



## “Improved Business Development Support Services and Entrepreneurship Education Targeting MSMEs and Youth for the Creation of Decent Work Opportunities in Iraq” – Independent Final evaluation – Mid-May to end July 2022

### QUICK FACTS

**Countries:** Kurdistan Region of Iraq

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**Evaluation type:** Project

**Evaluation timing:** Final

**Administrative Office:** RO Beirut

**Technical Office:** DWT Beirut

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**Evaluation consultant(s):** Antoine Mansour (Lead), Nazik Kadir (national consultant)

**DC Symbol:** IRQ/19/03/DEU

**Donor(s) & Budget:** Germany, GIZ, Project budget: US\$ 2,802,786

*Key Words: Entrepreneurship, Small and Medium-sized enterprises*



## BACKGROUND & CONTEXT

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

The project has two main objectives: (1) Strengthening the provision of needs-based standardized business support services and financial literacy; and (2) Promotion of an entrepreneurship culture among youth in Kurdistan Region of Iraq (KR-I) through the introduction of the Know About Business programme (KAB) of the International Labour Organization (ILO).

The project was expected to work in close collaboration with GIZ implementation partners in KR-I, the Ministry of Labour and Social Affairs (MoLSA), International Non-Governmental Organizations (INGOs), Non-Governmental Organizations (NGOs), private sector and selected national institutions that are all partners of the project. It also closely liaises with United Nations (UN) agencies and other programmes funded by the Federal Ministry for Economic Cooperation and Development (BMZ) focusing on income generation and economic development, as well as representatives of employers' organizations in KR-I.

ILO, jointly with the MoLSA assigned coordinator, conducts the monitoring and follow-up visits as a mean to ensure quality control and to build the capacity of MoLSA staff for the future sustainability of the programme. The project has its own independent decision-making and governance structure.

### Present situation of the project

Iraq hosts one of the youngest populations in the region but struggles to provide employment opportunities for them. Challenges include a lack of work opportunities, skills mismatches, absence of an entrepreneurship culture, lack of positive attitudes and initiatives geared towards entrepreneurship, absence of entrepreneurship education targeting youth, a strong preference for public sector employment among more educated youth, as well as a lack of effective and accessible career and job information systems. The need to promote entrepreneurship among Iraqis, including women and youth, and build the national capacity for the provision of non-financial business development services (BDS) and financial literacy



	<p>were depicted as priority areas of intervention in the transition to sustainable employment.</p> <p>In this context, the project was implemented from November 2019 to May 2022. Achievements have been identified under effectiveness criterion of the main findings.</p>
<p><b>Purpose, scope and clients of the evaluation</b></p>	<p>The main objectives of this evaluation are to provide ILO, the key partners, and other relevant stakeholders with: (1) An overall independent assessment of the past performance of the project, paying particular attention to its outputs measured against its expected objectives; and the reasons underpinning such results; and (2) Key lessons learned, good practices, conclusions, and related recommendations in order to improve future ILO interventions.</p> <p>The evaluation assesses the project using the five standard evaluation criteria of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), namely: relevance, effectiveness, efficiency, sustainability, and perspectives of impact. In addition, the evaluation assesses ILO specific evaluation criteria: the coherence of the project itself. Consideration is given to cross-cutting issues: gender, to the relation of the project to Sustainable Development Goals (SDGs), and to COVID 19 response, International Labour Standard, and social dialogue as well as the extent to which rights-based approach methodology and the principle of Leave No-One Behind were followed in the identification/formulation documents as well as in the implementation of the project, its governance and monitoring.</p> <p>The primary clients of this evaluation are MoLSA, BMZ, GIZ, ILO Iraqi project office, ILO Regional Office for Arab States (ROAS), ILO ENTEPRISE department. Secondary users include project stakeholders and units within the ILO that may indirectly benefit from the knowledge generated by the evaluation.</p>
<p><b>Methodology of evaluation</b></p>	<p>The Consultant reviewed the current logical framework and found that indicators were developed only for the outputs while missing for</p>



the four outcomes. The Consultant has formulated qualitative indicators for the outcomes, and which reflect the changes in behaviour, practice or performance that end beneficiaries (VTC students, start-ups, and existing businesses) should experience by the end of the project.

The Consultant formulated key evaluation questions and sub-questions linked to the evaluation criteria; the key questions and sub-questions are assessed on the basis of a number of indicators. The Consultant formulated new indicators in accordance with the objectives of the project, and which would provide an adequate framework for the evaluation. For that purpose, an evaluation question matrix (EQM) was prepared as a tool for data collection and analysis. For each indicator, the matrix includes the data sources, data collection methods and the involved stakeholders (Annex 1: EQM).

In addition to the review and analysis of secondary data, the Consultant used two major tools during the field work phase: key informant interviews and focus groups. Key informant interviews were conducted online with 24 stakeholders including GIZ, ILO project management and staff, MoLSA and Vocational Training Centers (VTCs), and six partner organizations from NGOs, INGOs and private consulting firm. A total of 13 Focus groups, of which 12 were face-to-face, were conducted with Start and Improve your Business (SIYB), Financial Education (FE) and KAB trainers, and with end beneficiaries (potential entrepreneurs, small businesses and VTC students). The focus groups were conducted in Erbil, Duhok, Sulaymaniyah, Pirmagrur and Halabja.

As to the limitations of the evaluation, they are due to the relatively small size of the sample of end beneficiaries (70) as compared to those who got the training (more than 1,000). The limited time provided to the national consultant to conduct the focus groups can be considered as the main factor for the small size of the sample. The other limitation is related to the assessment of the impact criteria, since impact can only be measured in the long-term and few years



after the completion of project implementation. The consultant, however, has assessed the potential and perspectives of impact of the project that could contribute to the long-term impact.

## MAIN FINDINGS & CONCLUSIONS

### Relevance

Analysis of the problems is well developed in the project design and are well related to the outcomes and outputs of the project. The outcomes of the project are consistent with priority and needs of beneficiaries, particularly youth and women, as well as with the National Development Plan for Iraq 2018-2022 and SDGs. The logical framework included in the programme formulation document, however, is not well developed as it does not adequately define indicators of achievement and targets at the outcome level, thus, it did not provide for an adequate framework for monitoring and evaluation. Analysis of risks and mitigation strategies were not taken into consideration in the design phase, while the logical framework focused more on the assumptions than the risks.

### Coherence

The ILO project is coherent with other ILO interventions in Iraq, more particularly with interventions of PROSPECTs, Employment intensive infrastructure programme (EIIP), Employment service centers (MoLSA) and Sustainable and Resilience Enterprises (SURE). The external coherence is reflected in the complementarity of ILO project with interventions of other international organizations, particularly with the World Bank, The United Nations Educational, Scientific and Cultural Organization (UNESCO) and GIZ.

### Effectiveness

*Effectiveness of the project in enabling Iraqi/Kurdish potential entrepreneurs, start-ups, and existing businesses to benefit from standardized business development support services*

Entrepreneurs consider Improve your Business (IYB) course very useful and helpful for the growth of their business. The most important benefits are reflected in the improvement of personal traits such as self-confidence, better communication skills, team-



work skills and risk taking as well as in the improvement of the performance of their businesses, especially in marketing and in expanding the business. The length of the duration of the IYB course, and the fact that some participants were illiterates were the major concerns of the entrepreneurs. As to the potential entrepreneurs, they benefitted considerably from the SYB tools as they considered them very useful to them to start a business. Those who were supported by a loan or grant were able to start a business, while frustration was high among those who were not supported financially though they have prepared a business plan.

The project was effective in adapting SIYB materials to the context of small enterprises as trainers consider the programme as very beneficial and 'the SIYB Business Game' the most valuable, though the training programme is considered very condensed. While the Kurdish translation of the curriculum need to be improved and examples be more contextualised.

The project was effective in enhancing the capacity of trainers in SIYB tools starting with the Training of Trainers (TOT), to the implementation of three courses by the trainers, and finally to the Capacity Reinforcement Workshop, though the training was not considered sufficient to develop the capacity of trainers while the capacity of trainers to conduct coaching/follow-up of entrepreneurs after the training is not evident, as the follow-up was conducted for a very short period of time, though the trainers were satisfied with the support provided to them by the Master trainers

*Effectiveness of the project in enabling Iraqi/Kurdish potential entrepreneurs, start-ups, and existing businesses to benefit from financial literacy support services*

The project was effective in enabling the beneficiaries to better manage their finances and save money for future spending whether for personal or business use. There was, however, a confusion among the beneficiaries whether the training would allow them to get a grant or a loan to start or improve a micro-business. Though the project built the capacity of 26 trainers from 21 partner organizations



in financial education literacy, only 23 per cent of them got certification. The main reasons are related to the short duration of the project as compared to the duration of the certification process, as well as to the fact that several trainers had other commitments with their organizations.

*Effectiveness of the project in enhancing the capacity of partner organizations in providing independently BDS and financial literacy support*

The project was effective in enhancing the capacity of partner organizations in planning and managing the provision of BDS and financial literacy support. The partner organizations consider the TOT on SIYB and financial education to be very useful and relevant to their work. Most organizations, however, do not carry out systematic follow-up of beneficiaries after the training. In contrast with national NGOs, international NGOs have proved to have the highest capacity in terms of staff, infrastructure, and available financial resources to train and follow-up on entrepreneurs.

*Effectiveness of the project in fostering entrepreneurship culture among young Iraqi women and men enrolled in the governmental Vocational Training Centres and schools in KR-I*

KAB programme is very useful to VTCs students who were interested to start a business after graduation. KAB programme has proved to be also relevant for entrepreneurs who were able to expand their businesses. The project has made available to KAB trainers an updated and adapted KAB training materials to the context of KR-I and which were translated to local language. The trainers, however, suggested an improvement to the materials and more contextualization.

The project was effective in building the capacity of national facilitators in the five VTC of MoLSA, namely: Dohuk, Erbil, Kalar/Garmian, Soran and Zakho. In addition to the development of capacity of 23 old facilitators, the project achieved 80 per cent of the target, resulting in the training of 40 new teachers. KAB trainers have



proved to have the capacity to give KAB independently with minimal supervision.

### **Sustainability**

While the partner organizations (POs) have the technical and management capacity to sustain the SIYB programme, the continuation of the SIYB would depend on the availability of funds and human resources, since such a continuation is very much related to the implementation of relevant POs projects funded by donors and the availability of SIYB trainers within the organization as many of them are employed on a project basis. Private firms which charge fees on the training have proved to be more sustainable.

The project was able to institutionalize the KAB programme in the VTCs of MoLSA, though the VTCs face the challenge of securing the financial resources to provide KAB to other government agencies and NGOs. The efforts made by the Project for the designation of a focal point from MoLSA to oversee the implementation of KAB in KR-I can be considered as a positive factor for the sustainability of KAB in the VTCs.

### **Efficiency**

The project was efficient in adapting its interventions to COVID 19 while completing all activities as planned. Digital tools for the distance learning were successfully introduced despite the fact the ILO tools rely heavily on action-learning methods and participatory approach. The use of such digital tools has reduced the planned expenditures, resulting in savings in the project.

There is no doubt the online SIYB monitoring platform, the SIYB Gateway, has improved the efficiency of the project. The Gateway can be considered a management information system that contribute to increasing knowledge about the various aspects of the project implementation, to the monitoring of activities of SIYB trainers while helping in drawing the lessons learned.

### **Perspectives of impact**



The demand for ILO tools has increased in KR-I following the successful implementation of SIYB, financial education and KAB. The potential impact is reflected in the increasing involvement of NGOs, INGOS and private consulting firms in the use of the ILO tools, while MoLSA succeeded in expanding the provision of KAB to other national and international organizations.

## RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

### Recommendations

***Recommendation 1. Enhance the contextualisation of the SIYB, FE and KAB training materials through improvement in the translation and the use of examples from the local context***

***Recommendation 2. ILO to enforce the criteria for a careful selection of end beneficiaries by Partner organizations for the SYB, IYB and FE programmes***

***Recommendation 3. ILO to focus on the design of the tools for the coaching of end beneficiaries in the next phase of the project together with the designation of an entity to oversee the implementation of the coaching programme***

***Recommendation 4. Enhance the coordination mechanisms between the government, the private sector and (I)NGOs in the organization, implementation and monitoring of the ILO training programmes***

***Recommendation 5. Encourage MoLSA in KR-I to plan in its budget the allocation of funds for the delivery of the SIYB activities and advocate with the government on the introduction of a regulation that would allow MoLSA the collection of fees for training provided to trainers and end beneficiaries***

***Recommendation 6. Coordination between agencies that provide SIYB and financial education trainings and those who provide grants, loans and financial supports is strongly needed***



	<p><b>Recommendation 7. ILO to renew the MoUs with the partner organizations to ensure sustainability as accreditation of the POs depends on their continuation of the training programmes</b></p> <p><b>Recommendation 8. ILO to consider improvement of KAB programme through blending learning experiences from successful entrepreneurs</b></p> <p><b>Recommendation 9. VTCs and/or the Employment services centers to link with private companies to arrange internship or employment for VTCs graduates with the view to expose them to technical experience before supporting them in SYB training</b></p> <p><b>Recommendation 10. Support incubation of graduates and trainees through the use of the current VTCs workshops in production activities</b></p>
<p><b>Main lessons learned and good practices</b></p>	<p><b>Lessons learned</b></p> <ol style="list-style-type: none"> <li>1. Sustaining SIYB will be difficult without changing the culture of both trainers and end beneficiaries towards accepting to cover at least a nominal fee of the training.</li> <li>2. Conducting SYB training without linking the participants to financial institutions led only to meager results while discouraging other people to join the training</li> </ol> <p><b>Good practices</b></p> <ol style="list-style-type: none"> <li>1. KAB has proved to be also effectively used for unemployed people (start-ups) as well as for existing micro businesses, though it was originally designed to be integrated in the curriculum of VTCs.</li> <li>2. The mobilization by ILO of more than 20 partner organizations for the institutionalisation of the BDS tools would have a multiplier effect on the creation and growth of small enterprises.</li> </ol>