UEC Final Programme Evaluation

An assessment of the United Entrepreneurship Coalition's activities and results under MFS II (2011-2015)

Final Report

August 2016

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UEC'S KEY RESULTS

Over the period 2011-2015

The United Entrepreneurship Coalition is a partnership of organisations aiming to alleviate poverty by creating employment opportunities through empowering entrepreneurs, through local partners, in fragile states and least developed countries

PROGRAMME

€21 MILLION MFS II FUNDING

FOR

2 ALLIANCE PARTNER & 6 COOPERATION PARTNERS & 46 LOCAL PARTNERS

1. CAPACITY BUILDING

500 CAPACITY BUILDING ACTIVITIES

TRAINING WORKSHOPS ADVICE COACHING

BENEFITTING

46 CIVIL SOCIETY ORGANISATIONS

- UNIVERSITIES
- START-UP CENTRES
- NGOS
- BUSINESS

5 DIFFERENT COUNTRIES

BURUNDI, LIBERIA, KOSOVO, OPT, RWANDA

2. SME DEVELOPMENT & JOB CREATION

BUSINESS DEVELOPMENT ACTIVITIES

TRAINING COACHING

BUSINESS PLAN COMPETITIONS MATCHMAKING FOR FINANCE NETWORKING SESSIONS

REACHING OUT TO

24,000 ENTREPRENEURS

RESULTING IN

- 869 SMES STARTED
- 1,375 SMES GROWN
- 3,715 JOBS CREATED

3. REMOVAL OF BUSINESS BARRIERS

LOBBYING & ADVOCACY

RESEARCH ROUNDTABLES STRATEGIES

CONTRIBUTING TO

KOSOVO: REMOVAL OF CUSTOM TAXES & REDUCTION OF VAT ON ICT PRODUCTS

LIBERIA: INTRODUCTION OF DRAFT LAW FOR SPECIAL ECONOMIC ZONE

Conclusions and recommendations

SPARK and BiD Network in 2010 established the United Entrepreneurship Coalition ("UEC"), a partnership of organisations aiming to *alleviate poverty by creating employment opportunities through empowering entrepreneurs, through local partners, in fragile states and least developed countries.* The programme targeted five countries: Burundi, Kosovo, Liberia, OPT and Rwanda. The UEC received a EUR 21 million grant under the second Dutch Co-Financing Scheme ("MFS II") to implement the programme, which ran from 2011 to 2015.

In its role as Secretary of the UEC, SPARK requested Steward Redqueen to conduct a final independent evaluation of the programme. The evaluation aims to assess the extent to which the UEC programme reached its initial objectives and identify learnings of programme activities and choices made. The evaluation is structured around five focus areas: (i) programme design; (ii) partner selection & cooperation; (iii) capacity building of local institutions; (iv) SME development & job creation; and (v) removal of business barriers. Each of the five focus areas are analysed using DAC criteria (relevance, effectiveness & efficiency, sustainability).

Programme design

Relevance

The programme aimed to alleviate poverty by building capacity and, in turn, supporting the creation of jobs, one of the most pressing needs in fragile states and least developing countries (LDCs). It had an innovative and holistic design with three mutually reinforcing strategic pillars (capacity building, job creation and removal of business barriers). The programme fitted the MFS II objectives, and had a unique focus on entrepreneurship and vulnerable groups. The proposal was detailed and based on thorough research. Clear quantitative targets were set, which were tracked by robust monitoring systems. Overall, the programme can be characterised as highly additional but also ambitious, due to its pioneering focus on entrepreneurship, focus on post-conflict states, large number of partners, and formulation of hard targets.

Effectiveness & efficiency

Execution in practice turned out to be complex. The UEC had limited experience in four out of the five target countries, where new local offices had to be established. Challenges in building up local offices and cooperation with local partners forced SPARK's head office to retain a relatively large role, which hampered effectiveness and efficiency. The programme's monitoring systems delivered detailed data, but were also perceived as complicated and resource intensive by local staff and smaller local partner organisations.

Sustainability

The programme's design included a focus on sustainability for local partners from the start. The potential for partners to become self-financing was a criterion in partner selection, capacity building aimed to strengthen organisational capacity and the partnership agreement included annually increasing own contributions.

Recommendations

- Effectiveness could be improved by including an operational plan and procedures in programme design;
- Efficiency of the programme implementation could be improved by decentralising operational responsibilities and simplifying monitoring systems.

Partner selection & cooperation

Relevance

SPARK and BiD had different backgrounds and complementary roles in the programme. However, the target countries and selected local partners fitted SPARK more than BiD. The group of selected cooperation partners fitted the programme's objectives and were largely complementary to each other. An indicator for successful capacity building, but also a prerequisite for the success of the programme lay in the ability of local partners to execute activities. Local partners were selected based on their match with the programme rather than on quality requirements. This lead to mixed picture, reflecting SPARK's country experience, with stable partnerships in Kosovo, OPT and Liberia, but high level partner turnover in Burundi and particularly Rwanda.

Effectiveness & efficiency

Under mutual agreement SPARK gradually took a larger role in operational management of the programme, which benefited the programme's operational efficiency. Despite active efforts, coordination between cooperation partners was minimal. Cooperation partners rather had the role of subcontractors and not all partners felt incentivised to actively contribute to coordination or knowledge sharing. Coordination between local partners was regular and perceived as useful, although it did not result in major concrete synergies.

Sustainability

The end of MFS II meant the end of formal partnership with the vast majority of local partners. Both SPARK and BiD are however continuing cooperation with a few local organisations as part of ongoing programmes, and are exploring options for prolonged partnerships with some others.

Recommendations

- Efficiency and effectiveness of local partner selection could be improved by a more structural approach in the search process and more thorough due diligence, including key personnel screening;
- Efficiency in operations is best served by operational leadership from a single organisation and incentives for all partners to coordinate and contribute to knowledge sharing;
- Effectiveness and efficiency in cooperation could be improved by limiting the number of cooperation and local partners involved in the programme.

Capacity building of local institutions

Relevance

The capacity building offering of the cooperation partners was of good quality, and even though the pre-arranged contracts led to a 'fixed menu' of training options, the variety in modules met the needs of the vast majority of local partners. Feedback on capacity building was positive, with local partners rating nearly all different forms of training as useful. Minor points of improvement concerned the overlap in one or two training modules, a need for more action-driven elements and tailoring to local or specific situations.

Effectiveness & efficiency

Local partners feel that capacity building activities improved their organisational capacity and contributed to their growth and development. The increase in 5C scores for those partners where comparable scores are available back this, although no hard conclusions can be drawn from these scores. A commonly identified problem hampering the effectiveness was that training helped individuals to grow, but not always organisations, as trained staff were regularly recruited by larger development organisations. SPARK's local staff were not sufficiently involved by cooperation partners in coordination or follow-up of capacity building.

Sustainability

While the capacity building contributed to organisational development, partners generally are not able to continue business development activities at the same level as under the MFS II funding. Several partners faced serious income gaps after the end of MFS II, which they hoped to fill through other grants. Despite active efforts, a large number of partners felt the UEC could have played a more active role in preparing them for the post-MFS II period.

Recommendations

- The relevance and effectiveness of capacity building activities for larger or more developed local partners could be improved by reserving budget for more tailored coaching by specialised or local consultants;
- The efficiency and effectiveness of capacity building activities would benefit from a multi-year capacity building plan tailored to each local partner, instead of annual agreements.

SME development & job creation

Relevance

Before the UEC intervention, entrepreneurship curricula and related activities were largely absent within universities or vocational education institutes in the target geographies. Business plan competitions were held, but not widespread, and business incubators did not yet exist (except in Kosovo and Rwanda). All involved actors acknowledge that the UEC programme, through local partners, increased awareness about entrepreneurship and offered practical opportunities for young people to develop a business.

Effectiveness & efficiency

The business plan competitions, training and networking events organised by local partners generated high attendance among potential entrepreneurs, confirming the additionality of the programme's business development activities. All output targets were surpassed, with some exceptions only in Liberia and Burundi. However, it turned out to be challenging to translate the high outputs into equally high sustainable outcomes, particularly in Liberia, Burundi and the OPT. The number of SMEs started and grown met expectations, but the number of jobs created was significantly lower than expected.[1] Three main reasons hampering sustainable outcomes are the focus on young entrepreneurs and start-ups with limited business experience (and limited risk appetite), inadequate access to finance and insufficient focus on coaching and mentoring.

Sustainability

No hard conclusions can be drawn on the sustainability of the outcomes as the UEC did not track the percentage of new SMEs that survived the first 3 years (but is still planning to do so). Anecdotal evidence seems to imply lower than expected sustainability of SMEs and jobs created for reasons mentioned above.

Recommendations

- The effectiveness and sustainability of support to entrepreneurs could be improved by focusing more on intensive coaching and mentoring trajectories for entrepreneurs, including access to finance;
- The effectiveness and sustainability of businesses could be improved by focusing more on aspiring entrepreneurs with some business experience instead of university students or recent graduates;

Removal of business barriers

Relevance

The third strategic pillar exemplifies the ambitious nature of the programme. Removing business barriers in post-conflict societies is a complex process requiring time, resources and access to policy makers. In addition, the political situation in the five target countries provided little opportunity in this field.

Effectiveness & efficiency

In all target countries the outputs around lobbying and advocacy were met or surpassed. However, these concerned loosely identified lobbying interventions, roundtables or other smaller initiatives. There were no official outcome indicators for the third pillar, which makes measuring long term impact of this intervention almost impossible. Concrete results were only realised in Kosovo (change in law) and Liberia (business registry established and proposal for SEZ introduced in parliament).

Sustainability

The realised improvements in the business climate have a long-term positive effect in Kosovo and Liberia.

Recommendations

- Effective lobbying and advocacy has the highest chance of success after a dedicated, sustained effort by an established partner organisation that is credible to the government.

[1] It should be noted that measurement in terms of jobs and sustainability of supported SMEs is still ongoing.

INTRODUCTION

In its role of Secretary of the UEC, SPARK initiated a final program evaluation of the UEC's activities and results under MFS II ("the evaluation"). Independent specialist consultancy firm Steward Redqueen was selected to execute the evaluation.

UEC programme

SPARK and BiD Network in 2010 established the United Entrepreneurship Coalition ("UEC"), a partnership of organisations aiming to *alleviate poverty by creating employment opportunities through empowering entrepreneurs, through local partners, in fragile states and least developed countries.* The programme targeted five countries: Burundi, Kosovo, Liberia, OPT and Rwanda. The UEC received a EUR 21 million grant under the second Dutch Co-Financing Scheme ("MFS II") to implement the programme, which ran from 2011 to 2015.

Objective

The main objective of the evaluation is to assess whether the programme has adhered to its original plan and met its expected outputs and outcomes. More specifically, the evaluation:

- Assesses the programme design, selection of partners and cooperation;
- Assesses the activities and results of the programme against expected outputs and outcomes;
- Identifies challenges, points of improvement as well as success stories;
- Draws lessons for learning and recommendations;

Methodology

In the remainder of this report an analysis and assessment is made of the following topics per section:

- Section 1: UEC programme design, targets and monitoring;
- Section 2: partner selection and cooperation;
- Section 3: capacity building of local institutions (strategic pillar 1);
- Section 4: SME development and job creation (strategic pillar 2);
- Section 5: removal of business barriers (strategic pillar 3).
- Overarching recommendations.

The evaluation process consisted of three phases:

1. Scoping: based on a scoping session on Monday 16 November and research of programme document a project management plan and inception report were developed. The inception report outlined (i) the evaluation approach, including detailed research questions and reporting structure; (ii) the evaluation process; and (iii) identified risks and mitigation measures;
2. Data collection, which consisted of the following activities:
    - Desk research;
    - Development and execution of an online survey alliance and cooperation partners (21 respondents), local partners (22 respondents) and entrepreneurs (55 respondents);
    - 13 In-depth face to face and phone interviews with alliance and cooperation partners;
    - 3 Field visits, including more than 40 face to face interviews with local partners and entrepreneurs.

3. Analysis and reporting: based previous activities, conclusions are drawn regarding the UEC's programme design, partner selection, and strategic pillars. The findings are presented in this evaluation report.

All activities for this evaluation were carried out between November 2015 and May 2016.

The consultants designed a tailor-made approach and structure for this evaluation. The research and the reporting is structured around the three strategic objectives, preceded by two enabling factors (i.e. UEC programme design and partner selection). Exhibit 1 below outlines the evaluation structure schematically. The DAC criteria (i.e. relevance, effectiveness, efficiency, sustainability and impact) are engrained in all research areas.

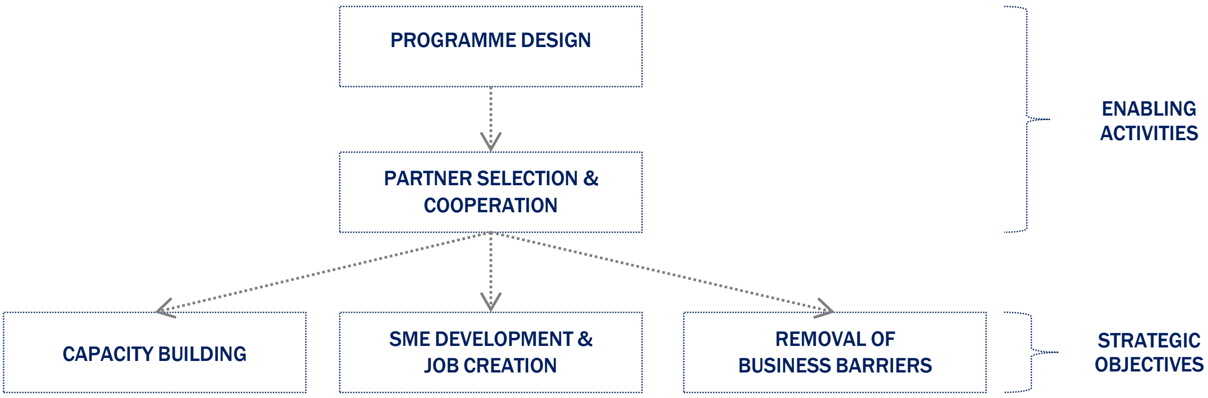


Exhibit 1 Schematic overview of evaluation approach

Sources

The conclusions of the evaluation are based on five main types of sources:

- Programme documents (e.g. proposal, strategy, contracts, annual reports);
- Data from the Management Information System (MIS), Salesforce and 5C assessments;
- Input from three online surveys (Northern partners, local partners and entrepreneurs);
- Interviews with representatives of Northern partners, local partners and several entrepreneurs;
- Field visits to Kosovo, Liberia and Rwanda (latter included meetings with Burundian partners).

The selected sources and data collection methods were complementary and enabled the consultants to verify findings.

ABBREVIATIONS

BSC	Business start-up centre
BSC	Balanced Scorecard
DAC	Development Assistance Committee
IFC	International Finance Corporation
LAC	Local Advisory Council
LIC	Low income country
LDC	Least developed countries
MFA	Ministry of Foreign Affairs
MFS II	Medefinancieringsstelsel II (second Dutch Co-Financing Scheme)
MIS	Management information system
MSM	Maastricht School of Management
MSME	Micro, small and medium-sized enterprise
NABC	Netherlands-Africa Business Council
OPT	Occupied Palestinian Territories
PAC	Project Advisory Council
SME	Small and medium-sized enterprise
SO	Strategic objective
UEC	United Entrepreneurship Coalition
UN	United Nations
UNCTAD	United Nations United Nations Conference on Trade and Development
WB	World Bank

1. Programme design

In this chapter analysis is provided of the programme's relevance on paper, the overall efficiency and effectiveness in practical execution and the measures built in the programme to make results sustainable.

1.1 Relevance

The programme had an innovative and holistic design with three mutually reinforcing strategic pillars. The programme fitted the MFS II objectives, and had a unique focus on entrepreneurship and vulnerable groups. Overall, the programme can be characterised as highly additional but also ambitious, due to its pioneering focus on entrepreneurship, focus on post-conflict states, large number of partners, and formulation of concrete and quantifiable targets.

Challenges the programme aimed to address

The programme aimed to alleviate poverty by building capacity and, in turn, supporting the creation of jobs, one of the most pressing needs in fragile states and least developing countries (LDCs). The programme focused on three interrelated challenges: the lack of employment opportunities, particularly for marginalized groups; an underdeveloped 'entrepreneurial ecosystem'; and underdeveloped organisational capacity of key actors to improve this ecosystem.

	SO 1. STRENGTHENED LOCAL INSTITUTIONS	SO 2. JOB CREATION & SME DEVELOPMENT	SO 3. REMOVAL OF BUSINESS BARRIERS
EXECUTING PARTNER	Alliance + cooperation partners	Local partners	Local partners
Activities	*Training & coaching* *Infrastructure support*	*Training & coaching* *Matchmaking* *Business plan competitions*	*Policy advice* *Lobbying*
Outputs	*Staff trained* *Enhanced infrastructure*	*Entrepreneurs trained* *Business plans submitted*	*Lobbying interventions*
Outcome	*Improvement of:* *• organisational capacity* *• ability to deliver business development services* *• capability to lobby*	*Start-up and growth of SMEs* *Jobs created*	*Business barriers removed*
Impacts	*Strengthened local institutions*	*Alleviated poverty*	*Improved business climate*
TARGET GROUP	Educational institutions Business start-up centres NGOs	Individual entrepreneurs Start-ups Established MSMEs	Policymakers Branch organisations

Exhibit 2 Schematic overview of intervention logic[2]

[2] This is a high-level summary of the intervention logic and does not include all outputs and outcomes exhaustively. Please refer to Annex 7 for an overview of all targeted outputs and outcomes.

Intervention logic

The UEC programme aimed to alleviate poverty by creating employment opportunities, through local partners, in fragile states and LDCs. The programme's intervention logic was innovative and pioneering; but also complex, ambitious, and dependent on a large number of involved actors.

Logical framework

Exhibit 2 shows the intervention logic structured along the lines of the programme's three strategic objectives (SOs): strengthening local institutions, creating jobs and developing SMEs, and removing business barriers. The exhibit outlines the programme's main actors, logical framework and target groups.

The programme was designed for outcomes in one of the three strategic fields to positively influence outcomes in other fields. Hence outcomes were not merely results, they also leveraged the other strategic objectives. Particularly SO 1 was important and can to a large extent be seen as a qualifying factor for the success of SO 2 and SO 3. The theoretical interrelationship between the three pillars is visualised in exhibit 3.

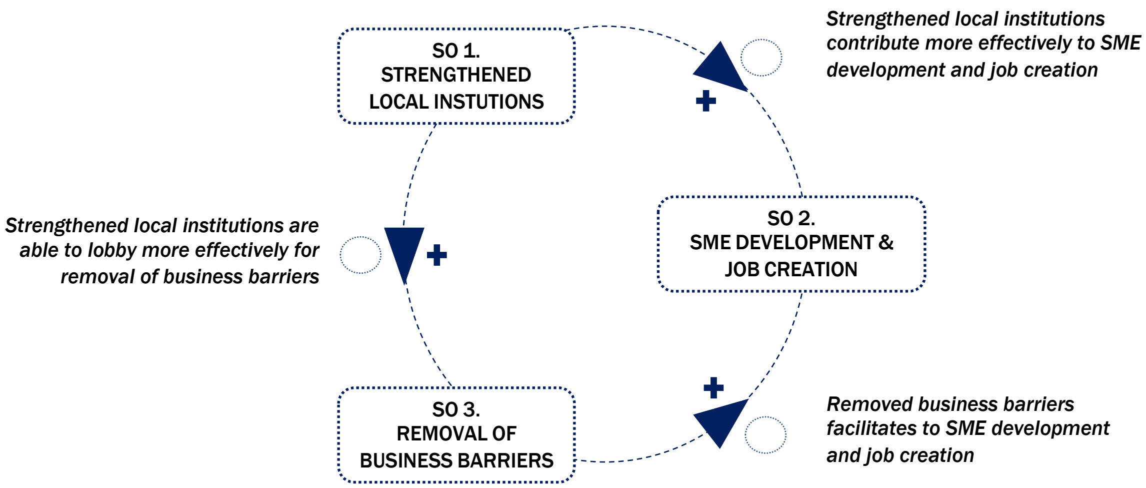


Exhibit 3 Positive relationship between programme outcomes

Peace dividend

A fundamental part of the programme design was the focus on post-conflict societies, where the programme aimed to create peace dividend. Peace dividend can be created in post-conflict societies through increased socio-economic opportunities. Stimulating the private sector, employment, growth and equity is especially important as the high unemployment and uneven opportunity distribution are often an important source of the conflict. In addition, empowering civil society in order to resolve regional causes to developmental and conflict issues, and a healthy relationship between governments and civil society enhances the stability of states. The absence of these aspects may contribute to deterioration, which could ultimately lead to renewed armed conflict.

Partners

The UEC coalition consisted of around 30-40 partners[3] at three levels: two alliance partners, six cooperation partners and 20-30 local partners (fluctuated throughout the programme). The background and selection of partners is discussed in detail in chapter 2. The set-up required cooperation between a high number of

[3] The number of partners fluctuated throughout the programme's 5-year period. Chapter 2 provides a more background on the programme's partners and analysis on the selection process and cooperation between the partners.

partners, while the local partners played a crucial role. These aspects were both strengths and challenges of the programme.

High number of partners

The high number of involved partners in seven different countries was a strength as it made the programme a concerted North-South effort, bundling forces of a wide array of organisations with their own specialisations. At the same time it was challenging from a programme management perspective, and the spread of resources over so many partners limited their feeling of ownership.

Crucial role of local partners

The local partners played a crucial role in the programme. Whereas the activities of SO 1 were carried out by the cooperation partners (targeted at local partners), the activities of SO 2 and SO 3 were executed by local partners. Moreover, the programme's formally targeted outputs and outcomes all were results of SO 2 and SO 3. This means that the overall success of the programme depended to a large extent on the local partners.

The large role for local partners was a core strength of the programme, as it aimed to address local challenges through empowering local partners to find local solutions. But it also was a weakness, as it actually was the programme's strategy to also select partners not yet deemed fully competent to execute the SO2 and SO3 activities (but with potential to do so after successful capacity building). A second weakness was the fact that local partners had to be screened and selected in a short timeframe, which resulted in high partner turnover in some target countries (chapter 2 analyses this element in detail).

Activities

The programme's core activities around the strategic objectives were:

- *Strengthened local institutions*: capacity building of local partners through staff training and infrastructure enhancement provided by the alliance and cooperation partners;
- *Job creation and SME development:* enhancement of the 'entrepreneurial ecosystem' through the development of entrepreneurship curricula, establishment of business start-up centres, offering of training and coaching provided by the local partners;
- *Removal of business barriers*: identifying and removing business barriers through advocacy and lobbying by the local partners.

Selection of target countries

The programme targeted five countries: Burundi, Kosovo, Liberia, the Occupied Palestinian Territories (OPT) and Rwanda.[4] The selection of countries was based on their match with MFS II target countries, the programme's focus on fragile states as well as the existing in-country experience of the alliance partners. Kosovo, Liberia and the OPT were selected based on SPARK's on-the-ground experience and existing partnerships with local organisations. BiD was particularly interested in becoming active in Rwanda. Burundi was selected as it fitted the fragility profile well, and could easily be combined with the activities in Rwanda.

Post-conflict context

The five selected target countries all fitted the profile of fragile state or LDC; the common denominator between the five countries was that they all had encountered armed conflict in their recent past (Rwanda in 1994, Burundi in 1995-1996, Kosovo in 1998-1999, Liberia in 1999-2003 and the OPT during 2000-2005). At the same time, the five countries differed in terms of their economic development, fragility and business

[4] Colombia was included as the sixth target country in the initial proposal submitted to the Ministry of Foreign Affairs, but was dropped after the allocated funding for the programme was lower than the proposed budget by the alliance.

climate. Table 1 and Exhibit 4 show key indicators regarding these aspects at the time of the programme's design in 2010.

Table 1 Main socio-economic indicators target countries in 2010

	WB income classification	LDC	FS List	GNI per capita (USD)	FDI inflows as % of GDP	WB Doing Business Index
Burundi	Low-income	Yes	Yes	200	0.0%	176
Liberia	Low-income	Yes	Yes	250	35.0%	149
Rwanda	Low-income	Yes	No	550	0.7%	67
OPT	Lower-middle-income	No	Yes	2,310	2.0%	139
Kosovo	Lower-middle-income	No	Yes	3,420	8.3%	113

As shown in the table above, not all target countries were considered both an LDC and a fragile state. Burundi, Liberia, and Rwanda were considered low-income countries and included in the official UNCTAD list of LDCs, lower-middle-income countries OPT and Kosovo were not. This is also reflected in the income per capita, which is significantly higher in the OPT and particularly Kosovo compared to the other three target countries (visualised in the graph below). All countries have low to almost non-existing foreign direct investment (FDI) levels, except for Liberia as a result of investments in the mining and oil sectors.

As a consequence of the conflicts in their recent past, four countries were still included in the World Bank's Harmonized List of Fragile Situations (FS list). Rwanda is the only exception, as its effective truth and reconciliation process led the country to be considered stable, although in reality tensions persist below the surface. Rwanda's business climate was also already considered quite advanced, as the Doing Business Index scored Rwanda more business-friendly than countries such as Italy or Poland.

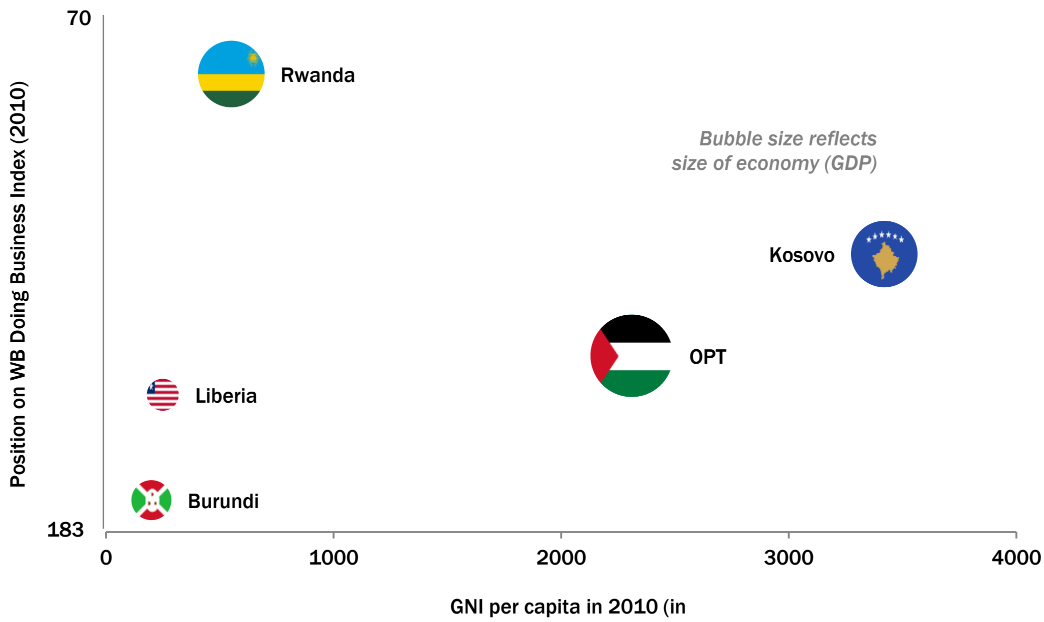


Exhibit 4 Income per capita and business climate of the target countries

When looking one level deeper at employment and business enabling factors, the target countries largely follow the same pattern: high unemployment and self-employment, low internet use, low access to electricity and underdeveloped financial sectors (Table 2).Again the OPT and Kosovo generally perform better on these indicators, although unemployment is highest in the OPT.

Table 2 Main employment and business enabling indicators[5]

	Employment		Internet		Electricity	Finance
	Unemployment (%, ILO estimate)[6]	*Self-employed*	*Broadband subscriptions*	*Internet users per 100 people*	*Access to electricity (%)*	*Loans from banks as % of GDP*
Burundi	23.0%	93.9%	0.0%	NA	6.5%	16.0%
Kosovo	NA	25.5%	NA	NA	100.0%	34.3%
Liberia	40.7%	81.7%	0.1%	5.4%	9.8%	NA
OPT	69.4%	31.8%	5.3%	53.7%	97.7%	8.0%
Rwanda	14.8%	78.5%	0.0%	10.6%	18.0%	14.9%

Macro-economic development

Over the life of the programme, the economies in the target countries all grew steadily, except for a slight decline of the Palestinian economy in 2013 and 2014 (see Exhibit 5 below). The political situation and Gaza conflict clearly impact the OPT's GDP, while the impact of the Ebola crisis is visible in Liberia's growth numbers. On average for all five countries, GDP growth varied between 7.5% (2012) to 2.5% (2014). The Kosovar economy developed slowest (3% average annual GDP growth), while Rwanda's economy witnessed the most rapid growth (7.5% annual average).

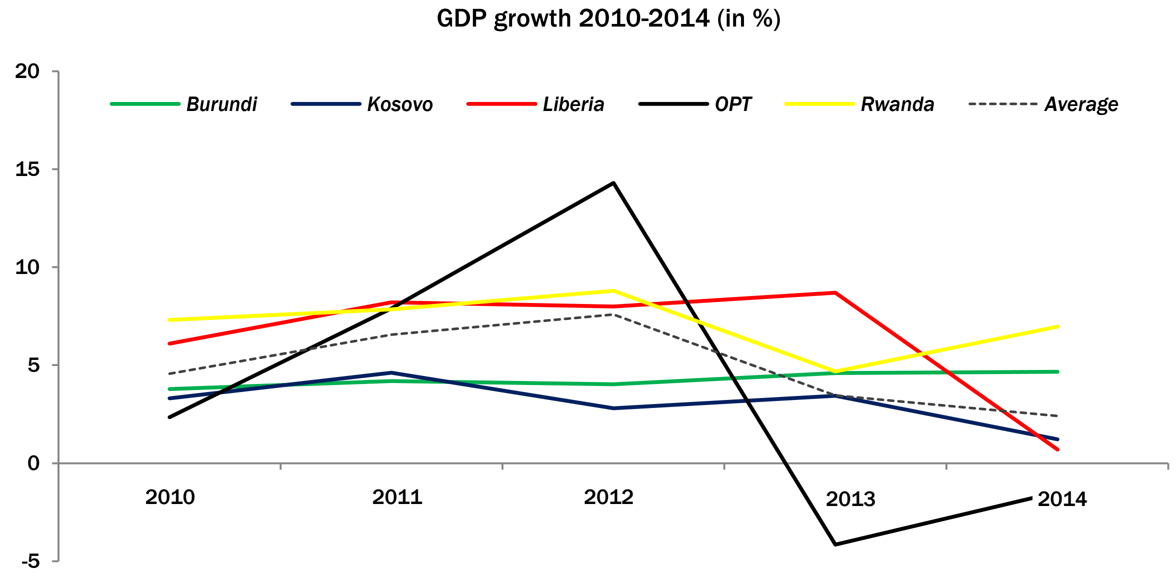


Exhibit 5 GDP growth (%) in UEC target countries between 2010-2014[7]

Focus on marginalised groups

The programme had a specific focus on creating employment opportunities for marginalised groups, such as youth, women (returned) refugees and ex-combatants. There was a specific focus on these groups, as most

[5] Based on most recent data point available. Source: World Bank and ILO data for employment, internet and electricity, IMF Financial Access Survey for finance data.

[6] Limited to no official employment data available, therefore based on the total employment to population ratio as modelled by the ILO.

[7] 2015 GDEP growth data not yet available.

existing activities by civil society organisations focusing on entrepreneurship tended to be centralised in capital cities. In order to reach these marginalised groups the programme identified specific regions and sectors which should receive special attention. Table 3 below provides an overview of what the programme considered marginalised groups, and focus regions and sectors.

Table 3 Specific description of marginalised groups, regions and sectors

	Burundi	Kosovo	Liberia	OPT	Rwanda
Marginalised groups	• Youth • Women • Returned refugees • Ex-combatants	• Youth • Women • Non-Albanian minorities	• Youth • Women • Ex-combatants • Returned refugees	• Youth • Women • Returning diaspora • Refugees	• Youth • Women • Ex-combatants • Returned refugees
Regions	Bujumbura rural, Ngozi, Bururi and Makamba	Enclaves and North of Kosovo	Montserrado, Grand Bassa County, Bong County	Gaza, North and South West Bank	Huye and Rusizi
Sectors	Agriculture, hospitality and regional tourism	Agriculture and ICT	Agriculture and Food	Agriculture and ICT	Agro-industry, ICT and hospitality

The focus on marginalised groups and the 'conflict-sensitive' nature of the programme strengthened the additionality of the proposition, but also made it even more ambitious and challenging. By focusing specifically on entrepreneurial support to parts of the population with limited employment opportunities and very little existing support from civil society organisations (CSOs), the programme filled a gap that was not yet addressed by other development organisations.

At the same time the focus on marginalised groups made programme execution more challenging, as there were only limited organisations specifically focusing on vulnerable groups or remote regions. Moreover, due to their marginalised position, their starting level was often low. The programme did manage to find a number of partners specifically focusing on marginalised groups, such as Business Center Zvecan in Northern Kosovo (targeting non-Albanian rural communities), COPED in Burundi (focus on rural development) or the AERG in Rwanda (focus on student survivors of the genocide).

Programme targets

The programme set detailed, quantitative programme result targets for itself on all three strategic objectives. The core targets are summarised in the table below. A full overview of indicators is provided in Annex 7, analysis on the programme's actual outputs and outcomes results is provided in chapter 4 and 5.

Table 4 Core quantitative programme targets set

	Core targets
SO 1: Strengthened local institutions	• 50% increase on BSC indexed score • 90% of the partners is expected to generate 50% of income from domestic sources • 80% client satisfaction score among entrepreneurs for local partners' activities
SO 2: Job creation & SME development	• 4,194 approved business applications • 14,200 entrepreneurs received a certificate as result of a training • 591 matchmaking introductions between SME and financiers resulting in financing • 880 SMEs started and grown (60% survival rate) • 6,077 direct jobs created • 76% of local partners' clients from marginalised groups

SO 3: Removal of business barriers	• 21 advocacy strategies based on analysis of obstacles to doing business • 7 improved business barriers (based on WB Doing Business indicators) per country

The indicators were tracked through three main monitoring systems:

- The *Monitoring Protocol (MP)*: the system were all output and outcome indicators were tracked and reported to the MFA;
- The *Balanced Scorecard (BSC)*: is strategic planning and management system used extensively in business, industry and governments worldwide to monitor an organisation's performance against strategic goals;
- The *5C methodology*: a tool designed by European Centre for Development Measurement (ECDPM) around five core capabilities of organisations.

The targets were determined based on best estimates and can be considered relatively low on outputs, and high on particular outcomes (i.e. jobs created, business barriers removed). Setting these detailed quantitative targets made progress and end-objectives tangible to all involved actors as well as its donor, the MFA.

However, these targets also made the success of the programme to a large extent dependent upon the numbers. This was particularly felt by a vast majority of SPARK staff in local offices, who indicated that this led the programme to focus on quantity rather than quality or sustainability (see chapter 4 for more analysis). Moreover, the focus on quantitative results was dependent upon the reliability of reporting by local partners to local SPARK staff. Local partners were not used to consistently monitor outputs and outcomes, while local SPARK staff sometimes had difficulties in effectively verifying and/or following up on reported outputs and outcomes. These aspects will be analysed in more detail in this chapter (effectiveness & efficiency of the monitoring systems), and particularly when discussing outputs and outcomes in chapter 4.

Overall, the programme should be lauded for its ambition to set quantitative targets with such a high level of detail. This can be considered progressive and characterises the transparency and result-driven nature of the programme's partners. It facilitated communication on concrete achievements, particularly on outputs level.

At the same time, the ambitious quantitative targets on outcome level on outcome level can be considered somewhat unrealistic, particularly when taking into account the strict and consistent monitoring this required. Reaching the targets was challenging, particularly with the various internal and external setbacks the programme faced along the way, while there appeared to be some limitations regarding the reliability of monitoring.

Fit with MFS II

The programme's SOs formed a strong match with the core MFS II objectives. The three core MFS II objectives (in italics) and the way the UEC programme addressed these can be summarised as follows:

1. *Promoting sustainable economic development and achieving direct poverty alleviation by making people self-reliant*: by increasing entrepreneurial awareness and providing tangible tools and opportunities to develop a business, people are stimulated to start a business and have a higher chance of becoming self-reliant, which ultimately contributes to sustainable economic development and poverty alleviation (SO 2);
2. *Building civil society by strengthening pluralist local institutions*: by building capacity of local partners that can improve the 'entrepreneurial ecosystem' (e.g. universities, NGOs, start-up centres) the civil society in the target countries was strengthened (SO 1);

3. *Influencing policy by giving people a voice in order to bring about change in processes and structures that perpetuate poverty and inequality*: by empowering local institutions to effectively carry out lobbying interventions the processes and structures hampering business development can be changed (SO 3).

On top of the above, the UEC programme's focus on entrepreneurship and stimulation of the private sector made it unique among the MFS II applicants. It made the programme progressive and pioneering.

Proposal

The programme's proposal as submitted to the Ministry of Foreign Affairs was comprehensive and based on extensive research. SPARK took a participatory approach by involving local partners in the early stages of writing the proposal. The proposal addressed the programme design in detail and contained an annex with extensive research on individual target country level. Per country an analysis was provided of the target group, problems at macro, meso and micro level as well as an overview of the main existing donor programmes. These findings were summarised in a SWOT analysis per country.

The proposal was well-received and highly rated by the Ministry of Foreign Affairs. In fact, the assessors considered the proposal to rank among the top bids of the MFS II call for proposals. This is particularly impressive when taking into account the more limited human and financial resources of SPARK and BiD Network compared to other applicants, which predominantly were larger NGOs.

Missed opportunities

Despite its depth and quality, the proposal also had two missed opportunities. First, it was researched and written mainly by SPARK (although other alliance partners, some local partners and external consultants were involved). This resulted in insufficient analysis on two aspects close to BiD's mission: the online environment (e.g. access to internet) and availability of financing (e.g. access to finance). These two aspects later surfaced as weak points of the programme's execution in practice.

Second, the proposal lacks an explanation on the operational approach. The organisational set-up of the programme was complex, with two alliance partners, six cooperation partners and around 20 local partners. The proposal nevertheless does not include a section on operational aspects such as communication procedures, the roles and responsibilities of local offices or lines of reporting. Lack of clarity on these contributed to operational inefficiencies and sometimes frustration among involved staff.

1.2 Effectiveness & efficiency

The programme's pioneering nature and organisational complexity made execution in practice challenging. Challenges in setting up four new local offices and in the cooperation with local partners forced SPARK's head office to retain a relatively large role, which hampered effectiveness and efficiency. Moreover, several external setbacks affected the programme. The monitoring systems delivered detailed data, but were generally too sophisticated or complicated for some of the smaller organisations in the target countries.

Role of local offices

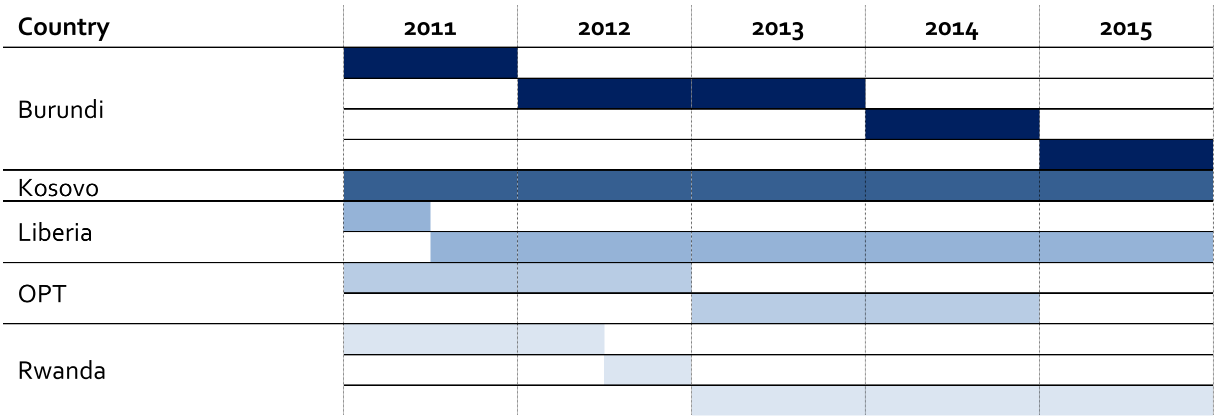
In order to effectively cooperate with the local partners, local on-the-ground offices were required. As shown above, the only existing local office at the time of the programme's inception was SPARK's office in Kosovo, while SPARK had some on-the-ground experience in the OPT and Liberia. This meant that the alliance partners had to physically establish local offices and recruit staff in four new countries in the first year of the programme. SPARK managed to quickly set up these new offices, and BiD also established a presence in Rwanda.

However, establishing the offices did not go without challenges and not all local teams were up to the required strength at the start of the programme. Whereas the existing office in Kosovo performed well right away, it took some time for the other the local offices to become fully operational. Moreover, the local teams still had to build up relations with the local partners. This resulted in delays in the actual start of programme activities.

In addition to the start-up problems, local offices faced several other operational challenges. The main one was high staff turnover, at country manager as well as programme offer level. Table 5 below visualises country manager turnover, ranging from stable in Kosovo to unstable in Burundi, with four different country managers over a five-year period in the latter case. The staff turnover had various causes, ranging from personal reasons to disagreements with programme management. The high turnover negatively affected local teambuilding as well as relations with partners.

In addition, local staff had multiple roles. In addition to running the UEC programme, the team had to focus on other SPARK-managed programmes as well as acquisition. This put pressure on the local teams, who sometimes felt overburdened in managing the programme as well as generating leads for new projects. On top of that there were country-specific setbacks, such as in the OPT, were SPARK never managed to register its office due to bureaucratic red tape and decided to cease its local presence before the end of the programme.

Table 5 Overview of country manager turnover per country



Role of head office

In the programme's operational management there was a large role for SPARK's head office in Amsterdam. All project proposals submitted by local partners as well as their financial reporting were checked in detail by head office staff. The fact that local offices were not yet up to speed in the early stages of the programme further spurred the large head office role. This resulted in situations where local partners haggled over details of draft proposals or had to explain minor receipts of expenses with head office staff. With 25+ local partners in five different countries, this led to delays of project approvals and payments, hampering the efficiency of the programme's efficient execution.

There was a clear need for more decentralisation of responsibilities to local offices. Local partners appreciated the presence of the local offices, which facilitated communication both in terms of distance and contextual understanding. The need for decentralisation was recognised by SPARK after the first two years and highlighted in the mid-point evaluation. SPARK took action on this point by gradually delegating more responsibilities to local offices. This process was spurred by the new UEC programme manager who joined SPARK in 2012. This led to more efficient operations in the second half of the programme's life.

Short-term contracts

The programme's effectiveness and efficiency was further affected by an overall short-term focus of the programme. Despite attempts to develop five-year plans with some of the initially selected local partners, the cooperation between SPARK/BiD and the local partners was based on one-year projects and contracts. In addition, contracts with own staff involved in the programme were also concluded on an annual basis.

The short-term focus was understandable, as it provided flexibility to programme management in their engagement with partners and own staff. Indeed, the one-year contracts enabled SPARK and BiD the opportunity to end the relationship with underperforming local partners early, which was inevitable in such a broad partner network.

At the same time, the one-year contracts with local partners limited the ability to develop individually tailored long-term capacity building strategies for local partners, based on the partners' own views of where it aimed to develop itself. It also provided limited assurance to own staff members, particularly those in local offices, who were in turn incentivised to look for other opportunities as back-up. More long-term contracts with staff may have prevented some of the high staff turnover.

External setbacks

The effectiveness and efficiency of the programme was further negatively impacted by several external setbacks in the target countries. The first was the outbreak of the Ebola virus, which forced the programme to evacuate its office and limit operations in Liberia throughout 2014 and early 2015. The second was the failed coup in Burundi, which caused persisting unrest from mid-2015 up to 2016. The third were the 2012 and 2014 Israel-Gaza conflicts, which hampered cooperation with the programme's partner in Gaza and also had a negative effect on activities in the West Bank.

Monitoring systems

Quantitative and qualitative targets had been agreed with the Ministry of Foreign Affairs based on a baseline study conducted in 2011. Measuring the progress towards the clearly defined and detailed quantitative targets depended on the effective working of the programme's monitoring systems: the Monitoring Protocol (MP), the Balanced Scorecard (BSC) and the 5C methodology. In theory the monitoring systems were a strong point of the programme, as it concerned sophisticated and proven systems. In practice however the monitoring systems were perceived as resource-intensive and too complicated, while all three faced some specific problems.

Monitoring protocol

The Monitoring Protocol tracked the programme's outputs and outcomes as agreed with the MFA, and successfully yielded detailed data on all agreed indicators. Reporting of this data took substantial efforts by the local partners and guidance by the local offices, particularly as most organisations were not used to track their activities or performance in such detail. Moreover, local staff was not sufficiently trained on effectively following up and verifying the data reported, and guiding local partners in tracking their outputs and outcomes.

As a result, the reliability of some data may give rise to questions, particularly on outcome level (see chapter 4 for more analysis). This is mainly for two reasons. First, the definitions of some outcome indicators provided room for interpretation, particularly in which case a job created or established business can be attributed to the programme's intervention. An additional complication was that even BiD and SPARK themselves initially used different definitions for some indicators. Second, data collection was carried out and hence fully dependent upon local partners, with verification only through sample testing by the local office.

5C Assessments

The 5C methodology is a tool designed to assess the capabilities of an organisation in five core areas. Chapter 3 on capacity building provides a more extensive explanation of the 5C methodology.

Balanced Scorecard

The BSC is a strategic management tool widely used in business, industry and government to monitor different financial and non-financial performance aspects. Whereas the BSC was designed for and effective for medium to large-sized Western organisations, it probably was too sophisticated for small, developing and resource-constrained organisations in fragile states. Given the burden it placed on local partners, and taking into account the overlap it had with the 5C methodology, the use of the BSC was discarded altogether in 2013. A salesforce business tracking system was developed later, to replace the BSC.

Allocation of funding

The budget of the programme and the real costs spent show the strong focus of the programme on the first two pillars. It was initially planned to allocate EUR 9m (42% of budget) to capacity building and EUR 7.2m (34%) to support activities of local partners. However, during the course of the programme local partners indicated they were more interested in organising business development activities than being trained. It was therefore decided to gradually allocate a larger share to supporting business development activities of local partners: in the end about EUR 9.8m (47% of funding) was used for SO 2 and EUR 6.4m (31%) for SO 1.

The budget also shows the more limited role of the third strategic pillar, the removal of business barriers. Whereas EUR 1.4m (8% of budget) was originally allocated to SO 3, EUR 1.3m (7%) was actually used as funding for activities such as policy making strategies and interventions. It can be questioned whether this limited allocation gave the third strategic pillar any real chance for success, and hence also whether inclusion of the third pillar was a sensible decision from the start. This question will be further addressed in chapter 5.

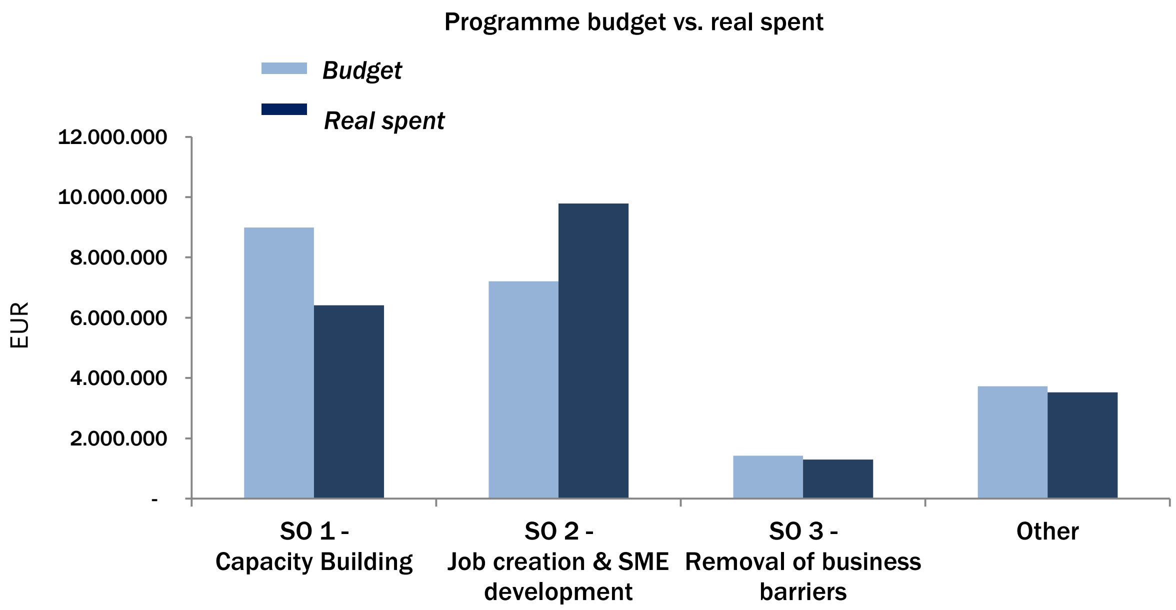


Exhibit 6 Programme budget and real costs spent per area

The other costs concern the operational costs of managing the programme, which take up 17% of both the budget and actual amounts spent. The main categories of these operational costs are coordination at country level, monitoring and evaluation and overhead. The coordination costs include the fees for local staff, office rent and equipment. Monitoring and evaluation includes costs made on the systems, collecting the data as well as payments for auditing and external evaluations. Overhead concerns the costs made for head office staff in overall operational and financial management of the programme. With EUR 3.5m spent, the actual costs were slightly lower than the budgeted EUR 3.7m. This is largely due to lower than anticipated overhead costs.

Allocation of funding at country level

The allocation of funding to the five countries went largely as planned. The budget per country was originally determined based on the expected absorption capacity of local partners as well as local price levels, leading to somewhat larger budgets for Kosovo and the OPT. Due to the Ebola crisis and the closure of the office in the OPT, less budget went to Liberia and the OPT than anticipated. These funds were mostly allocated to Kosovo, where the absorption capacity was highest, and to a lesser extent Rwanda, where the large number of partners (particularly in the later stages of the programme) were able to effectively use the extra budget.

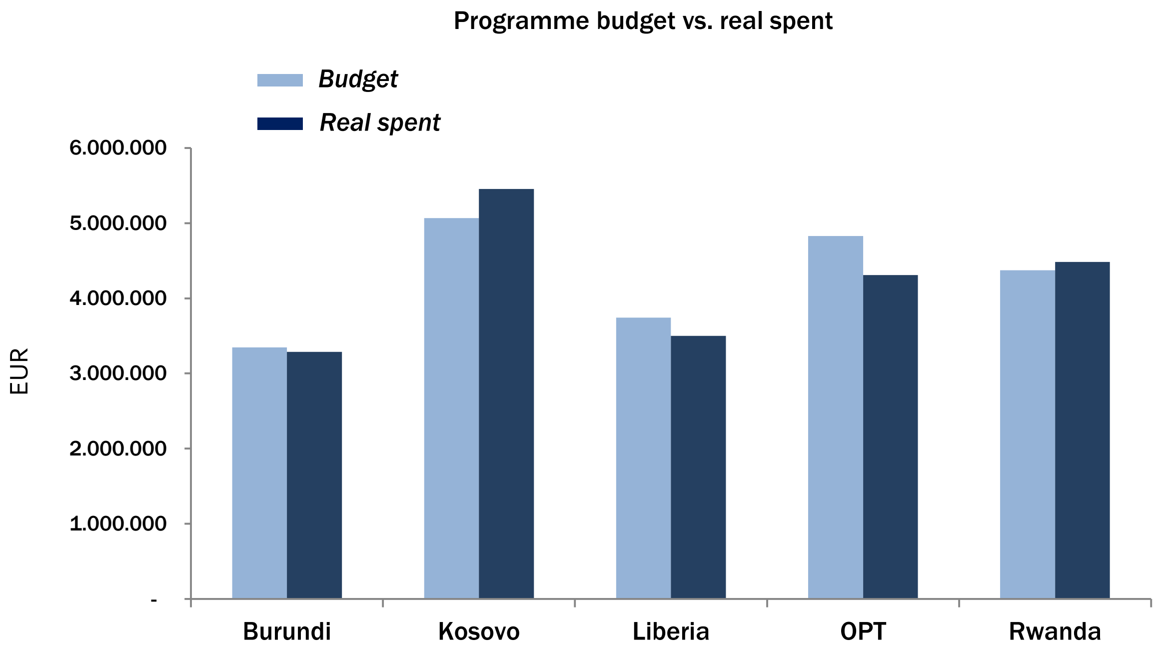


Exhibit 7 Programme budget and real costs spent per country

Allocation of funding per year

The programme had some difficulties in spending the budget in the first year of the programme (EUR 3.2m spent vs. EUR 4.5m budgeted), but was able to re-allocate this funding in the later years of the programme. The underspending at the start was caused by the start-up challenges of the local offices as well as the difficulty for some local partners to submit funding proposals that met the programme's standards and expectations. At the formal end of the programme in December 2015 an amount of EUR 325,000 remained (of which EUR 250,000 was planned to be left over), which was used in the first half of 2016 for reporting of local partners, support in their fundraising activities and other research.

1.3 Sustainability

The programme's design included a focus on sustainability for local partners from the start. The UEC partners all agreed that the programme should steer for grant dependence to be reduced over time. Developing market-driven activities, charging fees for services and raising membership fees were seen as logical steps once local partners had matured their services.

This focus on sustainability was included in the programme's proposition in two main ways. The first was in the partner selection, as the extent to which partners were self-financing or had the potential and willingness to be become self-financing was one of the four key criteria. The second was a self-financing scheme. Local partners were expected to at least contribute 10% of the financing of their business development activities for potential entrepreneurs from own income in the first year, running up to a minimum of 50% own financing in the fifth year of the programme.

1.4 Recommendations

- *Make the programme design more realistic*: The programme design should have been simpler by focusing on two instead of three strategic objectives (no focus on removal of business barriers), and less ambitious by lowering expectations regarding outreach to vulnerable groups and overall quantitative outcomes.
- *Include an operational plan in the programme design*: The programme's design should include a clear description of roles and responsibilities, basic operational procedures and lines of reporting.
- *Decentralise operational responsibilities*: The local offices should be the primary point of contact for local partners, and should play an active role in guiding local partners on writing project proposals, following up on training, providing coaching, checking financial reporting and verifying monitoring.
- *Make monitoring systems simpler with unified definitions*: Simpler monitoring systems with clear definitions would improve data reliability and quality. Once organisations grow and show an interest, more sophisticated monitoring systems that could help them analyse their own success (5C, BSC) can be introduced.

2. Partner selection & cooperation

This chapter analyses the partner selection process and the cooperation between the UEC partners (i.e. the alliance, cooperation partners and local partners). An assessment is provided of the relevance of the UEC partners to the UEC programme's objectives in theory and practice; the effectiveness and efficiency of the cooperation between partners on programme and country level; and the sustainability of the partnerships.

2.1 Relevance

SPARK and BiD had different backgrounds and complementary roles in the programme. The group of selected cooperation partners fitted the programme's objectives and were largely complementary to each other. The ultimate key to the success of the programme lay in the ability of local partners to execute activities. This shows a mixed picture. While some partners lived up to expectations, other partners could not deliver on their promises and had to be replaced. This was especially apparent in Burundi and Rwanda.

Alliance partners

Partner selection

SPARK and BiD were the main partners in the programme. They knew each other well, as their offices were located in the same building at the time of the programme's inception. SPARK and BiD both focused on supporting individual entrepreneurs and SMEs, but had different approaches, which made them complementary to each other. SPARK had a track record of on-the-ground assistance to start-ups and early stage businesses. BiD had a strong international online system and network to help more mature businesses grow and attract financing from international investors (financing need of USD 10,000-500,000). Together SPARK and BiD were able to provide support in all stages of the business life cycle, from the seed stage to expansion, and were able to offer support both in offline and online form.

Match with UEC programme in theory

SPARK had an overall better match with the strategic objectives, target countries and vulnerable groups focus from the start. SPARK and BiD both had experience with some, but not all of the programme's strategic objectives (SOs). Providing business development services to entrepreneurs and SMEs (SO2) clearly was the strength of both organisations; SPARK as well as BiD had extensive track records in this field. Capacity building support to local organisations (SO1) was only previously done by SPARK, notably by supporting local economic and educational institutions in The Balkans under MFS I. Although SPARK had some experience with lobbying and advocacy (SO3) under MFS I, both organisations lacked strong expertise in this regard.

SPARK was more experienced than BiD in the target countries. SPARK had previously executed programmes and pilot projects in Kosovo, OPT and Liberia. BiD did not have relevant experience in any of the UEC's countries. Although it had worked in emerging and developing markets, it also did not have on-the-ground experience in fragile states. Neither BiD nor SPARK had experience in Burundi and Rwanda. SPARK also was the only organisation with some experience in targeting vulnerable groups. Through SPARK's focus on educational institutions it always had an explicit focus on youth, and in addition had run projects with specific focus on women, returning refugees and Internally Displaced Peoples (IDPs). BiD had not yet actively targeted vulnerable groups in earlier projects, except for a focus on women.

Match with UEC programme in practice

In the practical execution of the programme SPARK was able to keep its intended approach, while BiD had to adapt its focus. It soon turned out that BiD's focus on online activities and larger investors did not match well with the programme in practice. Online platforms did not work, amongst others due to the underdeveloped infrastructure in fragile states and due to the lack of trust, making people reluctant to share information.

Moreover, start-ups in the UEC countries were not yet mature enough to be matched with BiD's international investor network, and the sectors they operated in were not perceived as 'hot and promising' (e.g. agribusinesses in Burundi are not popular amongst investors). With the exception of Rwanda, investors were not ready to invest in the fragile UEC target countries.

To solve this mismatch, BiD showed flexibility and successfully adapted its activities during the programme's life. BiD decided to organise business plan competitions offline instead of online, and developed the *Ready4Finance* Train the Trainer module.

Ready4Finance (BiD)

The businesses that were part of the UEC programme often lacked sufficient knowledge of investment processes. BiD identified this gap and developed Ready4Finance, a training programme focused on business and financial planning and the workings of an investment process. The programme is available as Training of Trainer (ToT) module, which increases local partners' qualitative and quantitative capacity to train and advise entrepreneurs and to attract income for their organisations. In 2014 alone, BiD trained 16 and certified 14 trainers from 6 different local partners in the Ready4Finance training package.

Cooperation partners

Partner selection

The cooperation partners Enclude (previously Triodos Facet), InfoDev, IntEnt, MDF, MSM, and the Netherlands-African Business Council (NABC)) were to a large extent complementary to each other.

Table 6 Overview of cooperation partners 2011-2015

	Name	Type	2011	2012	2013	2014	2015
Cooperation partners	InfoDev	NGO					
	EntEnt	NGO					
	MDF	Consultancy					
	MSM	Education					
	NABC	NGO					
	Triodos Facet/Enclude	Consultancy					

All organisations had different areas of knowledge and expertise. MDF and Triodos Facet were selected to concentrate on general SME development and capacity building of local partners, and InfoDev for business incubation management training. The NABC's role was to organise trade missions and to train local organisations to organise these, connecting local entrepreneurs to Dutch investors. MSM was attracted to build curriculum development at partner universities and reduce barriers to doing business, and IntEnt would help organize networking opportunities for migrant entrepreneurs and establish funds that tailor diaspora. SPARK signed partner agreements with each of the cooperation partners, in which these different focus points were elaborated (please see Annex 4 for the overview of partner roles).

Budget

Exhibit 8 below provides an overview of the budgets per cooperation partner for the total programme duration as decided in the partner agreements. The exhibit shows that while Triodos Facet/Enclude and MDF were allocated a larger role in capacity building activities than the NABC, InfoDev, MSM and IntEnt. The budget of Triodos Facet/Enclude and MDF was around EUR 500,000, whereas budget for NABC, InfoDev and MSM varied between EUR 150,000 and 200,000. IntEnt, which had a budget of EUR 120,000, faced bankruptcy early in the programme.

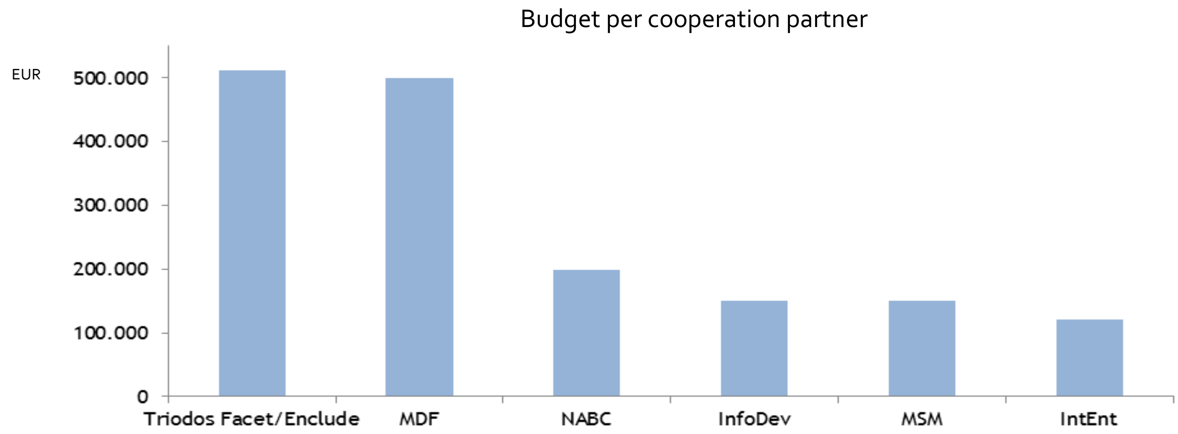


Exhibit 8 Budget per cooperation partner

Match with UEC programme in theory

Together, the cooperation partners had relevant experience with all of the programme's SOs. Most had a training profile and a good fit with the capacity building nature of the programme. Especially MDF had a strong track record in institutional capacity building (SO1). All organisations also had expertise in business and entrepreneurship development (SO2). MDF and MSM were familiar with lobbying and advocacy (SO3). Together the cooperation partners had experience in all countries, including Rwanda and Burundi, where the alliance partners did not have any previous experience. The cooperation partners' previous experience with focusing on vulnerable groups was however largely limited to women and youth, and not specifically related to fragile states.

Match with UEC programme in practice

Whereas MDF, Enclude and InfoDev were able to execute their role as intended, the other organisations had to adapt themselves. The NABC had the least fit with the programme, because Dutch companies and investors in NABC's network were not ready to immediately invest in start-ups in fragile states, and the local partners selected by SPARK lacked the trade expertise and network NABC was looking for. NABC therefore had to select its own local partners (Chambers of Commerce). MSM's role was reduced to curriculum development for educational partners only, whereas it originally also was attracted to focus on removing business barriers. As IntEnt had organisational problems and filed for bankruptcy mid-2013, SPARK took over its activities. IntEnt was the only cooperation partner that dropped out of the programme.

Local partners

Partner selection

The alliance was able to attract a relevant mix of local partners in all countries, ranging from universities and business incubators to specialised NGOs and consultancy firms. In total, almost 50 local partners were involved in the UEC programme throughout the years. As shown in Table 7 the programme started off in 2011 with about 3 to 6 partners per country. For reasons further discussed below some partnerships were ended prematurely, while new partners were added. In 2014, there was a peak of about 30 active local partners included in the programme at the same time.

The number of partners and the stability of partnerships differed per country. In Rwanda, the number of local partners was highest and fluctuated the most; in the OPT and Liberia partners remained largely the same. NGOs and educational institutions form the bulk of the partners, complemented by start-up centres, consultancy firms, government agencies and chambers of commerce. Cooperation partners indicated that overall the right type of partners were selected, but also pointed out that improvements could be made. The most heard comment concerned the overrepresentation of academic institutions compared to business development support providers.

Whereas there initially were financial institutions among the partners, these partnerships all ended within a year due to various reasons. The lack of financial partners can be considered a gap in the composition of the partner group, and was to have an effect on the outcomes of the programme (see chapter 4 for analysis).

Table 7 Overview of local partners 2011-2015

Country	Name	Type	2011	2012	2013	2014	2015
OPT	Birzeit CCE	Educational Institution					
	Birzeit CoE	Educational Institution					
	FPCCIA	Chamber of Commerce					
	BWF	NGO					
	Leaders	NGO					
	Islamic Univ. of Gaza	Educational Institution					
Kosovo	BCZ	NGO					
	Fractal	NGO					
	BAC Mitrovica North	NGO					
	University Mitrovica/CTD	Educational Institution					
	University of Pristina	Educational Institution					
	Universum	Educational Institution					
	CEED	NGO					
	D&G Solutions	NGO					
	BSC Strpce	NGO					
	BSCK	Business Start-up Centre					
	STIKK	Business Association					
Liberia	BSCM	Business Start-up Centre					
	ALU	Educational Institution					
	LBBF	Business Association					
	CWAP	NGO					
	LEAP	Microfinance Institution					
Rwanda	PSF	Business Association					
	YES	NGO					
	UTTBS	Educational Institution					
	NUR	Educational Institution					
	IESR	Educational Institution					
	ADC	Consultancy Firm					
	ASSG	NGO					
	Ebuco	Media Company					
	Microjustice Rwanda	NGO					
	CYE	Business Association					
	RDB	Government Agency					
	AIP	NGO					
	JCIR	NGO					
	Umutara Polytechnic	Educational Institution					
	Educat	NGO					
Burundi	BBI	Business Start-up Centre					
	Turame Community	Microfinance Institution					
	Hope Africa University	Educational Institution					
	University of Ngozi	Educational Institution					
	COPED	NGO					
	REJA	NGO					
	New Generation	NGO					
	Ligue Iteka	NGO					
	AFAB	NGO					

As shown in Exhibit 9, NGOs and universities made up the largest share of the local partners. About 17% of the local partners were business associations and start-up centres. The remainder 11% consisted of such organisations as government agencies and micro FI's.

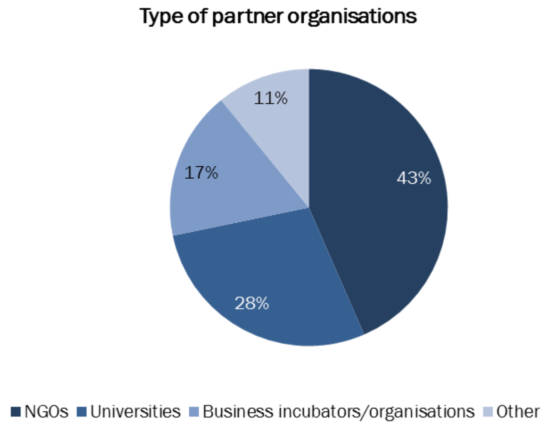


Exhibit 9 Local partners per type

Selection process

The selection process of local partners was based on the local partner's match with the programme rather than an adequate organisational screening. Initially, the alliance partners searched and assessed potential partners based on developed a set of quality requirements. However, it soon turned out that few potential local organisations were actually able to meet these requirements. As one of the programme's aims was to strengthen local organisations, the alliance partners explicitly looked for potential partners with weaker organisational capacity that had enough potential to improve. However, ex-ante determination of improvement potential and management quality of the potential partner was not explicitly identified as a crucial driver for success and therefore not the focus of attention at due diligence stage. Ultimately, a match between the local organisation's mission and that of the UEC programme became the main qualifying factor. As we will see later, this led to mixed results.

The initial partners were selected by SPARK and BiD based on two to three country visits. These visits were performed predominantly by SPARK staff, in most cases supported by external consultants. Whereas SPARK could rely on partnerships from previous programmes or piloted projects in Kosovo, OPT and Liberia, the network had to be built from scratch in Burundi and Rwanda. SPARK therefore organised a call for proposals in Burundi, and asked external consultants to select partners in Rwanda. Although the partner selection was meant to be a joint process with BiD, it turned out that the initially selected local partners did not sufficiently match BiD's needs in all countries due to a focus on educational institutions. BiD therefore decided to select its own local partners in Rwanda and Kosovo.

Match with UEC programme in theory

Almost all partners had a good fit with SO2 as they almost all focused either on entrepreneurship education or business support. However, there were few organisations with relevant experience in advocacy and lobbying specifically selected to address the removal of business barriers (SO3). In fact, only in Kosovo and Liberia (Kosovar ICT association STIKK and Liberian business association LBBF), and briefly in Burundi (Ligue Iteka, partnership ended early after the government asked them to stop), local partners were committed to this objective. There were some other partners with potential in this field (e.g. Private Sector Federation in Rwanda, Federal Association of Chambers of Commerce in the OPT), but overall partners with a dedicated SO3 focus were lacking in the OPT, Burundi and Rwanda.

While the right local partners were selected to reach women and youth, the outreach of local partners to other (potentially) marginalised groups was limited. The local partners that could target youth (e.g. universities), and women (e.g. BWF in OPT) were sufficiently represented. It was more difficult however to find local partners that specifically targeted the other (potentially) marginalised groups (see chapter 1). Examples of these other organisations are the Association of Student Survivors of Genocide in Rwanda and several local partners in Kosovo, which were focused on vulnerable non-Albanian minorities.

Strong inclusive approach in Kosovo

In Kosovo, the UEC not only successfully targeted women and youth, but also both non-Albanian minorities and Albanian communities. Minority communities represent up to 12% of the total population in Kosovo and are concentrated in enclaves and in four Northern municipalities. They often feel isolated and economically deprived. The UEC successfully included local partner organisations that focused on enclaves and on North Kosovo. At the same time, the programme also included a partner from Pristina, whose target group mostly consists of the Albanian majority. Thereby the UEC programme was one of the few programmes focussing on SME development that included and connected both Albanian and non-Albanian communities.

Whereas the UEC succeeded in selecting local partners focusing on remote areas, it also was, despite strong efforts, more challenging than expected to find local partners in underdeveloped regions in the other three countries. In Kosovo and OPT the spread over regions was diversified. The majority of local partners in Kosovo were located in Mitrovica, North Kosovo, while partners targeting enclaves were included as well. In OPT local partners had their offices in Gaza and the West Bank, covering most of the targeted regions. In Liberia, Rwanda and Burundi most local partners were located in the capital cities, although there are also examples of organisations targeting remote areas, including two universities in Rwanda (INES, UMUTARA Polytechnic) and a rural economic development organisation in Burundi (COPED).

Match with UEC programme in practice

A part of the local organisations were able to execute their intended role. A number of initially selected partner organisations experienced difficulties in meeting the UEC's basic quality requirements for project proposals. This caused significant delays in the start-up of the programme, especially in Burundi and Liberia. Moreover, some partners could not deliver on their implementation contract due to limited actual commitment to the UEC's objectives. Examples are two financial institutions, LEAP in Liberia and Turame in Burundi, which did not carry out financing activities as envisaged, and Fractual in Kosovo, which used the funding for unauthorized expenses. For a number of partner organisations therefore, the decision was taken to downscale or end the cooperation within the UEC programme.

As could be expected, initial partner selection was most successful in countries were SPARK already had experience, with by and large successful partner selection in Kosovo and the OPT. Looking back, the alliance and cooperation partners indicated in the survey that they would select about half or more than half of the local partners again. A large majority of cooperation partners specified that improvements could be made in the selection, and both alliance partners and cooperation partners stated that they ideally would have worked with fewer local partners per country.

2.2 Effectiveness & efficiency

The target countries and selected local partners fitted SPARK more than BiD. Under mutual agreement SPARK gradually took a larger role in operational management of the programme, which benefited the programme's operational efficiency. Despite active efforts, coordination between cooperation partners was minimal at programme and local level, which hampered effectiveness and efficiency. Coordination between local partners was regular and perceived as useful, although it did not result in major concrete synergies.

Terms of cooperation

BiD and SPARK

At the beginning of the programme, SPARK and BiD had divided the coordinating role between them, based on their organisations' expertise. These roles were captured by the partner agreements (see Annex 4). SPARK was assigned to coordinate the offline capacity building activities, on-the-ground business plan competitions, guarantee funds and lobbying and advocacy activities. BiD would coordinate all online activities and events (e.g. training and coaching activities, business plan competitions, and business networking events) and matchmaking with investors. As the lead party SPARK also had the task to coordinate the overall UEC programme and manage the cooperation partners.

Despite the agreed division of coordinating roles, SPARK and BiD struggled to find an effective way of cooperation and balancing their interest. The UEC programme required intensive cooperation and coordination from both organisations, which was described by both BiD and SPARK as a "forced marriage", or a "merger in a pressure cooker". Especially in the beginning there was still discussion on the mandate and roles of both parties. To avoid continuous discussions and work more efficiently both parties gradually went their own ways: SPARK increasingly took on the role of managing the project, while BiD focused mainly on its own activities and partners.

SPARK and cooperation partners

At the start of the UEC programme, SPARK signed partner agreements with each of the cooperation partners. These included a high level overview of activities the cooperation partner would commit to carry out, and a total budget sum for the cooperation partner for the entire programme period (see Annex 4for overview of activities). The partner agreements contained an elaborate overview of the cooperation partner's envisaged activities per country and year, as well as a budget broken down per year.

The cooperation partner agreements facilitated efficiency, but limited effectiveness. As the total budgets per cooperation partner were fixed for the full five years, the extent of involvement of each cooperation partner was fixed at the beginning of the programme. This facilitated efficiency as cooperation partners could plan for the entire programme duration. Whereas there was flexibility to adapt individual activities, the level of involvement of cooperation partners could not be adapted based on programme demands. This meant that cooperation partners with a less perfect match with the programme (e.g. NABC, MSM) still carried out the agreed activities, although the effectiveness of their interventions for the programme can in some cases be questioned. Overall, the fragmentations of partners and their fixed roles lead to a limited feeling of co-ownership.

Alliance partners and local partners

The alliance partners signed partner agreements with local partners on an annual basis. The partner agreements included the outputs and outcomes to be achieved by the local partner during that year, as well as a fixed budget.

The annual partner agreements were effective and flexible, but limited strategic planning. The annual agreements were effective as they helped SPARK to steer on outputs and outcomes on a regular basis. SPARK local office staff indicated that they used the annual agreements to push the local partners to set higher goals, as they were otherwise unable to achieve the country specific targets. Moreover, the short-term contracts effectively enabled the alliance to end or downscale partnerships when needed. On the other hand, effectiveness was somewhat hampered by the short term timelines as a real strategic, 3-5 year plan with partners could not be developed.

The process to develop the annual proposals was inefficient with a substantial number of partners. SPARK indicated that it was often challenging for local partners to submit a partner project proposal of sufficient quality. Local organisations needed extensive assistance, especially in the early years. At the same time, local partners pointed to strong delays in the approval of their annual proposals due to reasons mentioned in chapter 1 (i.e. large role head office, local staffing issues). An exception was Kosovo, where the office staff strongly supported the local partner organisations during the process of developing the annual proposals, which significantly improved efficiency.

Coordination on programme level

BiD and SPARK

The coordination between the alliance partners started intensively, but gradually diminished over the life of the programme. In the early years of the programme, SPARK and BiD organised bi-weekly coordination meetings and regular UEC Board of Directors meetings. Moreover, they organised joint planning and coordination meetings involving all SPARK's country managers and BiD advisors to discuss topics such as programme management, strategic direction and planning. However, communication and coordination moments decreased over the years. SPARK and BiD indicated that in the final year there has been very little communication between them. This did however not severely affect programme management efficiency, as leadership by one organisation suited the programme well.

Among alliance and cooperation partners

The main coordinating moment for alliance and cooperation partners was the annual Programme Advisory Council (PAC) meeting organised by SPARK. The PAC meeting was held for all alliance and cooperation partners, as well as one representative of all local partners per country. During these meetings, all parties presented their main activities, results, and lessons learned during the UEC programme's implementation. In addition, SPARK organised mini-PAC meetings amongst cooperation partners, and asked them to share their plans for the upcoming year in a template. The initial idea to appoint a dedicated individual from the alliance or cooperation partners to help capture learning moments (an "internal journalist") never materialised.

Despite strong efforts by SPARK, coordination of activities between cooperation partners was minimal, limiting effectiveness and efficiency. Not all coordination partners attended the PAC meetings each year, and plans were seldom shared in the designated templates. Several cooperation partners indicated that communication between them was insufficient and ineffective, although some also admitted this was caused by limited commitment by themselves, particularly the cooperation partners with smaller budgets.

Among local partners

Inter-country knowledge-sharing and networking opportunities among peer local partners (i.e. partners with the same focus, such as incubators) could have been leveraged more. The annual PAC meetings were the only opportunity for local partners to share experiences among countries, facilitated by the UEC programme. However, as only one representative per country was invited to the PAC meetings, inter-country knowledge sharing was limited. Moreover, local partners did not initiate any inter-country cooperation themselves.

Coordination on country level

Field offices

The effectiveness and efficiency of cooperation on country level strongly depended on the capabilities of the SPARK field office staff. At the country level, SPARK field offices had the role to coordinate all UEC activities. However, local SPARK office staff in all countries (except Kosovo) indicated they were often not aware and/or involved in capacity building interventions by cooperation partners. Several cooperation partners mentioned that they sometimes simultaneously carried out capacity building activities in a country, without knowing this from each other. This lack of coordination in some cases led to overlapping capacity building activities and consequently inefficiencies.

One of the reasons mentioned for the minimal and inefficient coordination on country level was the high employee turnover in some countries, 'light' profiles of staff or lack of sufficient staff, especially in the OPT and in Rwanda in the first two years. An additional difficulty in the OPT was that the field office staff did not have official working permits, which meant they had to leave the country every couple of months. Cooperation partners emphasised there was a need for more coordination of activities by local SPARK offices.

Among local partners

There were regular interaction moments between local partners. The local SPARK office organised Local Advisory Council (LAC) meetings for local partners, where partners shared their activities, results and lessons learned. The LAC meetings were held up to four times per year in each programme country. SPARK also encouraged cooperation in the last year by stimulating local partners to submit joint proposals in the last programme year.

2.3 Sustainability

The end of the UEC programme in December 2015 meant the end of most partnerships between the alliance and cooperation partners, but some partnerships between SPARK and BiD and local partners continue. The sustainability of partnerships between SPARK/BiD and local partners is often still dependent on the continuation of programmes in the target countries, which largely depends on available donor funding and organisational strategy. SPARK will remain active in all countries, and continues active partnerships with two local partners in OPT and Burundi and one in Liberia. BiD decided to remain active only in Rwanda, where it will continue its cooperation with about half of its partners. In addition, various cooperation partners (e.g. NABC, Enclude) indicated their wish to explore future cooperation with one or two local partners.

BSC Monrovia: from start-up to mature organisation

The Business Start-Up Centre Monrovia is a notable example of the successful support of the UEC programme's support. The BSC was established by SPARK in 2009 as pilot under MFS I modelled along the lines of the BSCs in The Balkans. Over the life of the UEC programme, the BSC Monrovia gradually developed as an organisation. The BSC expanded their organisation from 1 to 7 staff members, and established three additional branches in remote areas. In addition, the BSC benefited from capacity building and professionalised their operational management. This had led to a situation at the end of the UEC programme where the BSC is able to pitch for assignments together with SPARK as equal partners.

2.4 Recommendations

- *Select local partners on the basis of a structural plan.* Local partner selection could be improved by developing a plan that describes clear local partner profiles, starting with one partner per organisation type (e.g. incubator, university, financial institution) in the target countries.
- *Engage with local partners after thorough organisational and personal due diligence.* Including a structural analysis of the organisation's capabilities, including a thorough analysis of personal capabilities of the organisation's management and/or main contact point for the UEC, could help to select reliable and capable partners.
- *Limit local partnerships to about four organisations per country.* As the UEC's human and capital resources are limited, building up a trusted partnership and ultimately having an impact is more likely to take place with a more limited number of partners per country.

- *Limit the number of cooperation partners involved in the programme.* A smaller number of cooperation partners with stronger involvement would facilitate coordination and increase the feeling of ownership by cooperation partners.

3. Capacity building

This chapter provides an analysis of the capacity building activities of alliance and cooperation partners offered to local partners. The relevance of capacity building activities is assessed in the view of local needs. The effectiveness and efficiency of the capacity building activities is assessed based on 5C scores and survey results. The sustainability of capacity building activities is assessed based on the local partners' ability to continue their activities at comparable levels.

3.1 Relevance

The capacity building offering of the cooperation partners was of good quality, and even though the pre-arranged contracts led to a 'fixed menu' of training options, the variety in modules met the needs of the vast majority of local partners. Feedback on capacity building was positive, with local partners rating all different forms of training as useful. Only some minor points of improvement were noted.

Capacity building activities executed

Between 2011 and 2015 the alliance and cooperation partners carried out about 500 interventions to build capacity of local partner organisations. Activities offered ranged from general organisational development to specific ICT training, and from general networking sessions to individual coaching. In general, the capacity building activities were focused on the fundamentals of organisational management. Activities can broadly be structured in the following categories:

- *Training:* training modules offered covered a wide range of topics, including but not limited to the business plan development, financial project reporting, training methods and design, and lobbying and advocacy;
- *Workshops:* 5C capacity assessment workshops, market strategy workshops, and sessions on how to set up a coaching network;
- *Advice:* interventions categorized as advice are activities such dialogues with partners on their needs and advice and support to local partners in filling out the Balanced Scorecard;
- *Coaching:* coaching activities covered such topics as financial statements, monitoring and planning, strategy development, filling out project proposal forms and budgets, and project management;
- *Other:* activities such as market strategy seminars and trade missions.

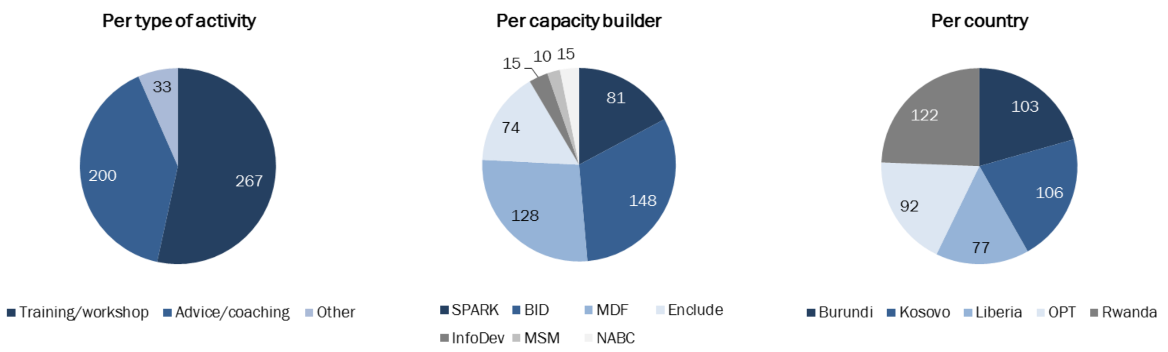


Exhibit 10 Breakdowns of capacity building interventions 2011-2015

As Exhibit 10 shows, about 270 capacity building interventions were trainings or workshops, activities usually aimed at improving general organisational capacities. Moreover, the alliance and cooperation partners carried out about 200 tailored coaching and advising activities. The remainder of the interventions consisted of activities such as trade missions, classified as 'other capacity building'. Please see Annex 5 for a table of all activities per alliance and cooperation partner, type and country.

MDF, BiD and SPARK have been the most active in capacity building, while MSM carried out the least activities. The number of interventions in target countries corresponds with the number of partners in a country: most interventions were carried out in Rwanda, and least in Liberia and OPT. Capacity building in the latter two countries was further hindered by Ebola and the Gaza conflict.

The exhibit below provides insights into the type of capacity building received by the local partners. Almost all local partners surveyed indicated to have received training on organisational development. Most partners received these trainings face to face. Other popular capacity building activities were business development, monitoring, and business plan competitions trainings. Only a small number of organisations received ICT skills training.

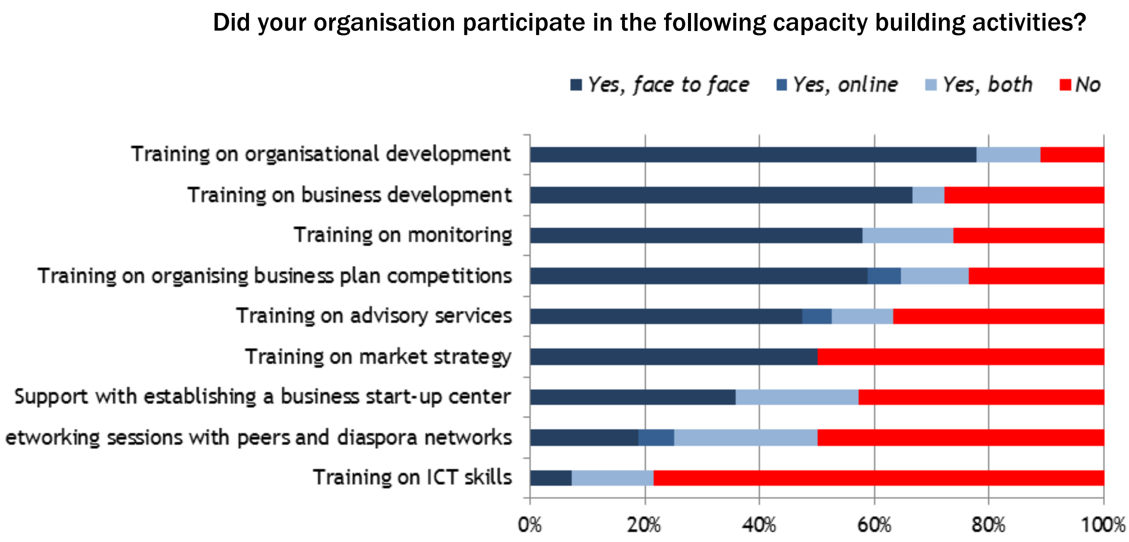


Exhibit 11 Capacity building received by local partners

Additionality

The UEC programme's capacity building support and funding contributed to the quantity as well as the quality of business development services the local partners were able to offer. As shown in Exhibit 12, 83% of surveyed local partners indicated they could offer more activities to (potential) entrepreneurs as a result of UEC's support. A majority of 56% also thinks the UEC programme improved the quality of their business development services. These views were confirmed in interviews with local partners during the site visits.

The ability to offer more and higher quality business development services to (potential) entrepreneurs also had an effect on the local partners themselves. In fact, 80% of surveyed local partners indicate they were able to grow as an organisation as a result of the UEC programme's support for their business development services. A small group of 11% of local partners even indicated that they probably would not have existed without the UEC programme's support for their business development services.

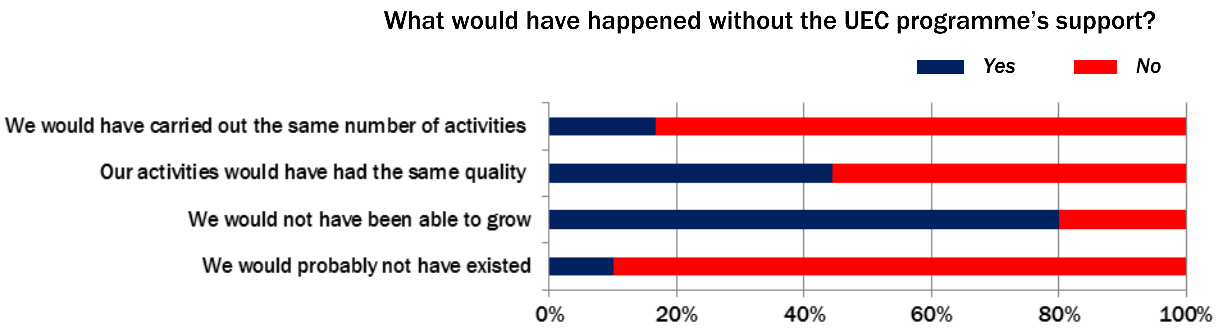


Exhibit 12 Importance of UEC to local partners' business development activities

Match with local needs

The capacity building activities for local partners were carried out on the basis of local partners' needs assessments at the start of the programme. The UEC followed a two-track approach in developing the capacity building portfolio per local partner:

1. In 2011, MDF and SPARK first carried out Organisational Assessment workshops, which led to diagnostic plans for capacity building along the 5C model. These were followed-up by generic Results Based Management workshops implemented through MDF.
2. The next phase consisted of organisation-specific coaching trajectories developed by MDF. A senior regionally-based MDF coach was linked to the local partner organisations to provide capacity-related coaching, thereby keeping in mind the partner organisations' needs identified in the first phase.

At the start of each year, local partners could apply for the capacity building modules they perceived as most interesting. Based on the selected trainings, the capacity builders planned their activities per country and per local partner, thereby tailoring the capacity building activities to the local needs.

Despite the aim of the programme to offer fully demand-driven activities, capacity building activities offered were limited to a 'fixed menu'. The budget of cooperation partners, and thus the extent of their involvement, was established at the start of the programme. Although the partners offered a range of content, this meant the capacity building options offered by the alliance and cooperation partners to local partner organisations were pre-determined. Although there are examples of local partner organisations participating in training offered by other parties (non-cooperation partners), these concerned specific exceptions.

As Exhibit 13 shows, the local partners unanimously perceived capacity building activities they participated in as useful. These insights were confirmed in interviews, during which some constructive feedback also was provided. Given the focus of capacity building on the fundamentals of organisational management, the training modules suited smaller organisations and younger employees better than more mature organisations and more experienced senior staff. Although the more mature partner organisations also perceived the training modules as relevant in the beginning of the programme, they voiced a need for more tailored and specific technical training or coaching in the later years. Other points of improvement mentioned were a more action-driven nature (e.g. simulating real-life situations) and tailoring to local situations of training modules. In addition, some minor overlap was noted in one or two training modules.

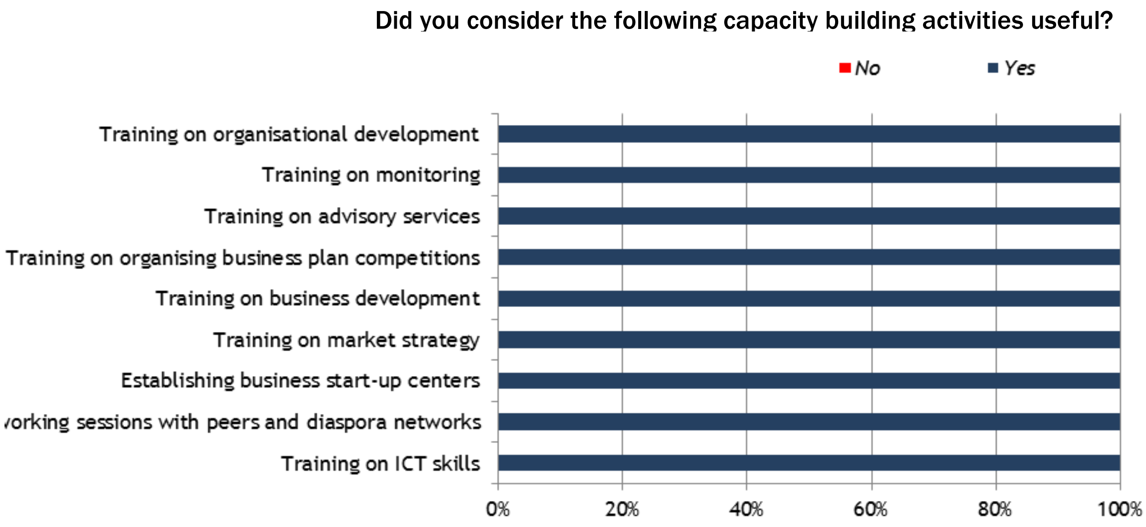


Exhibit 13 Perceived usefulness of capacity building activities

3.2 Effectiveness & efficiency

Local partners feel that capacity building activities improved their organisational capacity and contributed to their organisational growth and professionalisation. The increase in 5C scores for those partners where comparable scores are available back this, although no hard conclusions can be drawn from these scores. A commonly identified problem hampering the effectiveness was that training helped individuals to grow, but not always organisations, as trained staff were regularly recruited by larger organisations, e.g. development organisations, banks and governments.

Original programme targets

The main targets for the first strategic pillar of the programme were:

- a 50% increase on the Balanced Scorecard indexed score
- a 80% client satisfaction score among local partners
- 90% of the partners is expected to generate 50% of income from domestic sources (including in-kind contributions)

It is not possible to assess the effectiveness of the first strategic pillar on the first two targets. As mentioned in chapter 1, the use of the Balanced Scorecard was discarded midway through the programme. In addition, client satisfaction scores were not consistently reported by local partners. The income target is assessed under sustainability.

Another methodology to assess the development of organisations was the 5C methodology, as formally requested by the MFA and carried out by cooperation partner MDF. The effectiveness of capacity building is therefore analysed based on 5C. However, as will be elaborated below, MDF concluded there is no proven relationship between the number of capacity building activities and the increase in 5C scores.

Although no official conclusions can be drawn on the effects of capacity building based on 5C scores, there is sufficient triangulated evidence that the capacity building activities led to a strengthening of local organisations. The combination of the increased 5C scores, positive reviews in a survey among local partners carried out as part of this evaluation, as well as the positive feedback in interviews with local partners during the field visits provide this evidence.

MDF 5C evaluation

The 5C methodology assesses an organisations' capacity in five fields (capability to commit and act; to deliver on development objectives; to relate and attract; to adapt and self-renew; and to balance diversity and consistency/to achieve coherence). Organisations were scored between 1 ('weak') and 4 ('good') on each of these indicators, based on a detailed checklist ("Integrated Organisation Model") developed by MDF. For an overview of sub-indicators please see Annex 6.

To measure progress of organisations, the alliance partners formulated the objective to increase the 5C scores by 0.5 points. At the beginning of the programme in 2011, MDF carried out a baseline study to assess the capabilities of the local partners based on the 5C tool. In 2013 and 2015, follow-up assessments were executed to track improvements of local partner's competences as a result of the UEC capacity building interventions. These assessments were in most, but not all cases executed by the local partner under the guidance of an MDF coach.

Between 2011 and 2015 the 5C scores of local partners increased significantly. The baseline study resulted in an average 5C score for local partners of 2.5, between insufficient (2) and sufficient (3). In 2015, the average 5C score for all organisations was 3.3, which is a substantial increase compared to 2011. That means that the local organisations improved their capacity to between 'sufficient' (3) and 'good' (4).

The MDF capacity building evaluation points to improvements in all five organisational capabilities of local partners. For all capabilities the 5C score increased by more than the targeted 0.5 points. As depicted in Exhibit 14 (left graph), the MDF evaluation finds that the largest increase is achieved in "capability to deliver on developmental objectives", which increased by 1.1 point. With about 280 capacity building activities, this is also the capability that has been targeted the most by the capacity builders. On the other hand the smallest increase has been achieved in "capability to relate and attract", a capability that received significantly less attention in capacity building activities (72 interventions).

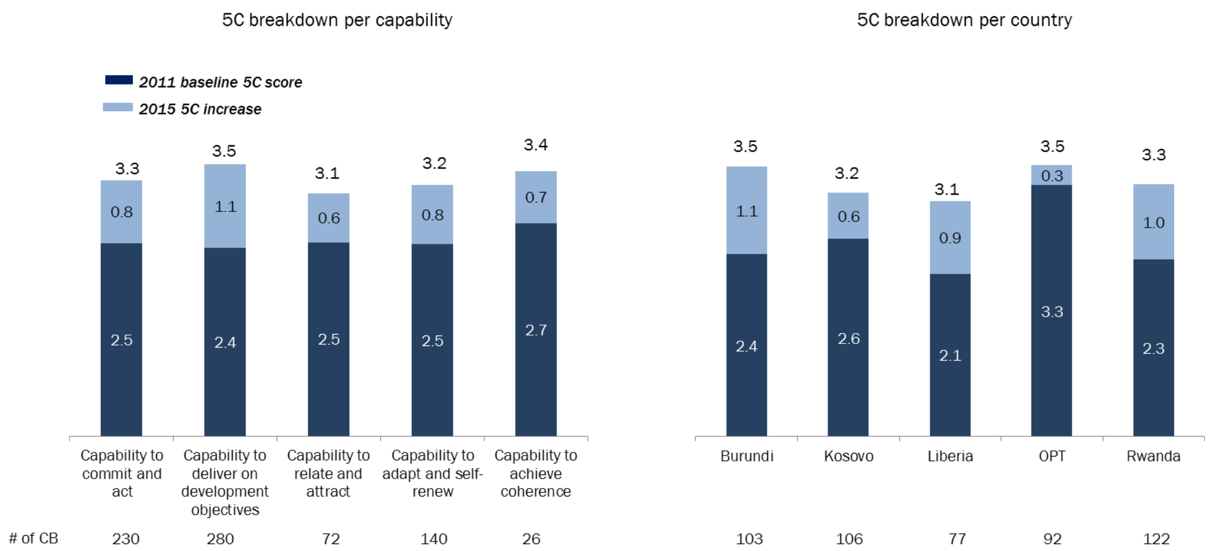


Exhibit 14 5C baseline and 2015 change (left); total # of CB activities (right)[8]

As shown by the right graph of Exhibit 14 in all countries except OPT the 5C targets were met. The MDF evaluation shows that Burundi experienced the largest increase of organisational capabilities: the average 5C score of the local partners in this country increased by 1.1 points. Also in Rwanda, Kosovo and Liberia, the

[8] Capacity building activities per 5C capacity (left) excludes 2015 data

average 5C scores of organisations increased by more than the targeted 0.5 points. However, OPT stayed behind with a 5C increase of only 0.3.

It seems that the more developed the capabilities of organisations, the harder it is to realise improvements. The two countries that started with the highest average 5C score, OPT and Kosovo, experienced the lowest 5C increase. As was mentioned in this chapter under relevance, organisations that are relatively developed showed a need for more specific, technical trainings and coaching, and hence benefitted less from the largest share of capacity building interventions targeting more general organisational skills.

Limitations

Unfortunately no hard conclusions can be drawn from the 5C evaluation due to several limitations. First, the MDF evaluation team acknowledges that the 5C methodology cannot be used as hard 'measurement' tool. MDF concludes that "*some relation might be identified between number of capacity building activities and the increase in average capacity of all local partners combined. However, this is not identified as a direct correlation between the number and type of capacity building activities*."

Second, MDF 5C evaluation is based on a sample. The 5C evaluation measures changes in the capacities of local partners only for those partners that were part of the UEC programme in 2011, and were still active in 2015. That means that the scope of the evaluation is limited to three partners in Burundi, Kosovo, Liberia and OPT each, and only two partners in Rwanda (about 33% of all partners involved throughout the programme). Third, MDF points out that the overview of capacity building activities might be incomplete due to incomplete data from capacity builders and local partners.

Qualitative results

In the local partners survey executed as part of this evaluation, local partners overwhelmingly indicated that the capacity building activities led to clear improvements at their organisations. Their views are provided in Exhibit 15 which shows that more than 80% of the respondents perceived improvements in the competences leadership, strategy and financial management.

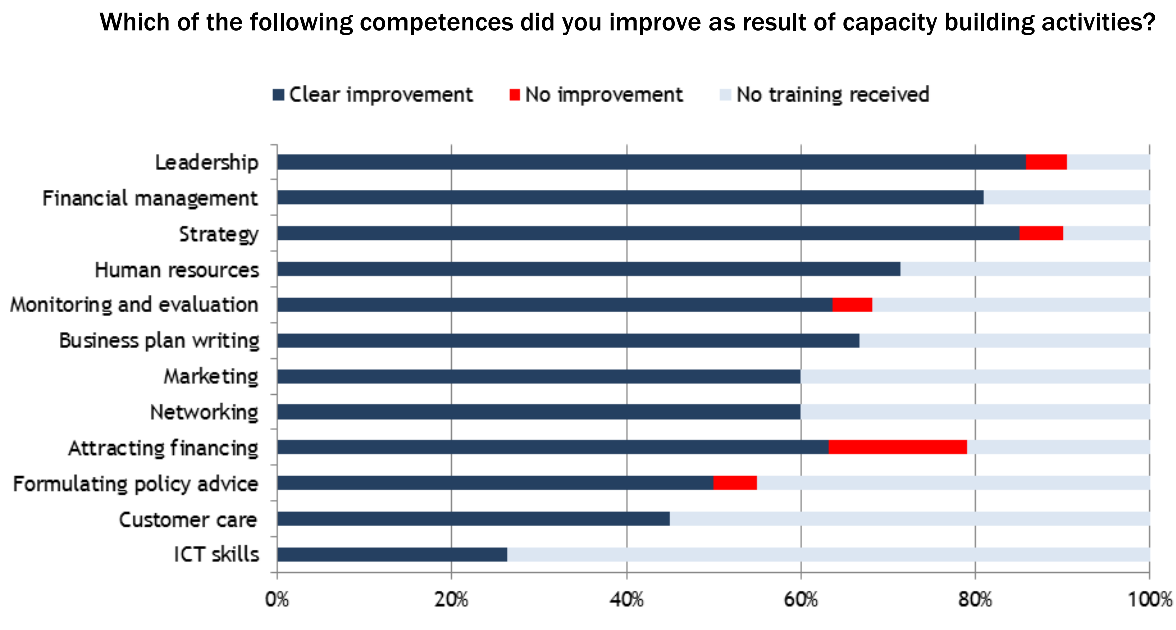


Exhibit 15 Perceived improvements per competence type

The least improvements were experienced in formulating policy advice, customer care and ICT skills. These differences can largely be explained by the focus of the capacity building. While 90% of the respondents indicated to have received training on leadership and strategy, 45% participated in trainings on customer care and 26% received training on ICT skills. Only a small share of respondents indicated not to have experienced improvements regarding a certain competence, despite training. Here, attracting finance stands out: 16% of the respondents indicated that although they received support on attracting finance, they did not feel they improved in this regard.

Despite clear improvements, it should be noted the competences of some, particularly smaller local organisations remained low. Several cooperation and alliance partners explained that at the end of the programme some local partners still had difficulties in executing basic activities such as proposal writing, monitoring or financial reporting.

Birzeit CCE set up its own in-house SME mentoring training

The UEC capacity building activities helped Birzeit CCE in OPT to develop and deliver a professional diploma programme on how to mentor SMEs. Birzeit CCE participated in a large number of trainings, coaching sessions and workshops, e.g. a workshop by BiD on how to set up a coaching network, and a coaching session of MDF on strategic planning. With the help of these activities Birzeit was able set up its own in-house training programme, making it independent from external consultants for the first time. This was perceived by Birzeit CCE as its most important achievement in the past 10 years.

Local partners pointed out that the UEC programme helped them to grow, and carry out more business development activities of higher quality. As is shown in Exhibit 16 about 70% of the survey respondents indicated that the UEC programme helped their organisation to grow. A similar share indicated that they were able to carry out more business development activities thanks to the UEC programme. Moreover, almost half of the respondents stated that the quality of business development activities improved with the help of the UEC programme.

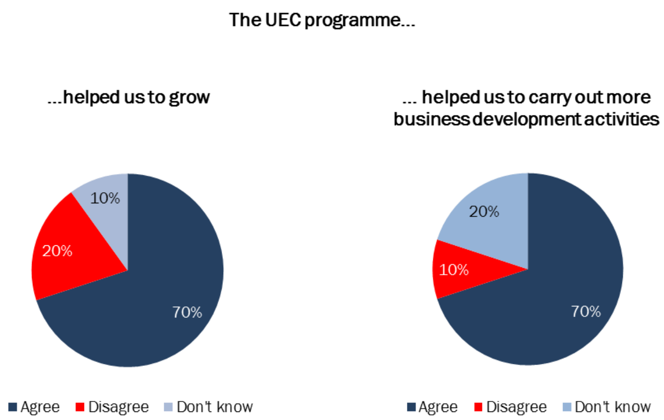


Exhibit 16 Effects of the UEC programme on local partners

Costs of capacity building activities

The exhibit below shows that between 2011 and 2015 about 80-120 interventions were carried out per country, with costs per intervention ranging from €11,000 to €16,000. These costs are influenced by logistical aspects and the number of partners. It is relatively expensive to travel to, and stay in Liberia, while the closure of the office in OPT as well as overall travel restrictions there made the delivery of capacity building there more costly. Moreover, travel costs were spread over a smaller number of local partners in these countries.

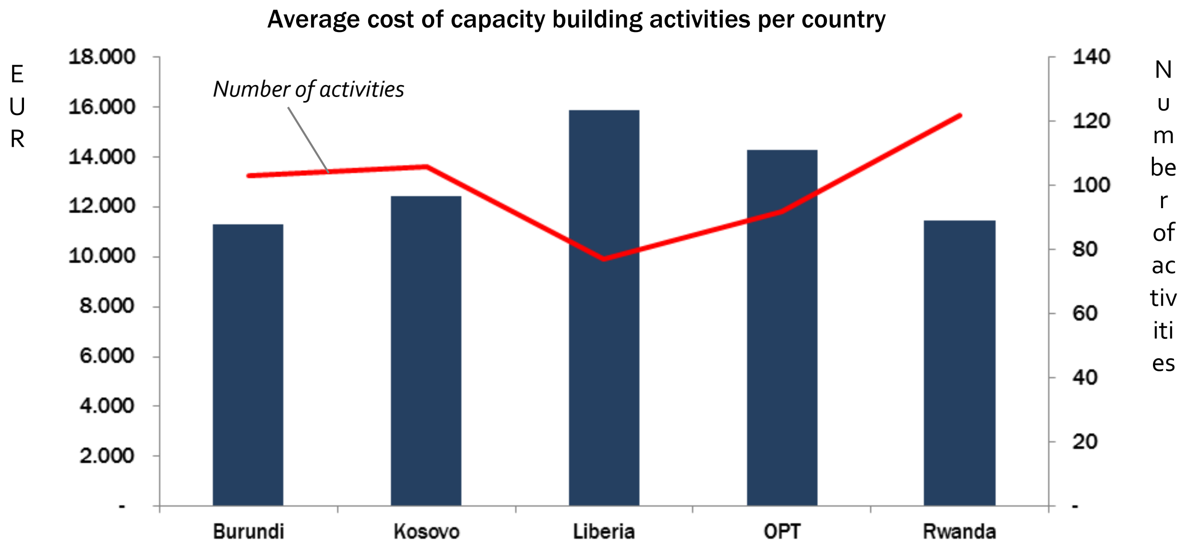


Exhibit 17 Average cost of capacity building activity per country

3.3 Sustainability

For local partners, retention of knowledge and skills from capacity building activities within their organisation posed a challenge. Local SPARK office staff as well as local partners themselves noted in interviews that staff who participated in capacity building activities were later on often recruited by other organisations, e.g. by more established international donor organisations, governments, banks and companies. As local organisations in most cases did not have proper knowledge management systems in place to ensure that the newly acquired knowledge and skills were institutionalised within their organisation, this lead to severe fall backs for local organisations.

The majority of local organisations was able to attract additional financing thanks to the UEC programme, and continued their business development activities. Exhibit 18 shows that about 75% of the respondents indicated to have been able to attract additional financing thanks to the UEC programme, which substantiates the claim that capacity building on attracting finance has been effective. Moreover, 85% of the survey respondents pointed out that they were able to continue their business development activities. Although in most cases they were not able to carry them out at the same intensity.

Despite the increased financing from other sources, a majority of partners foresees financial difficulties now the UEC programme ended. Local partners were expected to contribute at least 50% of own financing (including in-kind contributions) in the last year of the programme, which would facilitate their independency of the UEC programme. The financing brought to the table by local organisations was in many cases an in-kind contribution, and otherwise obtained from other donor organisations. Local partners were not able to develop sustainable business models that made them independent from donor money and donor priorities. This makes them quite vulnerable, as priorities frequently shift and programmes often only last for a couple of years maximum. About 60% of the local partners indicated that they foresaw financial difficulties now the UEC programme ended.

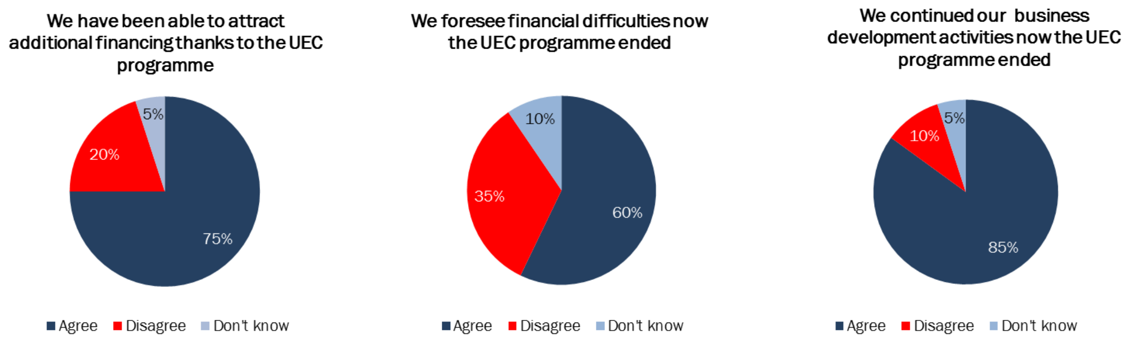


Exhibit 18 Sustainability of local partners and their activities

Business plan competitions continue in OPT

While local organisations were hesitant at first, business plan competitions proved to be a great success in OPT and are even continued after the end of the UEC programme. Local partners in OPT were not familiar with business plan competitions and therefore received extensive support in the first years. They received intensive coaching, help with promotional materials and trainings and online courses on how to organise the competitions. The business plan competitions proved to be a great tool to expand the name recognition of local organisations. One of the local partners in OPT, BWF, agreed with to Bank of Palestine to continue the business plan competitions in the next year.

3.4 Recommendations

- *Design a comprehensive capacity building plan for local partners.* Capacity building efforts can have more effect and impact if they are part of a multi-year capacity building roadmap tailored to each local partner.
- *Reserve budget for more tailored training and coaching for larger or more developed local partners.* Whereas the modules of programme partners met the needs of smaller organisations, more tailored and individual support would be more effective to support organisationally more developed partners.

4. SME DEVELOPMENT & JOB CREATION

In this chapter an analysis is provided of the relevance, effectiveness (outputs and outcomes), efficiency and sustainability of the local partner's business development activities offered to (potential) entrepreneurs.

4.1 Relevance

Business development activities offered by local partners

The local partners offered a variety of business development activities, depending on the nature of their organisation and experience (see Exhibit 9 for overview of organisation types). The local partners annually drafted a plan with proposed business development activities and required budget, which was sent to SPARK for approval. Most local partners offered multiple services; Exhibit 19 below provides an indication of the most commonly offered activities by local partners. The activities mainly concerned the following:

- *Business plan competitions*: local partners ran cycles of business plan competitions for general and specific target groups. These competitions were often concluded with award events for winners. The largest of these competitions were organised by universities or business start-up centres;
- *Training:* local partners provided training to (potential) entrepreneurs, mostly as part of the business plan competitions. Some of the modules offered were modules designed by the cooperation partners (e.g. Ready4Finance module by BiD);
- *Coaching:* local partners supported (potential) entrepreneurs through individual coaching. The level of intensity of this coaching varied, from a few hours to longer-term guidance;
- *Matchmaking for finance:* local partners as well as SPARK and BiD offered assistance in matchmaking between (potential) entrepreneurs and investors. This included financing by SPARK through its Loan Guarantee Scheme, and loans and investment through SPARK's IGNITE Fund.
- *Networking sessions:* local partners organised networking events and conferences, sometimes in close cooperation with SPARK and/or BiD (e.g. "Growing SMEs East Africa conference organised by JCI Rwanda and BiD);

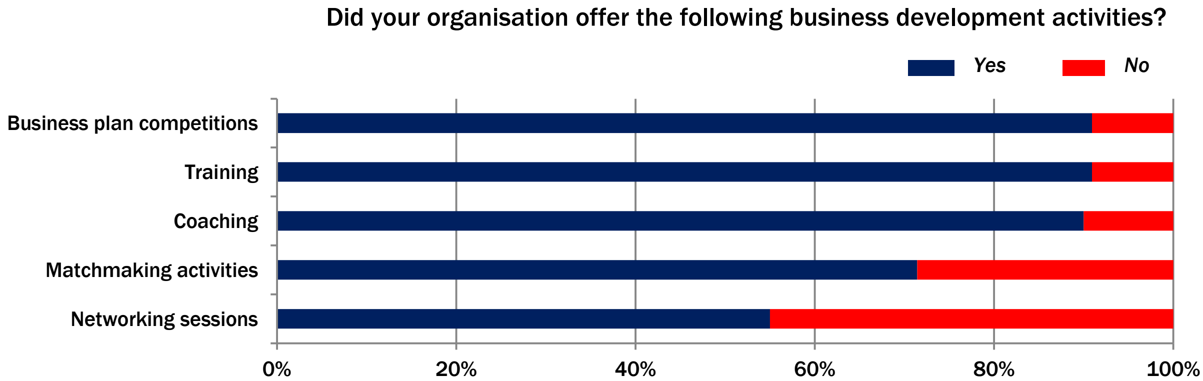


Exhibit 19 Business development activities offered by local partners

Additionality

The business development activities offered by local partners were additional (or even completely new) in their markets, although the extent varied per target country. Events like business plan competitions and corresponding training were already held, but not widespread. The offering of entrepreneurship curricula by universities was particularly additional, as these were largely absent within universities or vocational education institutes in the target geographies before the intervention.

The only exceptions of countries were business development services for (young) entrepreneurs were more readily available were Kosovo, where some of the activities were already offered as a part of other SPARK-run programmes, and Rwanda, where a number of government-run business start-up centres existed. SPARK had also already run a pilot with business start-up centres in Monrovia and Ramallah, but services to (potential) entrepreneurs were still nascent at the start of the UEC programme.

The UEC's approach to provide loans instead of grants also made it stand out. Local organisations, especially in OPT and Kosovo, pointed out that people are spoiled by easy donor money. In several target countries there were cases of students making their business of participating in business plan competitions just for the prize money. By entering into a loan agreement with entrepreneurs the UEC tested the commitment of entrepreneurs.

Match with local needs

The business development services offered by UEC local partners generally met the needs of (potential) entrepreneurs. With 90%, nearly all surveyed entrepreneurs indicated the business development activities were mostly in line with their interests. Moreover, all surveyed entrepreneurs indicated the offered activities met their needs and were of high quality, albeit not all with full conviction. The latter can be explained by the fact that in interviews during site visits entrepreneurs expressed their appreciation for the support they received in developing their business idea or existing company, but also saw opportunities for improvement (further discussed below).

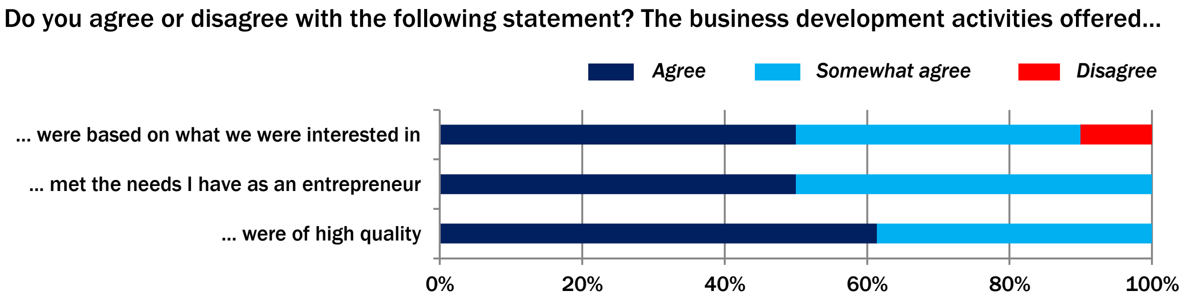


Exhibit 20 Business development activities offered by local partners

In addition to being additional, local partners' business development activities were also overwhelmingly perceived as useful by surveyed entrepreneurs. Exhibit 21 below shows this almost unequivocal appreciation by (potential) entrepreneurs of the offered services. It is particularly striking to note the high perceived usefulness of matchmaking for finance, given the criticism voiced on this aspect during site visits (more discussion below). Although the local partners should receive the credits for these positive reviews they deserve, it should be taken into account that all offered services were free of charge to entrepreneurs.

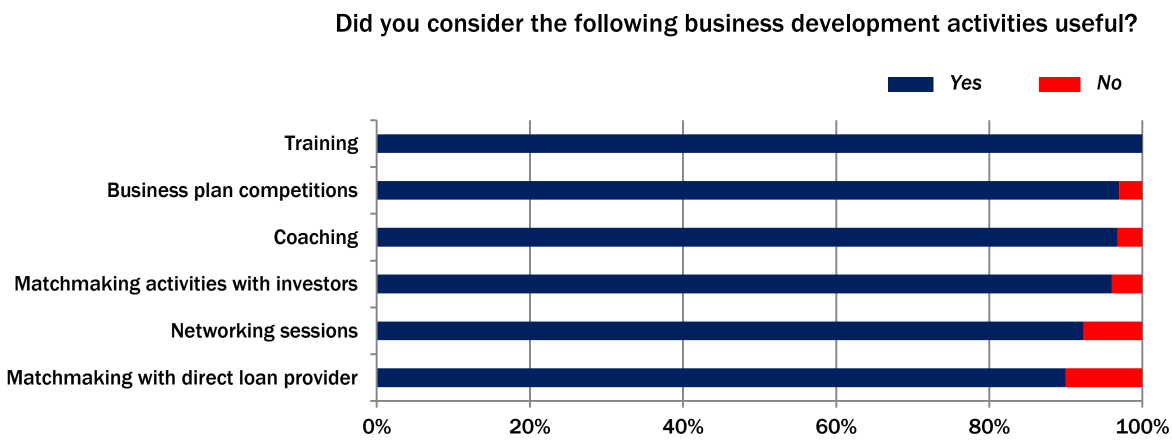


Exhibit 21 Entrepreneur views on usefulness of business development activities

Match with UEC's target groups

Nearly all local partners targeted their business development activities at individuals that could be included in the UEC's definition of vulnerable groups. However, as Exhibit 22 shows, the focus on groups identified as vulnerable varied significantly. Given the large number of local partners that were universities or start-up centres, the focus of business development activities was mostly on students and other younger persons. Most also at least upheld gender equality, while some even had a specific a focus on women (e.g. L'Association des Femmes Entrepreneurs in Burundi, Center for Women Agriculture Program in Liberia and Business Women Forum in the OPT).

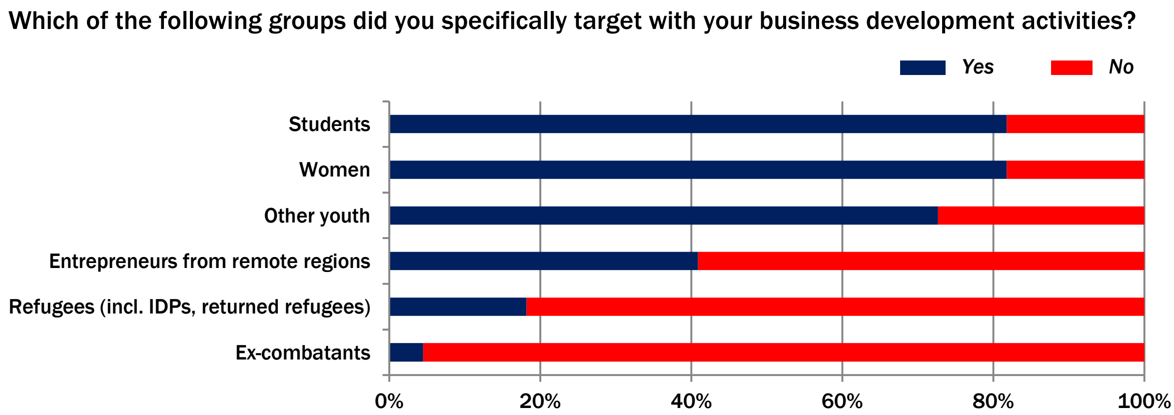


Exhibit 22 Focus on vulnerable groups by local partners' activities

At the same time, it was challenging for the UEC to find local partners being able to target entrepreneurs from remote regions, as the more professional and developed local partners were often based in the capital and targeted the urban population. Around 40% of local partners did target entrepreneurs from remote regions. Examples are several organisations in Mitrovica in Kosovo, two universities in Rwanda (INES Ruhengeri and UMUTARA Polytechnic), a rural economic development-focused NGO in Burundi (COPED), and two Universities in the OPT (Gaza and Birzeit). In addition, the UEC supported the expansion of business development activities towards rural areas; the establishment of three local branches of the Business Start-up Centre Monrovia in Liberia is a case example here.

Only few local partners specifically targeted refugees or ex-combatants. This can however be explained by the fact that these groups are less clearly distinctive than the other groups, or the sensitivity of openly focusing on or registering these groups. An example of an organisation that could be seen as having a focus on (former) refugees of IDPs is the Association des Etudiants Et Éleves Rescapés Du Genocide in Rwanda, which is an NGO specifically focused at providing opportunities for students that were orphaned following the genocide.

Demonstration effect

During the UEC programme's life the offering of business development services to entrepreneurs increased. UEC local partners managed to attract other donors, enabling them to increase their number of services, while other local organisations also started to offer these services following the example of UEC partners. In all countries local partners indicated the UEC had a demonstration effect (i.e. the UEC's support and their offered services provided an example to others) and catalysed the offering of business development services.

4.2 Effectiveness & efficiency

Outputs

As shown in Table 8 below, the UEC programme's output targets were nearly all met or surpassed. The difference between targets and actual results are in most cases substantial, and sometimes even astronomical.

The business development activities by local partners had a large outreach, creating substantial awareness on entrepreneurship. Between 2011 and 2015, almost 24,000 entrepreneurs in five different countries were trained, substantially surpassing the target. In addition, more than 7,400 business plan applications were approved. Local partners mentioned that the business plans really helped to build an entrepreneurial mind-set, which was often non-existing before. While in absolute terms all output targets were met, the share of business plans submitted and attendees at networking sessions from vulnerable groups remained below the target. As mentioned earlier, this can be attributed to the difficulty for organisations based in the country's capital to reach rural areas as well as sensitivities in registering a person's ethnicity.

Table 8 Output targets and results related to SO 2 (Monitoring Protocol)

Indicator	Target	Actual	Difference
# of entrepreneurs trained/awarded certificate	14,200	23,904	+68%
# of entrepreneurs from vulnerable groups trained/awarded cert.	10,792	18,796	+74%
% of entrepreneurs from vulnerable groups trained/ awarded cert.	*76%*	*79%*	*+3%*
# of approved business plan applications	4,194	7,440	+77%
# of approved business plan applications from vulnerable groups	3,105	5,441	+75%
% of approved business plan applications from vulnerable groups	*76%*	*73%*	*-3%*
# of attendees of network sessions	1,000	30,684	+2968%
# of attendees of network sessions from vulnerable groups	760	13,805	+1716%
% of attendees of network sessions from vulnerable groups	*76%*	*45%*	*-21%*
# of successful matchmaking introductions	420	1,245	+196%
# of successful matchmaking introductions for vulnerable groups	319	948	+197%
% of successful matchmaking introductions for vulnerable groups	*76%*	*76%*	*0%*
# of website hits	315,950	332,084	+5%

These positive results can be explained by the strongly output-driven programme execution. The focus on outputs follows from several factors, of which four are most important. First, there was a focus in partner selection on organisations able to organise larger business plan competitions such as universities and start-up centres. These organisations made up a relatively large portion of local partners. Second, the capacity building interventions by the alliance and cooperation partners greatly enhanced the local organisations' ability to effectively execute business development activities. Third, SPARK's head and field offices stimulated local organisations to be ambitious and steer for high outputs. Fourth, several large conferences were organised with involvement of cooperation partners (e.g. Growing SMEs East Africa with BiD, trade missions with NABC), which resulted in high results in terms of attendants of network sessions.

Outputs per country

At target country level, there are different levels of performance. Kosovo and the OPT generally performed well in terms of outputs. Both concerned relatively more developed countries, where the UEC cooperated with a diverse and stable group of more mature organisations. This can be seen in the output results as shown in Table 9, which were all met in Kosovo and the OPT.

Rwanda, Burundi and particularly Liberia however were less stable performing countries. In Rwanda the UEC struggled finding the right local partners: only two universities remained throughout the programme's five-year period. Most were replaced during a major shake-up in 2013 and 2014 as a result of underperformance and two fraud cases. Burundi faced a more challenging operating environment, while the UEC depended on two partners for most outputs (Burundi Business Incubator and rural economic development NGO COPED). In Liberia the programme faced most difficulties, as it essentially relied only on the Business Start-up Centre Monrovia. In addition, the Ebola crisis prevented any business development activities during most of 2014.

Table 9 Output targets met related to SO 2 (Monitoring Protocol)

Indicator	Kosovo	OPT	Burundi	Rwanda	Liberia
# of entrepreneurs trained/awarded certificate	√	√	√	√	X
# of approved business plan applications	√	√	X	√	X
# of attendees of network sessions	√	√	√	√	√
# of successful matchmaking introductions	√	√	√	X	√

Outcomes

The high outputs contributed to the programme's outcomes, which were partially met. The number of SMEs started and SMEs grown both surpassed targets. The 869 SME's started and 1,375 SMEs grown are significant, especially given the challenging business climate in the target countries (although the sustainability of these SMEs remains unclear, see below). More than 80% of these SMEs were started or grown by entrepreneurs from vulnerable groups. The programme thereby successfully reached this target group.

Despite the new SMEs started and grown, the number of jobs created remained substantially below target. This is disappointing, given the fact that this can be considered the core outcome indicator of the UEC programme. At the same time, it should be noted that the programme's target set can be considered too high compared to the target for SMEs started. So despite the missed target, the more than 3,700 jobs created can be considered an impressive result.

Table 10 Outcomes related to SO 2 (Monitoring Protocol

Indicator	Target	Actual	Difference
# of SMEs started	440	869	+98%
# of SMEs started by vulnerable groups	334	701	+110%
% of SME started by vulnerable groups	*76%*	*81%*	*+6%*
# of SMEs grown	440	1,375	+213%
# of SMEs grown among vulnerable groups	334	1,151	+244%
% of SMEs grown among vulnerable groups	*76%*	*84%*	*+10%*
# of jobs created in started SMEs	6,077	3,715	-39%
# of jobs created in started SMEs taken by vulnerable groups	4,862	2,585	-47%
% of jobs created in started SMEs taken by vulnerable groups	*80%*	*70%*	*-10%*

# of indirect jobs created	NA	2,759	NA
% of new SMEs that survive first 3 years	NA	NA	NA

Aspects hampering effectiveness

Despite the overall successful outputs and partly successful outcomes, the disappointing jobs results reveal a disconnect in translating the overall high outputs to equally high, sustainable outcomes. There are three structural reasons for the lower effectiveness of the programme in terms of outcomes. All three were widely acknowledged by key actors during the site visits.

Focus on younger entrepreneurs

The first is the programme's predominant focus on young entrepreneurs and start-ups. As the vast majority of local partners were universities or university-based incubators, the targeted potential entrepreneurs were still students or recent graduates, with no practical business experience. This limited business experience often resulted in low quality business plans, and relatively few business plans that were actually deemed viable in practice. The ones that were viable often did not result in the establishment of a business, as many entrepreneurs formally registered their business after a business plan competition, but did not actually commence operations. An often heard reason for this trend was that not all participants in business plan competitions had the ambition and risk appetite to run an own business, but were more interested in winning the prize. The programme tried to adjust this in the last two years by focusing more on established SMEs and organising events for individuals with some business experience.[9]

Lack of focus on longer-term coaching and mentoring trajectories

The second was the programme's general focus on quantity rather than quality. The pressure on meeting the targets incentivised organisations to focus on quick-fix activities rather than intensive guidance and coaching trajectories for aspiring entrepreneurs. Coaching and mentoring often were a part of services offered by local partners as part of business plan competitions, but the availability of coaching and mentoring was more limited after the end of the competition. There was a need for allocation of more budget to intensive coaching and mentoring trajectories – which takes commitment and does not yield quick visible results (see box below for an example of an intensive, holistic support trajectory for an entrepreneur that was successful).

Business-in-a-box

An initiative that was highly effective was the business-in-a-box starters kit. The boxes were offered to selected entrepreneurs by SPARK in the later stages of the programme's life. The kit explains which equipment, tools and materials are needed to take off, how the product/service can be made and how to organise the procurement, marketing, sales and financials. It gives a real kick-start to an entrepreneur who wants to start such a business. For Jean-Paul Uwiragiye, an aspiring entrepreneur in Rwanda, business-in-a-box provided the ideal turn-key solution to start a business he otherwise would not have started. Jean-Paul studied computer science and electronics in high school and university, and gained working experience as an electronic engineer and IT consultant. He had never thought of starting a laser engraving business, but it actually formed a perfect match with his background and experience. After intensive training and coaching for multiple weeks, a financing arrangement and the arrival of a machine Jean-Paul started operating at the end of 2014, and slowly built a stable flow of assignments, enabling him to hire a first co-worker in 2015.

[9] It is not possible to determine the effect of the increased focus on post-graduate individuals, as the monitoring data on jobs does not distinguish jobs generated by younger university individuals and post-graduate, more experienced individuals.

Inadequate access to finance

The third reason for the lower effectiveness of the programme was the overall inadequate access to finance for supported entrepreneurs. Access to finance was the last barrier to actually start operating for entrepreneurs that registered their business and were motivated to commence operations. As these entrepreneurs often had neither experience nor collateral, banks were reluctant to provide loans. At the same time, many entrepreneurs with viable business plans did not dare to take the risk of agreeing on a formal loan through banks, as interest rates were high and banks have a reputation of tough debt collecting practices.

The UEC programme actively put in efforts to address this barrier by offering financing solutions. The first was through a loan guarantee facility (LGF). The loan guarantee facility meant that SPARK took over the client default risk from a local partner bank, enabling the bank to provide riskier loans, and hence increase access to finance for entrepreneurs. At the start of the programme SPARK already had an LGF in place in Kosovo, where it cooperated with a local bank. The UEC duplicated this solution in the other target countries and approached local (micro)finance institutions (FIs) as official local partners in the programme.

However, the LGF faced several challenges. In Liberia, Rwanda, and Burundi the cooperation with local FIs never got off the ground effectively or was ended after the first year. This was primarily due to a mismatch in expectations from both sides. This meant that the UEC had to identify other local banks willing to cooperate with the LGF halfway through the programme. Where cooperation was functioning, local banks were still hesitant to provide loans, such as in northern Kosovo as a result of limited rule of law and lack of collateral.

Where loans were provided, the LGF shows mixed results. In Kosovo the LGF was largest and best performing. As per 31 December 2014 (latest available data on LGF) the percentage of non-performing loans (NPLs) stood at 7.5%. This is above a safe threshold of 5%, but still acceptable given the high risk of the loans. In Liberia and Burundi the LGF however was unsuccessful. The NPL rate stood at 58% in Liberia, while in Burundi it had even moved up to 75%. The high default rates can be explained by the fact that it concerned start-up companies, but also a general unwillingness to repay loans, as entrepreneurs were aware their loans were backed by a guarantee facility. In the OPT it is too early to draw any conclusions on the performance of loans, while in Rwanda no loans backed by the LGF had been issued up to December 2014.

SPARK tried to find a second, more effective solution for the inadequate access to finance for entrepreneurs by exploring the option to directly financing entrepreneurs. For this purpose it established the IGNITE fund, an own investment fund able to provide debt and equity finance to supported businesses. However, after two years the fund is still not fully operational. This was due to slow decision-making and implementation of the formalities of setting up the fund as well as attracting external investors willing to commit. Although the fund made its first pilot disbursements in 2015, entrepreneurs in some countries (e.g. Liberia) had to wait until 2016 (after the formal end of the UEC programme) for loans to be disbursed.

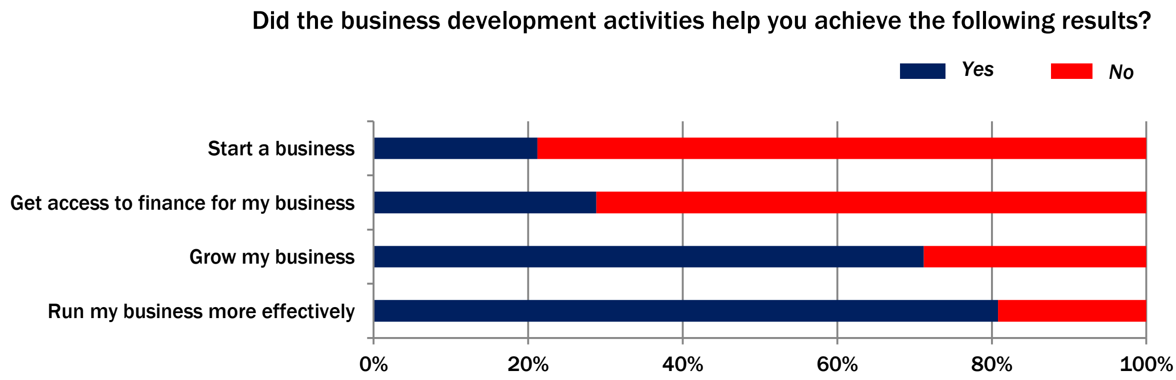


Exhibit 23 Entrepreneur views results of business development activities

The above findings on the effectiveness are underscored by the surveyed entrepreneurs' views on the results of the business development activities (Exhibit 23 above). While a vast majority – to which this was applicable – indicated the business development support helped them to grow their business, the activities resulted in the start of a business for around 20% and access to finance for around 25% of surveyed entrepreneurs.

Outcomes per country

Table 11 shows whether targets were met at country level. In line with overall results, the number of SMEs started and grown targets were generally surpassed, but the job target was not met in all five countries. Individual country performance broadly follows the same performance pattern as the outputs. A positive outlier is the strong support provided by local partners in Kosovo to SMEs, where monitoring of these effects also was arranged more professionally thanks to efforts of the local SPARK office. A negative outlier is the fact that only 14 SMEs were started in Liberia, which can be explained by the reliance on one partner, the lack of access to finance and the Ebola crisis.

Table 11 Outcome targets met related to SO 2 (Monitoring Protocol)

Indicator	Kosovo	OPT	Burundi	Rwanda	Liberia
# of SMEs started	√	√	√	√	X
# of SMEs grown	√	√	√	√	√
# of jobs created in started SMEs	X	X	X	X	X

Cost per job

As the graph below shows, the efficiency of business development activities per country (as determined by amount of funding required to create a job) varied. The cost per job as outlined below is calculated by the total amount spent on business development activities (SO2) divided by the number of jobs created (as reported).[10]

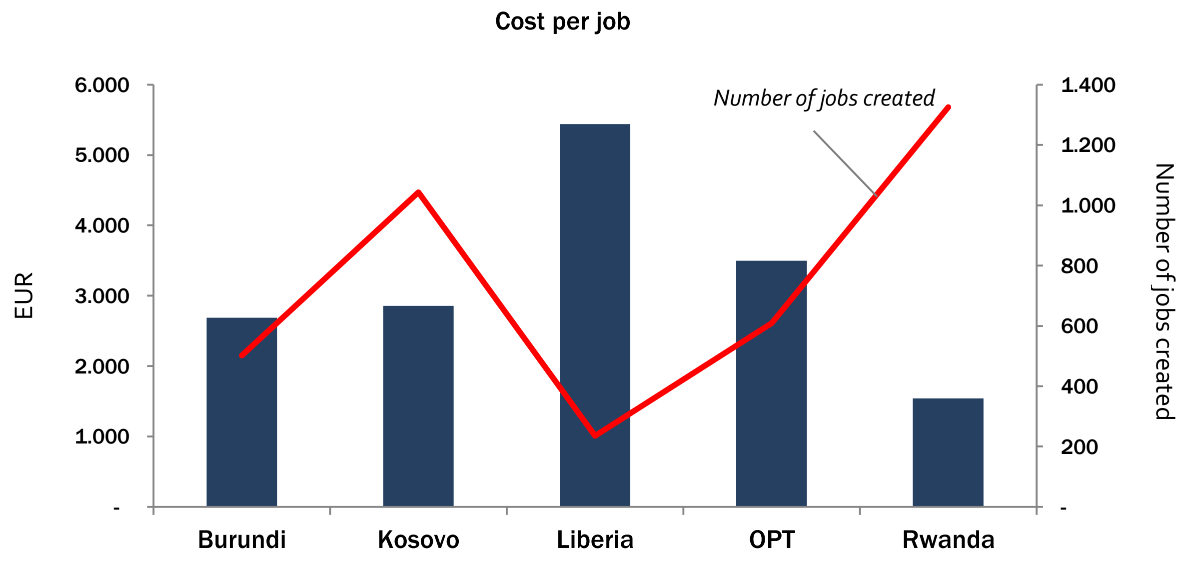


Exhibit 24 Programme budget and real costs spent per country

[10] It should be noted that the calculation does not take overall programme coordination costs and overhead in account, presenting a cost per job that is most attributable, but slightly optimistic.

Business development activities were most efficient in Rwanda, where the EUR 2m spent by local partners on business development activities supported the creation of 1,325 jobs, resulting in an average of EUR 1,542 spent per job. An important factor in the efficiency of Rwanda was the relatively larger scale of business development activities, notably the business plan competitions. A higher amount of funding (EUR 5,441) was required in Liberia to support the creation of a job, which was due to a variety of factors such as lower availability of financing and the Ebola virus.

Besides the support for direct jobs, the new or grown businesses also support a range of indirect effects by sourcing goods and services locally, resulting in indirect jobs and income supported in the economy. In order to quantitatively assess this multiplying effect through economic modelling, more detailed data on the employment figures and spending patterns of the individual businesses supported would be required.

Core non-measured outcomes

It is important to highlight that the programme also did realise two interrelated outcomes which were core objectives but not officially measured: increased awareness on entrepreneurship, and an overall strengthening of the 'entrepreneurial ecosystem' in the target countries. During the site visits this was confirmed by all involved actors: local offices, local partners as well as individual entrepreneurs. These outcomes however are difficult to grasp and quantify in an indicator, but nevertheless fundamental envisaged objectives of the programme's design.

Timing of outcome measurement

Finally, it should be taken into account that it is too early to measure the full outcomes of the programme. Several entrepreneurs received financing by SPARK after the programme's end in 2016, while the established businesses may generate more jobs. In addition, students currently attending the new entrepreneurship curricula may be inspired to become an entrepreneur. Unfortunately, as monitoring and measurement of outcomes ended in December 2015, it will not be possible to gain more clarity on these post-programme outcomes.

Limitations in results measurement

The fact that the UEC dared to set such precise and measurable quantitative targets is a strong asset of the programme's proposition. It provides a high level of transparency and accountability, and sets an example for other non-profit organisations. Indeed, in the UEC's reporting to the MFA the outputs and the outcomes formed the central element of the programme's progress and results. In this regard, it is important to also note some limitations regarding the reliability of results which surfaced during this evaluation.

First, definitions were broadly defined, leaving room for interpretation. This could have led to higher results than justified. Some examples:

- An SME started is counted when it is formally registered as a business with a relevant authority. However, in interviews during site visits it became clear that many entrepreneurs formally registered their business after a business plan competition, but did not actually commence operations. Real, sustainable results could surface when this indicator would be combined with the indicator '% of new SMEs that survived the first 3 years' (or even the first year), but the UEC did not manage to measure the latter indicator (more analysis below under sustainability);
- The number of SMEs grown is rather broadly defined, as the qualifier is 'with the help of SPARK or a partner'. It may also include double counting, as a company that grew year-on-year throughout the programme's five-year life could technically be counted as five SMEs grown.

Second, and more seriously, the dependency on local organisations for data collection resulted in mixed data reliability. Local partners were inexperienced in results monitoring, while they were expected and incentivised to meet the targets. Risks here could be mitigated by strong verification by the local office, but verification only took place through sample tests. Moreover, the local offices were not always evenly strong (early days in Rwanda) or existent at all (e.g. office in OPT was shut down in 2014). This resulted in data which not always coincides with the insights from interviews and findings during the site visits for this evaluation. Some examples:

- In Rwanda 2059 approved business plan applications (100% from vulnerable groups) were counted in 2011 alone (first year of the programme). This means that 27% of all approved business plans by UEC partners in five countries were submitted only in 2011 in Rwanda;
- In Burundi 91% of all matchmaking introductions were made in 2013 alone.

4.3 Sustainability

No hard conclusions can be drawn on the sustainability of the business development services' effects, as the UEC did not manage to collect data for the core sustainability indicator ('% of new SMEs that survived the first 3 years'). The UEC tried to have local partners register and monitor the SMEs they had supported through the customer relationship management tool Salesforce, but in practice this turned out to be too advanced and challenging for the local partners. SPARK is still exploring options to do research into the sustainability effects, but has not yet identified an approach.

Generally, as mentioned above, many key actors consider the UEC programme to be focused more on outputs than on structural, sustainable outcomes. This is understandable, as measuring sustainable outcomes is far more challenging than measuring outputs. Yet the UEC programme should have explored more options to strengthen the programme's sustainability, and more actively monitor its performance in this regard. The sustainability of the programme could especially have been improved through adequate access to financing and better availability of coaching throughout the programme's life. Despite active efforts by SPARK, primarily regarding the arrangement of adequate access to finance during the programme's life, these two aspects formed missing links in the business development process.

4.4 Recommendations

- *Reallocate resources to more intensive support:* resources should be moved away from training and the organisation of network sessions to more intensive support trajectories for entrepreneurs. This includes intensive coaching and mentoring trajectories.
- *Focus more on support for experienced entrepreneurs and/or expansion of existing businesses:* while not losing sight of its mission to support youth and other vulnerable groups, more support should be provided to aspiring entrepreneurs with some experience instead of focusing on university students or recent graduates and start-ups.
- *Ensure there is access to finance or active guidance in getting access to finance:* access to finance should be available as part of the support package.
- *Let financial support be a mix of equipment lease and only a minimum cash amount:* Financial support to an entrepreneur should focus on the lease of hardware (e.g. machine) and only a minimal amount of cash for operational expenditures (e.g. marketing).

5. Removal of business barriers

In this chapter an analysis is provided of the relevance, effectiveness and efficiency (taking into account outputs and outcomes) and sustainability of the local partner's lobbying efforts activities aimed at removing business barriers.

5.1 Relevance

Lobbying and advocacy activities organised

Lobbying and advocacy activities mainly concerned the following:

- *Research:* conducting research and context analysis to identify the main barriers to doing business;
- *Roundtable sessions:* organising roundtables and multi-stakeholder dialogue on business barriers;
- *Formulation of advocacy strategies:* the development of formal and documented strategies to advocate for business environment issues.

Match with local needs

The removal of business barriers is a relevant part of the UEC programme's proposition. It fitted the holistic design of the programme's objective to improve the 'entrepreneurial ecosystem' in target countries. The focus on the business climate also fitted well within the objectives of MFS II, and was stimulated by the MFA. Moreover, removing business barriers particularly benefits entrepreneurs from vulnerable groups, as their disadvantaged starting position makes them prone to being constrained by red tape.

5.2 Effectiveness & efficiency

The removal of business barriers is in post-conflict societies is complex. It takes perseverance, thought through and coordinated strategies, time and financial resources. This complexity was underestimated by the UEC, while limited financial and human resources were allocated to the third pillar. It has to be concluded that realising results was a near impossible mission from the start.

First and foremost, SO3 received limited financial and human resources. From the budget allocated to the three strategic pillars, 8% was budgeted and 7% was actually spent on the removal of business barriers (compared to 37% for capacity building and 56% for SME development and job creation).[11] In the SPARK local offices, there was no staff member specifically assigned with overseeing and coordinating the lobbying efforts.

Secondly, not all target countries had local partners focused specifically on the removal of business barriers. There were only two countries with specialised partners throughout the UEC programme's life: the Kosovo Association of Information and Communication Technology (STIKK) and the Liberia Better Business Forum (LBBF). In Burundi the UEC cooperated briefly with human rights organisation Ligue Iteka, but this cooperation was ended after a year due to a fraud case. In the OPT and Rwanda there were partners that also focused on the third pillar (e.g. Private Sector Federation in Rwanda, Business Women Forum in the OPT), but these were no organisations with a dedicated focus on lobbying. Most other selected local partners had little to no experience at all in lobbying and advocacy, which meant relationships and skills had to be built from scratch.

Thirdly, the target countries provided challenging operating environments for lobbying efforts to take root. In the OPT, the political situation provided little opportunity for lobbying and advocacy as there is no

[11] excludes other expenses in the equation.

functioning state, while in Rwanda the government was already strongly focused on improving the business climate.

Outputs

In contrast to these challenging circumstances, the outputs of the third strategic pillar show astronomical figures. Table 12 shows the enormous number of roundtable sessions and stakeholder dialogues held, and the subsequent advocacy strategies formulated by local partners.

Table 12 Outputs related to SO 3 (Monitoring Protocol)

Indicator	Target	Actual	Difference
# of roundtable sessions and multi-stakeholder dialogues	10	369	+3,590%
# of advocacy strategies (re)formulated	21	96	+357%

The high number can be explained by the fact that local partners counted each meeting as a roundtable, while a roundtable was initially meant to refer to a continuous process of discussion between stakeholders either creating strategy and agenda, or as part of a strategy. In reality, the roundtables often were loosely organised meetings on the business climate, with funding from the UEC, but with limited oversight or coordination by the SPARK local office. Although local partners cannot be blamed for a lack of good will, these roundtables often had a very informal character with limited material outcomes.

Table 13 further shows that both outputs targets were met in all five countries.

Table 13 Output targets met related to SO 3 (Monitoring Protocol)

Indicator	Kosovo	OPT	Burundi	Rwanda	Liberia
# of roundtables and multi-stakeholder dialogues	√	√	√	√	√
# of advocacy strategies (re)formulated	√	√	√	√	√

The informal character of the roundtable sessions is shown by Exhibit 25 below: almost 80% of surveyed local partners participated in roundtables sessions or stakeholder dialogues, but only around 40% also took some form of follow-up action, such as the formulation of an agenda, a proposal or active approach of a policy maker.

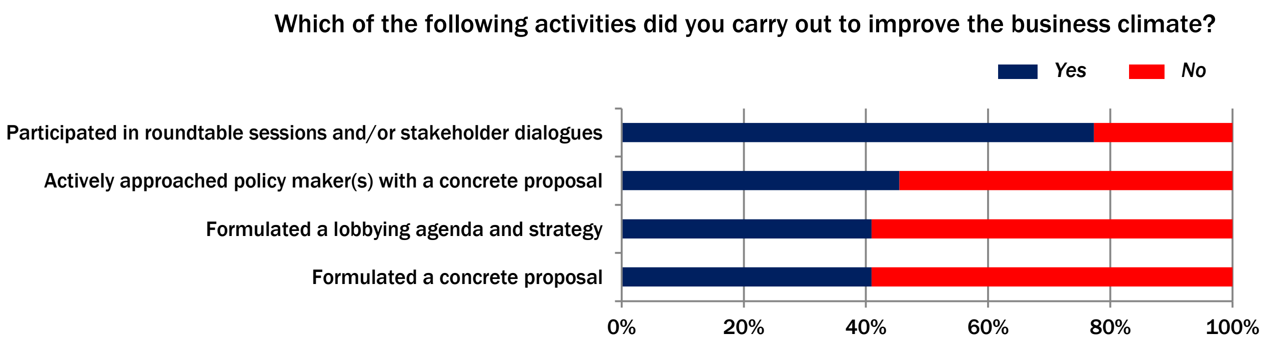


Exhibit 25 Lobbying and advocacy activities carried out by local partners

As each partner had its own strategy, there was much duplication and inefficiency. This was noted in the mid-point evaluation and recognised by the UEC. From 2014 onwards it was decided to assign one partner per country as the central organisation focusing on the third pillar. This partner was requested to take responsibility for organising the roundtable sessions and coordinating the input from all local partners involved. This proved to work more efficiently as the same results were accomplished with fewer resources.

Outcomes

The UEC programme did not formulate any relevant and useable outcome indicators for the third strategic pillar. Initially, the changes of the country position in the World Bank Ease of Doing Business Index was taken as an outcome indicator, but this was dropped early on in the programme's life as the correlation with programme activities was rightfully considered almost zero. The SPARK local offices did qualitatively assess the level of engagement of policy makers in the country, and quantitatively estimated the decrease in business barriers, but these are the result of best guesses rather than based on hard evidence.

Concrete results

Despite the lack of outcome targets, concrete results in the removal of business barriers were realised, which are regarded here as outcomes. However, these concrete results are very limited. The only concrete result during the programme's life was achieved in Kosovo, where a dedicated campaign by Kosovar ICT branch organisation STIKK resulted in a removal of custom taxed for the import of ICT equipment and an overall lowering of the VAT on ICT products from 16% to 8%. A second potential achievement is still pending in Liberia, as a draft law for the establishment of a Special Economic Zone (SEZ) will be introduced for a vote by parliament in 2016, after a dedicated campaign by the LBBF.

In addition, there are examples of advocacy efforts which are still in the campaigning phase or which are rather meant as guidance to circumvent business barriers. An example of the former is a SPARK and LBBF-driven campaign for the establishment of a Social Enterprise Special Economic Zone (SESEZ) in Monrovia (a related, but different initiative from the SEZ described above). The SESEZ is still in its campaigning phase but a strategy has been developed. An example of guidance is an information booklet on legal issues for start-up entrepreneurs developed by Microjustice Rwanda.

Increased ability to effectively lobby

The capacity building for local partners on effective lobbying, the roundtables as well as the development of advocacy strategies did raise awareness among local partners on the opportunity and ways to lobby for a better business climate. This increased level of awareness is not measured as part of SO3 outcomes, but during the field visits nearly all local partners indicated their appreciation for the increased awareness and skills gained in this field through the UEC programme.

Results

When comparing funding allocated to the removal of business barriers with the concrete results, it has to be concluded that the programme's third strategic pillar was ineffective. Although judging the third pillar only on the cost per concrete result is too simplistic (as it does not take into account the awareness, ongoing processes and guidance), the overall conclusion on the effectiveness of the third pillar remains valid.

Qualifiers for effective lobbying

As noted above, the removal of business barriers is complex and requires a sustained effort. For effective and efficient lobbying, two main factors are required, which were only partly in place:

- *Credible local partner:* Effective lobbying and advocacy only works with an established partner with credibility and access to policy makers. In the target countries only few partners had this profile. STIKK in Kosovo had the sector knowledge and credibility in ICT-related issues, making policy makers open to their views. In Liberia, the strong support of the International Finance Corporation opened doors to the government for the Liberia Better Business Forum;

- *Results-based management and coordination*: the (potential) achievements in this field were the result of a sustained effort which took years. These sustained efforts can only take place when there is strong coordination and results-based management in place, either by the local organisation itself or the UEC programme. As the coordination by the UEC programme was limited, ideas to improve the business environment often did not move from paper to practice.

5.3 Sustainability

The concrete result achieved in Kosovo and the potential second result in Liberia do have a sustainable effect on the business climate in both countries, as it concerns changes in the law. In Kosovo this makes it cheaper to acquire or import ICT equipment, while in Liberia the potential SEZ may attract the establishment of foreign companies and their desperately needed FDI.

However, when assessing the overall sustainable effects of the third strategic pillar of the programme, the conclusion has to be drawn that these are substantially below expectations due to the limited concrete results.

5.4 Recommendations

- *Assign appropriate resources and focus:* the UEC should have decided to either allocate more financial resources and select dedicated and able partners in all countries, or make the removal of business barriers not an official pillar of the programme at all;
- *Set realistic targets:* removing of business barriers is a long term process which involves many actors and which depends on many different factors. Given the complexity, more realistic and measurable targets should have been set from the start;
- *Formulate specific output indicators:* output indicators require clear definitions as to prevent too broad interpretation;
- *Formulate outcome indicators:* results should be captured through outcome indicators;
- *Work with organisations with leverage and access to relevant government agencies:* effective lobbying and advocacy can only have an effect after a dedicated, sustained effort by an organisation that is either closely linked to or well-respected by the government;
- *Take a more active role in coordinating efforts:* the UEC should have reallocated budget away from funding local partners to organise roundtables to assigning a local coordinator of lobbying efforts per country in the local offices;
- *Design concrete plans with a step-by-step approach to reach an objective:* many lobbying efforts of the UEC remained ad hoc initiatives raised at events or roundtables, more focus and resources should have been dedicated to longer-term plans for proposed interventions.

OVERARCHING RECOMMENDATIONS

Several more universal, overarching recommendations are identified that can contribute to the execution of similar programmes in the future. The recommendations partly draw upon the experiences of the UEC and partly upon the evaluator's experience in working with private sector actors and investors operating in comparable challenging environments. Some of these recommendations were already applied by UEC programme actors.

Recommendations are provided for programme executors, but also for donors. It should be noted that these recommendations are not meant to be universal truths, but rather serve as a basis for discussion between donors and executors of similar programmes.

Recommendations for programme executors

Include operational plan in the programme proposal: in complex programmes with a wide array of partners a clear and detailed operational plan (e.g. including description of processes, operational procedures, roles and responsibilities, lines of reporting) is of fundamental importance for smooth programme execution from the start.

Include risk management in the programme proposal: the identification of (potential) risks before the programme officially starts shows that a programme executor has a clear and realistic understanding of the tasks, but also of the potential challenges that lie ahead. By identifying mitigation measures in response to these (potential) risks and readily available scenarios, the programme executor can respond adequately to events that may hamper programme execution. Identifying risks and opportunities is particularly important in cases where a programme is run in a challenging operating environment, such as post-conflict societies.

Allocate more budget for the start of the programme: a programme's budget should provide a realistic estimation of necessary resources for new 'infrastructure' (e.g. establishment of offices, attraction of staff, establishing new partnerships), in cases where this is applicable. This implies a heavier allocation of organisational budget at the start of the programme, and lower expectations on outputs and outcomes in the early stages.

Decentralise where possible: when activities take place in several countries, programme management should be decentralised as much as possible. Management activities such as document review and decision-making on activities by local partners are more efficient when lines of communication to partners are short. In addition, guidance and advice will be more effective as regular personal meetings enhance mutual understanding and trust. This does require investment in strong internal human resource management in the early stages of a multi-year programme.

Approach local partner selection as an investor: if local partners need to be selected that will receive grant funding, a managing programme partner could learn from investor appraisal processes. This means that selection should be based on thorough due diligence, which includes organisational capacity analysis but also in-depth personal assessments of an organisation's management. Contracts should include clauses addressing issues such as the consequences of non-performance or the departure of a key management member ('key man event').

Ensure co-funding: Although co-funding structures for programme activities may make early negotiations harder, it pays off later as it drives buy-in and accountability on all sides. As organisations are expected to (increasingly) generate other income streams to execute programme activities, organisations will be more involved and motivated in sustaining activities and striving for results.

Define clear output and outcome definitions: identifying and setting clear outputs and outcomes is of fundamental importance to a programme. It ensures alignment on tangible objectives among partners, creates clear expectations for all actors involved, and increases accountability towards a donor. Outputs and outcomes should be accompanied by definitions that leave as limited room for interpretation as possible, while still being usable for all actors involved.

Set quantifiable and realistic output targets, but be more flexible on outcomes: for partners precise, quantified output targets provide a common objective, over which they have direct control. Outcomes however are more challenging to realise. There is no direct control over outcomes by the partners, while they are also influenced by other external factors. Setting precise, quantifiable outcome targets can therefore be a bit artificial. A solution could be to identify scenario's, with quantifiable outcomes provided in a range.

Recommendations for donors

Challenge programme executor on proposed activities and results: applicants for a grant have an incentive to propose as much activities and results as possible. However, this may result in programme proposals with envisaged activities or results that are simply too ambitious or even not realistic in practice. A donor should therefore actively challenge the programme executor on the practical feasibility of plans. Donor and programme executor have a joint responsibility for finding the right balance between quantity and quality of activities.

Challenge programme executor on programme execution and risks: a donor should actively challenge a programme executor on the practical execution of the proposed programme and the risks identified. A clear, structured explanation of these elements should be seen as a core indicator for the quality of a proposal and the programme executor's capacity to effectively and efficiently manage the programme in practice.

Encourage focused coalitions: large coalitions look impressive on paper, but often are challenging in practice. Although partners can bring unique capabilities to a programme, too many individual partners can hamper a programme's efficiency and effectiveness. The more partners involved, the more time and financial resources will have to be allocated to overhead and programme management. And the more partners involved, the less budget will be available for each partner, and the lower the feeling of co-ownership and responsibility will be.

Be flexible with own demands and guidelines: donors often have multiple guidelines or requirements a programme should adhere to or include as a programme element. This may however lead to organisations being forced to execute activities that are not their core strength just to tick the box of the donor. Where possible, donors should show flexibility in their guidelines or requirements, as this will benefit programme execution – and the most effective and efficient use of donor funding.

Annex 1: List of interviews and survey respondents

Name	Position	Organisation	Country	Survey	Interview
Michel Richter	Co-Director	SPARK	Netherlands	√	√
Yannick Du Pont	Director	SPARK	Netherlands	√	
Marc de Klerk	Programme manager	SPARK	Netherlands	√	√
Anthony Gonzalez	M&E manager	SPARK	Netherlands	√	
Erik Dirksen	Supervisory Board	SPARK	Netherlands	√	
Hendrik van Gent	Director	BiD Network	Netherlands	√	
Annemarie van Mossel	Programme manager	BiD Network	Netherlands	√	√
Tamara Flink	Programme manager	BiD Network	Netherlands	√	√
Herman Snelder	Director	MDF	Netherlands	√	√
Esther Wintraecken	Programme manager	MDF	Vietnam	√	√
Gerrit Ribbink	Trainer / consultant	Enclude	Netherlands	√	√
Huub Mudde	Project consultant	MSM	Netherlands	√	√
Heinz Fiedler	Trainer / consultant	InfoDev	Germany	√	√
Heleen Keijer	Project manager	NABC	Netherlands	√	√
Lars Kramer	Project manager	NABC	Netherlands	√	√
Marina Diboma	Project manager	NABC	Netherlands	√	√
Jos Lubbers	Policy advisor	NL MFA	Netherlands		√
Adrian Nikacevic	Country manager	SPARK	Kosovo	√	√
Mirjana Krsmanovic	Finance manager	SPARK	Kosovo	√	√
Jelena Saviç	Coordinator	BCZ	Kosovo		√
Boris Drobac	Project manager	BCS	Kosovo	√	
Dragan Spasojevic	President	BAC North	Kosovo		√
Uran Rraci	Project manager	KOSBAN	Kosovo	√	
Svetlana Djuric	Project manager	Univ. of Mitrovica	Kosovo		√
Nenad Janjicevic	Project manager	BSCS	Kosovo	√	√
Vesna Golubovic	Project manager	D&S Solutions	Kosovo	√	√
Lorik Mullaademi	Project manager	STIKK	Kosovo	√	√
Kreshnik Llesh	Project manager	CEED	Kosovo	√	√
Verka Vasic	Entrepreneur	Agriculture	Kosovo	√	√
Vidosav Milisavljevic	Entrepreneur	Agriculture	Kosovo	√	√
Srdjan Vucinic	Entrepreneur	TANK	Kosovo	√	√
Aleksandar Jermic	Entrepreneur	Taxi Service	Kosovo	√	√
Jugoslava Simic	Entrepreneur	Cake Producer	Kosovo	√	√
Ivan Subaric	Entrepreneur	Flower grower	Kosovo	√	√
Richard van Hoolwerff	Country manager	SPARK	Liberia	√	√
William Dennis	Director	BSC Monrovia	Liberia	√	√
Krystle Mitri	Coordinator	LBBF	Liberia	√	√
Joseph Bright	Director	LBBF	Liberia		√
Saaim Wisseh Naame	Secretary-General	ALU	Liberia	√	√
Nathaniel Sikely	Project manager	ALU	Liberia	√	
Thomas Barlue	Entrepreneur	IT business	Liberia		√
James Walker	Entrepreneur	Cemenco	Liberia		√
Maia Gedde	Country manager	SPARK	Rwanda	√	√
Nebojsa Simic	Ex-country manager	SPARK	Rwanda/OPT	√	√
Anneke Evers	Ex-country manager	BiD Network	Rwanda		√
Rika Fontana	Ex-project officer	BiD Network	Rwanda		√
Betty Abatoni	Coordinator	PSF	Rwanda		√
Jean de Dieu Gakuba	Coordinator	PSF	Rwanda		√
Jean Paul Nyiribakwe	Project coordinator	AERG	Rwanda	√	√
Tiziano Karangwa	Project coordinator	AERG	Rwanda	√	√

Moses Tumusiime	Director CED	URCBE	Rwanda	√	√
Alex Rugambwa	Accountant	URCBE	Rwanda	√	
Patricia van Nispen	Founding Director	MicroJustice4All	Rwanda	√	√
Yvan Gatoto	National Coordinator	JCI Rwanda	Rwanda		√
Dr. Tombola Gustave	Dep. Vice-Chancellor	UTB	Rwanda	√	√
Rebecca Ruzibuka	Owner and Director	ADC	Rwanda	√	√
Alice Mukamurangwa	Project manager	ADC	Rwanda	√	
Ida Nduwayo	Project manager	ADC	Rwanda	√	
Jean Paul Uwiragiye	Entrepreneur	Laser Engraving	Rwanda		√
Shyaka Charles	Secretary-General	URCBE Entr. Club	Rwanda		√
Mucyeye Kayomba	Member	URCBE Entr. Club	Rwanda		√
Nadia Nintunze	Programme manager	SPARK	Burundi	√	√
Annelies van den Berg	Ex-country manager	SPARK	Burundi	√	√
Claver Nduwumwami	Director	BBIN	Burundi	√	√
Prosper Niyonsaba	Director	COPED / CEIR	Burundi	√	√
Euphrasie Bigirimana	Professor	CUFORE	Burundi	√	
Lionel Buzirigi	Operations Manager	New Generation	Burundi	√	
Immaculée Nsengiyumva	Secretary-General	AFAB	Burundi		
Riman Barakat	Local consultant	IPCRI	OPT		√
Olga Batran	Project manager	Birzeit University	OPT		√
Jumana Salous	Project manager	Business Women	OPT	√	√
Samar Yousef	Project manager	Leaders	OPT	√	
Shadi Atshan	Project manager	Leaders	OPT		√

ANNEX 2: ALLIANCE AND COOPERATION PARTNERS

Organisation	Description
SPARK	SPARK is an NGO with the mission to "develop higher education and entrepreneurship to empower young ambitious people to lead their conflict affected societies into prosperity"
BiD Network	BiD Network is an NGO with the mission to "increase economic development in emerging markets through the mobilization of capital and knowledge to small and medium-sized enterprises (SMEs)"
Enclude	Enclude is an advisory firm that aims to build "more sustainable businesses and institutions by offering the integrated capacity and capital solutions that power economic growth, enterprise profitability and social transformation"
InfoDev	InfoDev is a "multi-donor program in the World Bank Group that supports entrepreneurs in developing economies" and oversees "a global network of business incubators for climate technology, agribusiness and digital entrepreneurship"
IntEnt	IntEnt was an NGO with the objective to "facilitate the creation of new business by entrepreneurial and enterprising migrants"
MDF	MDF is a global training and consultancy agency and "enhances the competencies of staff members, assists organisations to improve performances, maximises the impact of partnerships and networks and focuses on sustainable results in projects and programmes"
Maastricht School of Management	MSM is an international business school with the mission to "provide education and advocacy for ethical management, inspiring leadership, innovative entrepreneurship and effective public policy (...)"
Netherlands-Africa Business Council (NABC)	NABC is a network organisation that aims to "promote and position the Dutch private sector in Africa"

Annex 3: Abbreviations local partners

ADC	Africa Development Consultant Limited
AFAB	Association des femmes entrepreneurs du Burundi
ALU	Association of Liberian Unviversities
AIP	African Innovation Price
ASSG	Association of Student Survivors of Genocide
BAC Mitrivica North	Business Advisory Centre Mitrivica North
BBI	Burundi Business Incubator
BSCK	Business Support Centre Kosovo
BSCM	Business Start-up Centre Monrovia
BSC Strpce	Business Support Centre Strpce
BCZ	Business Center Zvecan
Birzeit CCE	Birzeit Center for Continuing Education
Birzeit CoE	Birzeit Center of Excellence
BWF	Business Women Forum
CED	Conseil pour l'Education et le développement
CEED	Center for Entrepreneurship and Executive Development
CTD	Center for Training and Development
CUFRD	Centre Universitaire de Formation et de Recherche en Entrepreneuriat
CWAP	Center for Women Agricultural Programme
CYE	Chamber of Young Entrepreneurs
FPCCIA	Federation of Palestinian Chambers of Commerce Industry and Agriculture
IESR	Institut d'Enseignement Supérieur de Ruhengeri
JCIR	Junior Chamber International Rwanda
KOSBAN	Kosovo Business Angels Network
LBBF	Liberia Better Business Forum
LEAP	Local Enterprise Assistance Programme
NUR	National University of Rwanda
PSF	Private Sector Federation
RDB	Rwanda Development Board
REJA	Réseau des organisations de Jeunes en Action pour la paix, la réconciliation et le développement
STIKK	Kosovo Association of Information and Communication Techology
UTTBS	University of Tourism Technology and Business Studies
YES	Youth Employment Systems

ANNEX 4: COOPERATION & ALLIANCE PARTNER ROLES

Main activity	Leading alliance member & cooperation partners involved
1.1 Identifying/establishing Business Start-up	SPARK coordinates this activity as it has experience establishing BSCs. However, partner selection is done jointly with BiD. BiD leads up-scaling in year 3 and 4.
1.2 Training & coaching implementing partner/BSCD/Incub	SPARK coordinates capacity building efforts for implementing partners/BSDC staff. It closely involves the World Bank's InfoDev that is specialized in Incubator Management Training.
1.3 Training & coaching partner institutions on organization & management	SPARK coordinates, MDF main cooperation partner.
1.4 Training & coaching partner institutions on BDS offline	SPARK coordinates, Triodos Facet main cooperation partner.
1.5 Training & coaching partner institutions on BDS online	BiD coordinates, as it has a strong track record on online infrastructures supporting business.
1.6 Training & coaching business advisors and analysts	SPARK coordinates as it has track record in training of advisors, SPARK will closely involve MDF as the main cooperation partner on this activity.
1.7 Providing ICT infrastructure and ICT training	SPARK coordinates, given its experience with similar activities.
1.8 Developing and reforming curricula	SPARK coordinates, MSM as main cooperation partner.
2.1 Organising online and offline business plan competitions...	SPARK coordinates offline BPC's on the ground, BiD leads online versions as it has the right web environment already available.
2.2 Implementing online and offline entrepreneur coaching	SPARK offline, BiD online – as above.
2.3 Matchmaking for finance and export (incl. guarantee funds)	BiD coordinates matchmaking with investors and financiers – as this is their core business, SPARK coordinates guarantee funds given its experience with guarantee funds. IntEnt will be involved as main cooperation partner in the establishment of funds that tailor diaspora.
2.4 Providing online platforms and peer & diaspora networking	BiD coordinates this activity given its online character and experience with business networking events. BiD involves IntEnt in providing networking for migrant entrepreneurs.
2.5 Providing quality certification	SPARK coordinates this activity given its experience in facilitating quality certification through BSCs.
3.1 Conducting applied research and context analysis	SPARK coordinates, Triodos Faces as knowledge partner and experienced with applied research and analysis is the main cooperation partner.
3.2 Organising round table sessions etc.	SPARK coordinates as roundtable sessions will be locally facilitated by to be established implementing partners and BSDCs.
3.3 Organising policy advice and lobbying follow up	SPARK leads, MDF main cooperation partner.

ANNEX 5: OVERVIEW CAPACITY BUILDING ACTIVITIES 2011-2015

Partner	Type	Burundi	Kosovo	Liberia	OPT	Rwanda	Total
SPARK	Advice		7				**7**
	Coaching		23		12		**35**
	Training	5	1	7	18	8	**39**
	Workshop						**0**
	Needs assessment						**0**
	Other						**0**
	Total	**5**	**31**	**7**	**30**	**8**	**81**
BiD	Advice	1				2	**3**
	Coaching	12	5	3	4	24	**48**
	Training	16	20	12	13	26	**87**
	Workshop	1		1	3	2	**7**
	Needs assessment						**0**
	Other	2				1	**3**
	Total	**32**	**25**	**26**	**20**	**55**	**148**
MDF	Advice	9	6	7	9	4	**35**
	Coaching	2	4	6	5	3	**22**
	Other						**0**
	Training	22	6	3		5	**39**
	Workshop	6	9	7	6	9	**37**
	Needs assessment						**0**
	Total	**44**	**29**	**34**	**25**	**25**	**157**
Enclude/TF	Advice	3	3	2	3	2	**13**
	Coaching				2		**2**
	Training	5	6	2	9	13	**35**
	Workshop	5	6	3		2	**16**
	Needs assessment						**0**
	Other	2	3	1		2	**8**
	Total	**15**	**18**	**8**	**14**	**19**	**74**
InfoDev	Advice	1	1	1	1	1	**5**
	Coaching						**0**
	Training	1	1	1	1	1	**5**
	Workshop						**0**
	Needs assessment	1	1	1	1	1	**5**
	Other						**0**
	Total	**3**	**3**	**3**	**3**	**3**	**15**
MSM	Advice			1		2	**3**
	Coaching						**0**
	Training			1		1	**2**
	Workshop						**0**
	Needs assessment			1		1	**2**
	Other			2		1	**3**
	Total			**5**		**5**	**10**
NABC	Advice						**0**
	Coaching	1		1		1	**3**
	Training						**0**
	Workshop						**0**
	Needs assessment	2		1		3	**6**
	Other	1		2		3	**6**
	Total	**4**		**4**		**7**	**15**
Total		**103**	**106**	**77**	**92**	**122**	**500**

ANNEX 6: 5C CAPABILITIES

Core capability	Sub-capabilities
Capability to commit and act	Extent to which a strategic plan guides decisions
	Effectiveness of human resource mobilization
	Effectiveness of financial resource mobilization
	Effectiveness of leadership and management
Capability to deliver on development objectives	Adequacy of organisation's infrastructure
	Adequacy and stability of human resource base
	Adequacy of PM&E system
	Quality and relevance of service delivery
Capability to relate and attract	Adequacy of alliances maintained with stakeholders
	Strategy is developed in response to client needs
	Extent to which clients are informed of performance
	Level of operational credibility with stakeholders
Capability to adapt and self-renew	Extent to which PM&E guides strategy adjustment
	Extent of management understanding external trends
	Level of management confidence to change
	Extent to which learning is planned and evaluated
Capability to achieve coherence	Level of clarity of mandate, vision and strategy
	Extent to which operating principles are well-defined
	Level of leadership commitment to coherence
	Consistency between ambition, strategy, operations

Annex 7: Definitions Monitoring Protocol

Indicator	Definition
# of (potential) entrepreneurs trained / awarded certificate	The number of trainees who satisfactorily complete a full and defined entrepreneurial training programme
# of (potential) entrepreneurs from vulnerable groups trained / awarded certificate	The number of trainees from vulnerable groups who satisfactorily complete a full and defined entrepreneurial training programme. The definition of "vulnerable groups" is country-specific, but at least includes youth (18-35 yrs) and women.
# of approved business plan applications	The number of business plans successfully submitted to a business plan competition that are deemed to be of "sufficient quality"
# of approved business plan applications from vulnerable groups	The number of business plans from vulnerable groups successfully submitted to a business plan competition that are deemed to be of "sufficient quality"
# of attendees of network sessions	The (number of) potential entrepreneurs in the programme that attend a specific and defined business networking session organized by a partner.
# of attendees of network sessions from vulnerable groups	The (number of) potential entrepreneurs in the programme from vulnerable groups that attend a specific and defined business networking session organized by a partner.
# of successful matchmaking introductions	Introductions that lead to finance (and are thus successful). Before, any introduction has been counted. This now reflects only actual matches, and includes successful application to SPARK guaranteed funds. Also, this will relate to finance in general and not to start-up finance only, as we also work with established companies. This can be validated by requesting a signed "proof of match document" by either entrepreneur or investor.
# of successful matchmaking introductions for vulnerable groups	Introductions that lead to finance (and are thus successful) with entrepreneurs from vulnerable groups.
# of website hits	The number of website hits to the BiD Network systems page
# of roundtable sessions and multi-stakeholder dialogues held	The number of formal and public roundtable or other multi-stakeholder dialogue event conducted by a partner on business environment issues.
# of advocacy strategies (re)formulated	The number of formal and documented strategy to advocate for business environment issues adopted by a partner.
# of SMEs started	The absolute number of new businesses started with SPARK or SPARK partners' help. A new business is a registered business, with any relevant authority. So previously informally operating businesses that were supported by SPARK or SPARK partners and get officially registered are also included. Each project/programme manager or country manager enters data for his/her country generated within the reporting period only.
# of SMEs started by vulnerable groups	The absolute number of new businesses started with SPARK or SPARK partners' help among vulnerable groups.
# of SMEs grown	The number of existing businesses in the programme that have increased

	their turnover in the reporting period (every six months). A company is separately reported as grown only in the next 6 months period following its start (outcome results). So, if started in first half of 2012, a company can only be reported in second half of 2012 as grown (by turnover) even if growth has already taken place in the first half of 2012.
# of SMEs grown among vulnerable groups	The number of existing businesses in the programme among vulnerable groups that have increased their turnover in the reporting period (every six months).
# of jobs created in started SMEs	The absolute number of new jobs, defined according to the ILO definition contained in the DCED standard: full-time equivalent, taken over one year (240 days/year); may be seasonal, paid in kind etc, but does not include unpaid family labour; created through SPARK or SPARK partners support to businesses. Each project /programme manager or country manager enters data for his/her country generated within the reporting period only.
# of jobs created in started SMEs taken by vulnerable groups	The absolute number of new jobs among vulnerable groups, defined according to the ILO definition contained in the DCED standard
# of indirect jobs created	The number of individuals trained (by SPARK or SPARK partners) who do not start businesses, but have found formal jobs as an indirect result of participating in the entrepreneurship training (this is an unintended outcome measure by SPARK in its MFS I programme and also referred to as "employability"). Each project /programme manager or country manager enters data for his/her country generated within the reporting period only.
% of new SMEs that survive first 3 years	The businesses started that still exist after three years, and have had turnover for those three years. For new programmes this can only be filled in as of 2013 at the earliest. Businesses started should be revisited each year. Each project/programme manager or country manager enters data for his/her country generated within the reporting period only.