



Evaluation Summary



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BDS4GROWTH - Support the Micro, Small and Medium Enterprise Development Agency and affiliates by developing their capacity to analyze and address business development services needs of MSMEs in manufacturing and traded services-EGY/17/03/EUR

Internal mid-term evaluation

Quick Facts

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|----------------------------------|---|
| Countries: | Egypt |
| Mid-Term: | March/April 2020 |
| Evaluation Mode: | <i>Internal</i> |
| Administrative Office: | DWT/CO-Cairo |
| Technical Office: | ENTERPRISES |
| Evaluation Manager: | Yasmine Elessawy |
| Evaluation Consultant(s): | Tamer ElFouly |
| Project Code: | EGY/17/03/EUR |
| Donor(s) & Budget: | European Union €899,924 (US\$ 1,066,260.66). |
| Keywords: | Egypt, Micro, Small and Medium Enterprise (MSME), Business Development Services (BDS) |

<http://www.ilo.org/thesaurus/>

Background & Context

Summary of the project purpose, logic and structure

The “BDS4GROWTH” project aims at shifting the paradigm of the Business Development Services (BDS) in Egypt, by moving from the traditional approach in providing services to MSMEs to a market-based approach. This should be done by introducing BDS facilitation concept into MSMEDA work approach, in addition to enabling MSMEs in the target sectors, namely Agrifood in Minya and Toursim in Luxor to access high quality BDS in order to enhance their productivity, competitiveness as well as internationalization.

The project overall objective is:

To enable high quality business development services (BDS) provision to Micro, Small, and Medium Enterprises (MSMEs) in the agrifood and tourism sectors in Egypt to boost their contribution towards economic growth and employment.

The project specific objectives are:

1. Enhance the capacity of the Agency to play a facilitative role in enabling governmental and non-governmental institutions to provide quality BDS.

2. Enable MSMEs in target sectors to access BDS to increase their competitiveness, productivity and internationalisation.

The project consisted of three technical program staff in the Cairo office (currently reduced to two) and two field coordinators.

Purpose, scope and clients of the evaluation

The evaluation assignment conducted with the following specific objectives:

- Assess the relevance and coherence of project's design.
- Assessing to what extent the stated objectives and outputs are being achieved; and to provide an estimate of the status of completion of results (achieved, in progress, pending) and percentage of progress per category (objective, output, activities) Assess the external and internal challenges and opportunities for the timely implementation of the project.
- Review the efficiency and effectiveness of the project implementation framework and management arrangements.
- Assess the relevance of the project in regards of country needs and how the project is perceived and valued by the target groups
- Provide recommendations on how to build on the achievements of the project and ensure that it is sustained by the relevant stakeholders.
- Review and provide recommendations regarding the sustainability strategy of the project for the remaining period, and if possible suggest avenues for additional activities.
- Document lessons learned and good practices in order to maximize the experience gained.

The evaluation covers all project activities from the start to March 2020 in Cairo and field locations.

The primary clients of this evaluation are the ILO management (the ILO DWT/CO Cairo,

ILO/ENTERPRISES, and Regional Office for Africa), project staff, MSMEDA and key national stakeholders and the donor (EU).

Methodology of evaluation

The evaluation used a mixed methods approach (e.g. document analysis, interviews, and direct observations) to ensure the validity and reliability of the findings. In addition, it involved project's key stakeholders such as beneficiaries, ILO staff and strategic partners. The interviews (face-to-face and phone calls) were carried out in March and April 2020. The face-to-face interviews included ILO project staff and MSMEDA representative. The field visit to Minya took place in March 2020 and included 3 interviews with the local stakeholders and trainer. The field visit included Minya city, Malawy and Deir ElBarsha (10&11/03/2020). Due to hurricane weather forecast followed by COVID-19 lockdown the field visit to ElEdwa was cancelled and remaining interviews were conducted via phone calls.

The main intervention planned in Luxor under the tourism sector was planned to take place in June 2020, and hence no activities were to be seen in Luxor.

Main Findings & Conclusions

Based on the evidence available to the evaluator, we can say that the project is on the right track to achieve its overall objective (To enable high quality business development services (BDS) provision to Micro, Small, and Medium Enterprises (MSMEs) in the agrifood and tourism sectors in Egypt to boost their contribution towards economic growth and employment). Within the last 12 month of implementation, the project was able to build a base to implement activities with a focus on achieving the Overall Objective/Impact.

However and taking into consideration the COVID-19 lockdown measures and consequently suspending the field work until further notice, the project will most likely face difficulties to achieve the required progress in due course, as the project has already missed 3 months by the date of this evaluation and it is uncertain when normal working procedures will be resumed.

The following conclusions by evaluation criteria were drawn:

Relevance and Validity of design:

1. The project is highly relevant to the current needs of the Egyptian agrifood sector and has a high potential in creating and /or improving jobs and increase business owners' income.
2. The project is aligned with the Egyptian SME strategy and the newly set role for MSMEDA as a partial movement for service provider to service facilitator.
3. It is also in line with the UNPDF, SDG Goal 8 and ILO Outcome 4.
4. Overall, the project design is very ambitious for the set time frame of the project.
5. Specific objectives, outputs and activities are well defined.
6. Indicator and assumptions were not always well defined for the different levels (same indicators for output/specific objective/overall objective).
7. Some targets are too ambitious (300 new jobs created and 100 business have access to financial services).
8. Indicators and Assumptions need to be reviewed.
9. Output 2.2 is facing difficulties to be tackled within the current project scope and set-up.

Project effectiveness:

1. The implementation partners, consultants and beneficiaries interviewed are satisfied with the project management and activity implementation
2. The training approaches used (on-the-job in-factory/laboratory/field training) are providing a long-term benefit to the beneficiaries
3. ICT utilization for training and consultation during COVID-19 lockdown, provided an opportunity for the continuation of the trainings to enable more farmers and consultants to join the trainings and consultation sessions.

Efficiency and/or resource use

1. The project team is well established to accomplish the project results
2. The on-the-job training at the beneficiaries factories/laboratories is perceived as a more efficient training approach than out of the work place training.

3. The utilization of ICT in providing online trainings and remote consultancies during the COVID-19 lockdown was well received by the training participants.
4. The expenditure rate of 92% of the 1st tranche (53% of the project budget) is a good expenditure rate.

Impact and sustainability:

1. The project has high potential in creating and/or improving job opportunities. The dairy production sample of three production units showed a potential increase from currently around 20 to potential 25-27 jobs. The green house farmers mentioned that greenhouses employed around 50% more seasonal workers than conventional agriculture.
2. VCD & BDS facilitation concepts were well presented and received good acceptance and intention for implementation on a wider scale by different national stakeholders (Nile University & Central Bank of Egypt).
3. Some of the participants started the initiative to implement the Value Chain Analysis in their geographical areas and working sectors (eg plastic sector, tanning and leather sector in Alexandria and recyclable plastic in Greater Cairo)

Recommendations

Recommendation 1: Review Project Logframe.

It is highly recommended that the Project team along with the donor and relevant project counterparts review the Project outputs, indicators and assumptions.

Output 2.2, concerning financial services, needs to be revised and if possible removed. It is out of the scope of the VCD & BDS project scope in the current set up and too ambitious to be reached within the current project timeframe. Indicators have to be level oriented and realistically achievable (300 new jobs created and 100 business have access to financial services is too ambitious). This is needed to shape for the remaining

period of the project and take into account to request a potential no-cost extension.

As the individuals trained on Value Chain Development/Analysis facilitation expressed further need for mentorship and coaching. It is highly recommended that the project adds coaching/mentorship activities to further shape the skills of the individuals trained, be able to develop high quality studies value chain analysis.

| Responsible Units | Priority | Time Frame | Resource implication |
|-------------------|----------|------------|----------------------|
| EU & ILO | High | Q3 2020 | Low |

Recommendation 2: Develop No-Cost extension proposal.

Given that the initial project duration was planned for 24 months and started with a 6 months delay in February 2019, with an expenditure rate of 53% of the total budget (within 12 month to date), and most importantly the COVID-19 outbreak, it is highly recommended that the ILO project team develops a No-Cost extension Plan for 4-6 month. This extension will help the project to cover the activities missed during the COVID-19 lockdown, as well as covering the next agricultural cultivation season (till March 2021). In addition, the no-cost extension will allow supporting the beneficiaries in the participation in Food Africa 2020 and implementing the traditional food festival in Luxor.

| Responsible Units | Priority | Time Frame | Resource implication |
|-------------------|----------|------------|----------------------|
| ILO / MSMEDA | High | Q2 2020 | Low |

Recommendation 3: ICT utilization in remote consultancy

The implementation of online training and consultation (using online meeting tools)

during the COVID-19 lockdown, in the greenhouse sector, received positive feedback from the participants, especially the local agriculture consultants. This pilot implementation need to be studied in depth and assessed whether it would be a potential tool to maximize benefits and implemented as a low-cost support to local consultants after the project, especially that the participants interviewed expressed readiness to participate in some of the costs.

| Responsible Units | Priority | Time Frame | Resource implication |
|-------------------|----------|------------|----------------------|
| ILO | Medium | Q2 2020 | Medium |

Recommendation 4: Cost contribution from beneficiaries

Several beneficiaries expressed their willingness to make a financial contribution in case the project would be extended (concerning greenhouses and dairy). This is a positive sign from the beneficiaries that they value the service provided and it is also a step towards the full cost coverage by beneficiary during 2021/2022 and the participation of the beneficiaries in cost/benefit calculation, for example the participation in FoodAfrica, exhibition.

| Responsible Units | Priority | Time Frame | Resource implication |
|-------------------|----------|------------|----------------------|
| ILO/MSMED A | High | Q3 2020 | Medium |