



# Evaluation Summary



International  
Labour  
Office

Evaluation Unit

## *Business opportunities and support services (BOSS) - Midterm Evaluation*

### Quick Facts

**Countries:** *East Timor*

**Mid-Term Evaluation:** *August 2013*

**Mode of Evaluation:** *Independent*

**ILO Office Administratively backstopping the  
Project:** *CO-Jakarta*

**ILO Technical Backstopping Office:**  
**EMP/ENTERPRISE**

**Evaluation Manager:** *Eléanore d'Achon*

**Evaluation Consultant:** *Christian Schoen / Vino  
Mousaco*

**Project End:** *December 2015*

**Project Code:** *TIM/10/02/IRL*

**Donor & Project Budget:** *Irish Aid,  
US\$7,920,395*

**Keywords:** *Business development service, rural  
development, small enterprise, road construction*

### Background & Context

#### **Summary of the project purpose, logic and structure**

The Business Opportunities and Support Services (BOSS) is a 5-year Private Sector Development project that was initially funded by Irish Aid only and planned for 4 years. Since early June 2013, the New Zealand Aid Programme (NZ Aid) started to additionally support the project which helped to extend the project duration to 5 years (until December 2015), to deepen the work in the three value chains selected (cattle, horticulture, tourism)

and to widen the portfolio of business services offered by the main counterpart IADE (Institute for Business Support).

The project aims to address the problem of an underdeveloped private sector in Timor-Leste in order to stimulate growth and fight poverty in the country. This is done by upgrading selected value chains and economic subsectors, improving their business and regulatory support structures and stimulating public-private dialogue and coordination.

The project's development objective is to "Contributing to the generation of pro-poor economic development and quality employment for women and men by spurring growth of micro and small enterprises (MSEs). This will indirectly contribute to consolidating peace and preventing conflicts".

This is expected to be achieved through the following immediate objectives:

- Immediate Objective 1: Increased business opportunities for MSEs in target sectors and districts.
- Immediate Objective 2: Nation-wide access to enhanced and innovative market/need orientated business development services (BDS)
- Immediate Objective 3: Increased SEAPRI (State Secretary for Private Sector Support and Promotion) commitment and capacity to mainstream gender in all policies, programs and activities

Each immediate objective is implemented in the form of a separate Component. The project is acting as a facilitator and “catalyst for change” rather than an interventionist. Component 1 is based on the Making Markets Work for the Poor approach (M4P).

The Project Document was well-researched, took into account stakeholders’ needs and priorities, and has a number of strengths, which are:

- BOSS tries to make markets work by developing supply side, demand side or both.
- Gender mainstreaming was embedded in the project design in the form of a separate component.
- In terms of inter-project coordination BOSS and the rural road infrastructure project ERA were jointly designed and complement each other mutually.
- The project allows for experimentation followed by implementation, e.g. moving from Local Economic Development to Value chain Development to flexibly respond to the difficulties of doing LED in a non-decentralised setting.
- Indicators in general are of good quality and gender sensitive, though not all indicators are fully SMART

### **Present situation of project**

This independent midterm evaluation found the project with still two and half years to go. Most planned activities have started and are well on track, some still had to be initiated. The latter are those activities which have been newly agreed upon after the involvement of a second donor (NZAid) since June 2013.

The project team is based in Dili in the premises of IADE and consists of a chief technical adviser, three international heads of Components, two additional international project advisors, one international volunteer (tourism expert), one national admin/finance assistant and three drivers.

### **Purpose, scope and clients of the evaluation**

The objectives of the mid-term evaluation are to analyse progress made towards achieving established outcomes, to identify lessons learnt and to propose recommendations for improved delivery of quality outputs and achievement of outcomes. The evaluation provides an opportunity for reflection and self-learning regarding how the project could improve the effectiveness of its operations in the future.

Within this framework the midterm evaluation team, consisting of Christian Schoen and Vino Mousaco, two independent consultants, was asked a number of specific questions under the headings of relevance and strategic fit, validity of project design, project progress and effectiveness, efficiency of the resource use, effectiveness of management arrangements as well as impact orientation and sustainability. The evaluation took into account all interventions, the full geographical coverage (though not all project sites could be visited), and the entire first half of the project life (January 2011 to June 2013).

The principal clients for the evaluation are ILO project management, project stakeholders in Timor Leste, ILO Jakarta and Bangkok, ILO technical units (Job Creation & Enterprise Development Department), the ILO’s technical cooperation and evaluation departments, and the project donors. The Evaluation Manager was Eléonore D’Achon in ILO HQ.

### **Methodology of evaluation**

On the basis of the TOR, the evaluation team prepared an Evaluation Matrix indicating how it expected to obtain the required information and a standard list of questions for different groups of stakeholders. The team reviewed the reports and documents listed in the TOR, as well as further documents provided by the project. Interviews took place with the full range of stakeholders, at the national and district level in Timor Leste. This included target beneficiaries, which allowed gathering some anecdotal information on impact.

At the end of the assignment, key stakeholders were briefed on the main preliminary findings and their feedback obtained. Phone conversations after the field mission with the project backstopper in ILO HQ, one of the two donors and the CTA to clarify open questions completed the research.

The evaluation followed UN evaluation norms, standards and ethics.

## **Main Findings & Conclusions**

### **Relevance**

The field mission and the study research have shown that all three sectors selected for value chain development and sector support (cattle, horticulture, tourism) are considered to have high future economic potential.

In general, the BOSS Project addresses the needs of enterprises to develop by tackling most

constraints for enterprise development in Timor Leste as reflected in the project design. More specifically, it tries to satisfy the needs for specific business services or economic needs of actors operating in value chains as identified through specific project studies.

By including a specific Component on gender mainstreaming and targeting specifically the different needs of female and male entrepreneurs through training and policy development, the project demonstrates its relevance for inclusive private sector development. In particular, promoting female entrepreneurship and increasing women's income utilizes a critical potential for private sector development, since women make up 49% of Timor Leste's population and are a valuable resource for sustainable economic growth.

One of the sectors indirectly supported by Component 2 (business services) is the construction sector. In order to create a fair playground for participation in public contracts for infrastructure development, a proper tender system needs to be in place and potential contractors need to be able to use it. Hence, the bids preparation and business training for contractors and the tender information system are highly relevant, as they introduce competition and quality assurance in the market for infrastructure construction services.

Coordination with various other ILO projects and other development initiatives takes place regularly. For instance, a close cooperation with the ILO-ERA project ensures that roads are built where there is a socio-economic need as indicated by the BOSS Project.

### **Effectiveness**

The project receives strong political support from SEAPRI (and previously from the Ministry of Economy and Development). The main counterpart IADE has been considerably re-structured, capacitated and its scope of services extended which is a precondition for the achievement of the immediate objective 2. The effectiveness of the counterpart and thus of Component 2, is increased by the fact that IADE has been accredited and selected training concepts (e.g. IYB, contractors training) and trainers certified. The sectoral adjustment of business training concepts, such as SIYB for agribusiness and solar energy and in the future most probably for tourism, will allow to more effectively targeting selected sectors. BOSS even successfully lobbied for integrating *Know About Your Business* (KAB) in curricula in

secondary schools and thus helps enhancing entrepreneurial attitude early in life.

With respect to gender mainstreaming, the participation of women in IADE trainings often reached 50% or more. Particularly in contractor trainings it was often higher, but in trainings given to actors in the cattle sector understandably much lower. Gender and decent work questions were integrated in the value chain and gender studies.

The minutes of meetings and the participants' lists of previous Steering Committee meetings indicate a high effectiveness of these meetings with high level attendance. The Sectary of State and the Executive Director of IADE seem to take key roles. Private sector involvement in steering the BOSS Project however is lacking and needs some attention.

In terms of tripartism, at this point the BOSS project tightly works with government (SEAPRI, IADE), intensively exchanges with the most relevant employer organization (CCI-TL), but does not maintain relationships with worker organizations. However, the relevance of labor organizations for the BOSS project might change with the future project support to developing the tourism sector.

The BOSS project management seems to be highly effective in standard reporting and in monitoring performance. The biannual Project Progress Reports are comprehensive, informative and follow the ILO reporting standard meticulously. The effectiveness of technical backstopping support, however, could possibly be improved, in both directions. Occasional requests by the international experts of the BOSS projects are not always answered in a satisfying and timely manner. However, the international expert team of BOSS is receiving advanced training opportunities frequently. On the other hand, the ILO headquarters expects from PSD projects to be "engines of innovation" that document and share innovative activities on a regular basis beyond the standard progress reports.

### **Efficiency**

Discussions with the three Component coordinators and the chief advisor indicate that each Component is receiving the respective resources that enable an efficient implementation in line with immediate objectives and the general facilitation role of the project.

The project has adapted and reactivated tools, approaches, institutions that had been introduced

earlier which is an indication of efficiency. The project, for instance, restructured and revitalized IADE as a business service provider. It facilitated the rehabilitation of the abattoir and the adjacent cattle market close to Dili. It reactivated the concept of, upgraded, redesigned and made affordable (through sponsoring by Timor Telekom) the SMS-based Tender Information System (TIS), which was developed by a previous development project. It also utilized and updated substantially the enterprise database.

## Recommendations & Lessons Learned

### Main recommendations and follow-up

Based on the findings of this midterm evaluation the evaluators give the following recommendations to the project for the remaining two and a half years of project duration:

1. Develop an explicit Exit Strategy in the form of a written document that identifies the major risks to sustaining the project outcome and impact and sequences the measures to be taken until the end of 2015. The process of defining the strategy should ideally be participatory.
2. Implement the Business Innovation Facility (BIF) in the form of a dynamic innovation system consisting of different players (business training and counseling, technology support, financial support). IADE can be in charge of the business side and play the role of a facilitator within the system. Capacitate IADE/CDEs in concepts of innovation.
3. Further encourage crowding in at all levels of the selected value chains (production, trading and technical assistance, distribution) to reduce the dependency on a few key players. The degree of crowding-in should reflect the market demand, as a too high supply will not be sustainable.
4. Improve the Knowledge Management of the project in the ILO context by documenting and codifying important instrument developments by the project
  - a. preparing a Manual on Value Chain Development in the context of Timor Leste (in a setting with essential constraints for business development)
  - b. preparing a Manual on Business Match Making in the context of Timor Leste (in a setting with essential constraints for business development)
5. Introduce a fee-based delivery system for selected services to gradually make the enterprise community getting used to paying for business services and - at the same time - keep the quality of business services on a high level. To select a specific fee-based system variety that suits the current context in Timor Leste, different options are to be analyzed and their feasibility assessed.
6. Develop marketing strategies at national level and for each CDE to give orientation to the effort of selling IADE service to the clients. Capacitate IADE and CDEs to better promote and market their services to (potential) clients to generate future income.
7. Increase and level the quality of CDEs
  - a. by introduce a regular and structured exchange of experience;
  - b. by introducing a CDE award system based on performance.

### Important lessons learned

A few lessons learnt could be extracted from the findings:

- Tight embeddedness of BOSS in IADE to highly capacitate the counterpart and increase sustainability and national project ownership.
- Flexibility in project design and freedom of experimentation to come up with a tailor made approach for the specific setting and context.

Both lessons learned are described in detail in the report and in the standard templates in its Annex.