and mentors have delivered BDS to emerging and established entrepreneurs in provincial growth priority sectors.			
Number of entrepreneurs receiving BDS and/or mentorship through the challenge e-learning campus(housed in the ITC's E-Campus)	1,500	1,530	102%
Number of secondary school and university graduates receive BDS and/or mentorship or advisory services	750	673	90%



Project Indicator	Life of the Project Target	Cumulative Achievement	Percentage Achieved
<b>Immediate Objective 4:</b> To stimulate innovation, entrepreneurship and sustainable enterprise development			
<b>Output 4.1:</b> Information about business development and job creation opportunities in sectors and value chains has been made available to entrepreneurs			
Number of EnterPRIZE Job Creation Challenges	9	11	122%
Number of EnterPRIZE Job Creation Challenge events held in each province	30	51	170%
<b>Output 4.2:</b> Entrepreneurs have developed business ideas and business plans in response to identified opportunities			
Number of hits on competition website	1,500,000	1,900,000	127%
Number of applications received	4,500	592	13%
Number of applications funded for winners and runners-up	450	306	68%
<b>Output 4.3:</b> Entrepreneurs have accessed financial and non-financial support and after care to create jobs in their businesses			
Number of winners and runners-up receive non-financial BDS	450	566	126%

## 8.5 Annex 5: Risk Assessment

Risks and Assumptions			
Key Assumptions	Risk level		Describe current risk and any mitigation measures (1000 characters maximum)
	Start-of-project / previous reporting period	Current	
Development Assumptions			
The Governments of the Free State and KZN Provinces continue to assign highest level political priority to the promotion of decent work for young people through, among others, the development of small enterprises	Green (low risk)	Green (low risk)	The risk level remains unchanged
Resources from both provinces will be committed to the new SMME Database and Performance Management system	Green (low risk)	Green (low risk)	The risk level remains unchanged
Provincial level stakeholders support the notion of leveraging SMME support programmes to achieve common goals of job creation and enterprise development support.	Green (low risk)	Green (low risk)	The risk level remains unchanged
Implementation Assumptions			
Institutional banks will partner with the ILO and sign formal Grant Agreements to disburse a combination of grant funding and bank finance.	Green (low risk)	Green (low risk)	The risk level remains unchanged
Provincial level and municipal level policy makers/implementers are committed to refine the existing policy, legal, regulatory and administrative framework for SMME development	Green (low risk)	Green (low risk)	The risk level has remains unchanged
Provincial bodies will provided dedicated human resources to build capacity within the relevant departments to absorb SMME Database and Performance Management system	Green (low risk)	Green (low risk)	The risk level remains unchanged
Provincial bodies will be the main drivers of Steering Committees tasked with implementing SMME development initiatives	Green (low risk)	Green (low risk)	The risk level remains unchanged
Local BDS providers have the capacity to absorb the capacity building effort on a fee-based system, and are committed to collaborate with the project	Green (low risk)	Green (low risk)	The risk level remains unchanged
Higher learning institutions will collaborate with the ILO and promote	Green (low risk)	Green (low risk)	The risk level remains unchanged

innovation and entrepreneurship among their students and faculties			
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