



**External evaluation of UNCTAD's  
Empretec and Business Linkages Programmes\***

**UNEDITED COPY**

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\*This report was commissioned by the Government of Finland. The opinions expressed in this report are those of the author and do not represent the views of the Government of Finland, or of the UNCTAD secretariat, or of the organizations or institutions with which the author may be connected.

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## Acronyms

BDS	Business development services
BLP	Business Linkages Programme
CEO	Chief Executive Officer
HRH	His Royal Highness
IFC	International Finance Corporation
ILO	International Labour Organization
M&E	Monitoring and evaluation
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprise
PPP	Public-private partnership
SIDO	Small Industries Development Organization (Tanzania)
SMART	Specific, measurable, achievable, relevant and time-bound
SME	Small and Medium Enterprise
SPX	Subcontracting and Partnership Exchange (UNIDO programme)
TIC	Tanzania Investment Centre
TNC	Trans National Company
UN	United Nations
UNIDO	United Nations Industrial Development Organization
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Plan
US\$	United States Dollar
USAID	United States Agency for International Development
ZDA	Zambia Development Agency

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Requirements of the evaluator were often accommodated at very short notice during the field visit. The evaluator highly appreciated this flexibility and the cooperation of project implementation partners as well as lively and fruitful discussions with male and female entrepreneurs in Dar-es-Salaam and Lusaka.

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## **Executive summary**

### **UNCTAD is doing the right thing**

HRH the Prince of Wales exclaimed “No business can survive for long as an island of wealth in a sea of poverty”<sup>1</sup> Following this convincing logic, UNCTAD is doing the right thing through its EMPRETEC Centres to build capacities of local micro, small and medium enterprises (MSMEs) in Tanzania and Zambia in order to link them to the supply chain of Transnational Companies (TNCs) operating in those countries. UNCTAD's Business Linkages Programme (BLP) facilitates the latter process.

### **Acknowledging Finland's support**

The assistance offered by the Government of Finland since 2008, through annual contributions to a multi-donor trust fund, which amounted to a total of US\$ 717,706 in 2012, has provided substantial support to the EMPRETEC and BLP. Finland's focal countries for EMPRETEC and the BLP are Tanzania and Zambia. At this stage, the Government of Finland wishes to undertake an independent evaluation of its contribution to UNCTAD's multi-donor trust fund in order to make an informed decision about whether and how to continue funding the two programmes.

### **High relevance of EMPRETEC and Business Linkages Programme (BLP)**

There is no doubt about the relevance of EMPRETEC and BLP for the policy priorities of UNCTAD, the governments of Tanzania, Zambia and Finland. Finland's trade policy, development policy and Aid for Trade action plan are fully in line with both these UNCTAD programmes. Both programmes are highly relevant for skills and business development needs for MSMEs in Tanzania and Zambia. However, the key need of access to finance for these programmes is essential, particularly with regards to Zambia.

### **Finland as an active bilateral donor in Private Sector Development in Zambia...**

In Zambia, the Finnish multilateral contribution through UNCTAD links directly to the United Nations Development Assistance Framework and Finland's bilateral programme: the Finland funded and ILO-led *Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development (2009-2011)* and UN Joint programme “*Enhancing competitiveness and sustainable business among MSME's in building construction industry*” (2012-16). The latter is again funded by Finland's bilateral programme and UNCTAD's participation continues in the new UN Joint Programme through EMPRETEC and BLP modules, implemented by its partner Zambia Development Agency (ZDA).

### **...but to a lesser extent in Tanzania**

Both programmes were not observed to be a part of the United Nations Development Assistance Plan for Tanzania in the period concerned, and could benefit from closer coherence with Finland's bilateral development cooperation portfolio in Tanzania.

### **Sub-optimal planning, monitoring and evaluation**

Both UNCTAD and the Government of Finland would have benefited from the establishment of clear objectives, quantifiable targets and SMART indicators to assess the performance of both the programmes. As a result, UNCTAD's Division on Investment and Enterprise Development is unclear about the level of

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<sup>1</sup> Quoted in Brew, Peter (2006) “The role of business in society”. Presentation given to a USAID-AED conference on Community Investing in Zagreb, Croatia, on October 19, 2006

achievements to be expected by the donor Finland and the donor is unclear about how to appreciate the results delivered by UNCTAD. Another inefficiency is the insufficient implementation of the BLP's evaluation module and lack of M&E for EMPRETEC.

### **Programmes further hampered by less efficient funding modalities**

Certain volatility in the annual contributions, combined with a funding gap in 2011, significantly lowered the efficiency which could have been achieved, had the same amount of contributions been committed upfront by Finland since 2008. As a result no multi-year planning security was given, consultants could be engaged only on a short-term basis, which is of particular relevance for a non-resident organization like UNCTAD. Lack of predictable funding resulted in implementation delays.

### **Outstanding effectiveness**

All 16 EMPRETEC trainees interviewed praised the training for changing their mind-set from subsistence-oriented businesses to goal focused and growth-oriented businesses. In total, 341 entrepreneurs were trained in Tanzania in 13 EMPRETEC workshops and 137 in Zambia in 6 EMPRETEC workshops. BLP linked 30 suppliers to TNCs like the Vodaphone subsidiary Vodacom in Tanzania and 45 new supplies to the supply chains of TNCs like the South African supermarkets Pick n' Pay or Shoprite in Zambia, apart from providing EMPRETEC training to 50 pre-existing suppliers of the Zambia's largest mining company, Konkola Copper Mines.

### **With positive spillover**

Linkages of MSMEs to the supply chain of larger local or national companies emerged as complementary and at times alternative to linkages to TNCs. The particular value of those "unintended" linkages, which developed through market dynamics in both countries, is contained in a more gradual increase of the standards, quality and volumes to be complied with by the suppliers. In addition, those linkages often entail the advantage of cash business, which is very important for entrepreneurs with very limited access to finance.

### **Impact**

EMPRETEC and the BLP resulted in a general increase in employment, turnover, contracts and clients in Tanzania and Zambia. In Tanzania employment in 10 micro and small enterprises increased by 14% and in Zambia in 11 micro and small enterprises by 38%. The enterprises of six EMPRETEC participants in Tanzania showed a median of 100% turnover increase compared to a median of 35% turnover increase for three BLPs in Tanzania and 27.5% for seven BLPs in Zambia. This compares to an increase in permanent employment by 125% and a 144% increase in revenues in the BLP in Uganda.

### **Sustainability**

Small Industries Development Organization (Tanzania) and Zambia Development Agency seem dependent on UNCTAD funding for the time being and seem to be unable to fund EMPRETEC training through regular budgets. However, costs for EMPRETEC training are coming down by up to 50% for UNCTAD as the first national trainers are getting certified and dependency on costly international trainers decreases. The entrepreneurs' capacity to supply high volumes of products and services, their ability to comply with the high quality standards of TNCs as well as access to finance are the key elements for linkages to mature.

## Recommendations

The above analysis leads to the following time-bound and targeted key recommendations for the various parties involved:

### GOVERNMENT OF FINLAND

#### Within the next 1 to 3 months:

- The evaluator recommends the Government of Finland to continue funding EMPRETEC and BLP in Zambia. It would be beneficial to communicate any decision to UNCTAD to allow for respective forward planning.
- The evaluator proposes the Government of Finland to review, together with the Finnish Embassy in Dar es Salaam, Finland's bilateral cooperation portfolio to ensure better strategic value. For example, closer linkages to the forestry sector, one of Finland's country priorities, could be envisaged.
- If Finland decides to continue funding, it is recommended to contribute to both, EMPRETEC and BLP programmes rather than prioritizing one programme over the other, due to the complementary nature of both programmes
- It is highly recommended to review Finland's funding modalities from 2013 onwards, if Finland decides to continue funding the UNCTAD programmes. Committing funds for a full-fledged 3 years to the EMPRETEC/BLP programme with a clear performance framework would be significantly more efficient than continuing with the current funding modalities.
- Given challenges in the programmes' monitoring and follow-up, the evaluator would recommend the Government of Finland to earmark part of its funding specifically for M&E. This could help implementation partners to more actively follow-up and monitor EMPRETEC trainees and enterprises engaged in BLP, leading to increased programme efficiency and effectiveness.

### UNCTAD

#### Immediately:

- UNCTAD is encouraged to fully implement the current approach aiming at equal access for men and women to business development services and business linkages in growth-oriented industries, despite the donor's appetite for a stronger gender focus of both programmes. A higher percentage of female entrepreneurs should benefit from EMPRETEC training in Zambia and an increase from 30% to 50% should be discussed with ZDA
- The evaluator strongly recommends UNCTAD to prioritize funding trainings with entrepreneurs "related" to the BLP. Prior to co-funding any further EMPRETEC trainings UNCTAD is invited to double check that trainees are participating or likely to be participating in BLP so as to fully make use of the strong conceptual synergies between both programmes. This should not be misunderstood as micromanagement but due diligence to ensure higher programme effectiveness.
- The evaluator recommends UNCTAD to engage with UNIDO in Zambia to ensure that both BLP and SPX stop competing for the same TNCs. This could result in BLP and SPX either targeting a separate set of industries<sup>2</sup> or a strategic partnership with clear roles and responsibilities for specific BLP/SPX programme components for both UN agencies. Cost savings for UNCTAD could result from this engagement e.g. if the EMPRETEC centre would create income by training SPX-linked MSMEs.

#### Within the next 1 to 3 months:

- The evaluator recommends UNCTAD to proactively offer all donors willing to contribute on a multi-year basis to a new multi-donor fund a programme log frame with clear objectives, quantifiable

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<sup>2</sup> unless both programme concepts are significantly modified, which is very unlikely to happen.

targets and SMART indicators for EMPRETEC and BLP. This would be in line with good management practices and meet donor demands for increased accountability from partners, including the UN.

- UNCTAD should provide its implementation partners with guidance for follow-up and a full introduction in the BLP M&E module. These include building on the good practice of “BLP health check” in Tanzania and fully mainstreaming its BLP monitoring and evaluation approach across its BLP portfolio. Equal efforts for EMPRETEC are required.
- The evaluator recommends UNCTAD to ensure that its two implementation partners in Tanzania map relevant national, bilateral and multilateral donor initiatives to identify complementarities and revise programme planning accordingly. Cost savings and efficiency gains could result from this mapping and planning exercise. UNCTAD should use the UNDP mid-term review in 2013 as an opportunity to embed both programmes in the One UN approach. . To this end UNCTAD should mobilize its Technical Cooperation Service and do all possible efforts to create more synergies and complementarities with other on-going UN initiatives.
- UNCTAD is invited to engage more actively with key stakeholders periodically to facilitate communication. Upcoming programme issues could be shared for example every 6 months.

### **UNCTAD and its implementation partners**

#### **Within the next 1 to 3 months:**

- UNCTAD’s implementation partners should step up efforts to facilitate access to finance for MSMEs, given its the high relevance for both programmes. UNCTAD should advise partners based on its rich expertise from EMPRETEC and BLP across and beyond Africa.



**Summary of key findings, conclusions and recommendations**

	Assessment	Key findings	Conclusions	Recommendations
	Government of Finland & UNCTAD Policy priorities	EMPRETEC and BLP fully in line with the Government of Finland's trade policy plan, development policy plan and Aid for Trade action plan and UNCTAD's policy priorities.	High relevance is given.	No recommendation.
	MSME skills and business development needs	High relevance for skills and business development needs for MSMEs in Tanzania and Zambia; key need of access to finance, particularly in Zambia still to be met.	Programmes do mainly address skills and business development needs in both countries.	UNCTAD and its implementation partners should step up efforts to facilitate access to finance for MSMEs, given the high relevance of both programmes.
	Country level relevance: Zambia	In <b>Zambia</b> EMPRETEC and BLP are fully aligned to Finland's bilateral programme. EMPRETEC and BLP fully included in Zambia's United Nations Development Assistance Framework, with ILO-lead and Finland funded programmes (2009-2011 and 2012-16).	Very high relevance and synergies of the two programmes co-funded by the Finnish multilateral cooperation with the Finnish bilateral cooperation in Zambia.	The Government of Finland is encouraged to continue funding EMPRETEC and BLP in Zambia.
	Country level relevance: Tanzania	In <b>Tanzania</b> , both programmes were not observed to be a part of the United Nations Development Assistance Plan for Tanzania in the period concerned, and could benefit from closer coherence with Finland's bilateral development cooperation portfolio in Tanzania.	While local enterprises do get significant benefits from the programmes, the current coherence of Finnish multilateral investment in Tanzania could benefit from a review.	The Government of Finland is encouraged to review Finland's bilateral cooperation portfolio to ensure strategic value. For example, closer linkages to the forestry sector, one of Finland's country priorities, could be envisaged.
	Gender related needs	Programmes aim to enable equal access for men and women to business development services and business linkages in growth-oriented industries. EMPRETEC participation rates of female entrepreneurs are over 50% in Tanzania and around 30% in Zambia	Programmes are gender neutral. However, female entrepreneur participation in Zambia could be further increased to 50% to ensure equal access to training for men and women.	UNCTAD is recommended to fully implement the current approach for equal access for men and women to business development services and business linkages in growth-oriented industries. A higher percentage of female entrepreneurs should benefit from EMPRETEC training in Zambia.
	Complementarities: synergies between EMPRETEC and BLP	EMPRETEC and BLP are still insufficiently linked in both countries and synergies missed. TIC in Tanzania seems to be the strongest in terms of creating complementarities between both programmes.	Potential economic benefit of EMPRETEC could be increased if targeted at MSME's participating in BLP.	UNCTAD should ensure that prior to co-funding EMPRETEC training, trainees are participating or likely to be participating in BLP whenever possible, in order to fully make use of the conceptual synergies between both the programmes.
Relevance	Complementarities with other initiatives: Zambia	ZDA complementing both programmes in Zambia with other related initiatives, especially a new US\$ 9.3m ILO-led Joint UN programme for MSME development in the construction industry; but also one case where UNIDO initiated programme, SPX, managed by ZDA directly competes with BLP for TNCs.	ZDA's capacity to strategically use the programmes is exhibited except for the case of the UNIDO initiated programme.	UNCTAD should engage with UNIDO to ensure that both BLPs and SPX start being complementary to each other. Cost savings could result from this engagement.

<b>Efficiency</b>	Complementarities with other initiatives: Tanzania	Complementarities of the EMPRETEC and BLP with other national, bilateral and multilateral donor programmes in Tanzania are difficult to detect.	Operating outside the UNDAP seems to affect the programmes' ability to complement other relevant initiatives. However, the 2013 mid-term review of the UNDAP is an opportunity for UNCTAD to include its two programmes in the UNDAP.	UNCTAD should ensure that its two implementation partners map relevant national, bilateral and multilateral donor initiatives to identify complementarities and revise programme planning accordingly. Cost savings could result from this mapping and planning exercise. In addition, UNCTAD should use the UNDAP mid-term review in 2013 as an opportunity to embed both programmes in the One UN approach.
	Validity of programme design	EMPRETEC supports the improvements of MSME's skills base and prepares enterprises to improve standards and quality of their products and services to link into TNC's supply chains as part of the BLP.	Finland's decision to contribute to both programmes, as opposed to selecting a single one is validated by the complementary programme design.	Finland is encouraged to contribute to both, EMPRETEC and BLP rather than prioritizing one programme over the other.
	Technical backstopping and administration	Efficiently managed by UNCTAD.	Both programmes are in safe hands in UNCTAD in terms of technical backstopping and administration.	No recommendation.
	Results-based planning	Lack of log frame for 2008 – 2010. Since 2011, there has been a vague log frame which lacks clear objectives, quantifiable targets and SMART indicators.	Regular reporting and periodic evaluations unable to quantify the level of achievement against set targets.	UNCTAD should offer all donors willing to contribute on a multi-year basis to a new multi-donor fund a programme log frame with clear objectives, quantifiable targets and SMART indicators for EMPRETEC and BLP. Being proactive could convince donors to make longer-term investments
	Monitoring and evaluation	BLP's evaluation module is of good quality; implementation is challenging but "BLP health check" financed by UNCTAD and implemented through TIC in Tanzania is an encouraging process for BLP monitoring and can serve as a baseline for subsequent evaluations; no EMPRETEC M&E seems available, though some development seem to have taken place.	UNCTAD has made a good start in developing a BLP evaluation module as part of the overall BLP management.	UNCTAD should build on the good practice of "BLP health check" in Tanzania and fully mainstream its BLP monitoring and evaluation approach across its BLP portfolio; equal efforts for EMPRETEC are required.
	Funding modalities	Finland contributed on an annual basis to the multi-donor trust fund for EMPRETEC and BLP activities; the amount of contributions varied each year and in 2011 funding was disrupted.	Volatility in the annual contributions, combined with a disruption in funding in 2011, significantly lowered the efficiency which could have been achieved, had the same amount of contributions been committed by Finland since 2008.	If the Government of Finland decides to continue funding EMPRETEC and BLP activities, a different funding modality is highly recommended. Committing funding for a full-fledged 3 years' EMPRETEC/BLP programme with a clear performance framework would be significantly more efficient than continuing with the current

	<b>Communication</b>	Project implementation chain is particularly long for both programmes and knowledge gaps among most stakeholders emerged.	Efficiency in communication is insufficient.	funding modalities. UNCTAD could more actively engage with key stakeholders periodically to facilitate communication. Every 6 months for example upcoming programme issues could be shared.
<b>Effectiveness</b>	<b>EMPRETEC</b>	Outstanding effectiveness: EMPRETEC stipulates behaviour change from subsistence-oriented to goal focused growth oriented enterprise.	Finland's contribution is value for money and of significant effect, though the number of MSME's reached is still comparatively low due to implementation delays. As implementation partners are insufficiently following up participants of both programmes, UNCTAD's guidance could be beneficial.	Finland is advised to consider continuing funding both programmes at least in Zambia. Earmarking part of Finland's funding for M&E could help implementation partners to more actively follow-up and monitor EMPRETEC trainees and enterprises engaged in BLP. UNCTAD could provide implementation partners with guidance for follow-up and a full introduction in the BLP M&E module.
	<b>BLP</b>	BLP took a targeted approach by focusing on previously assessed business sectors and linked 30 suppliers to TNC in Tanzania and 45 new supplies to the supply chains of TNCs in Zambia. Participants would appreciate follow-up by implementing partners of both programmes.		
	<b>Positive spillover</b>	Some MSMEs benefit from linkages with larger local or national companies. Those linkages have the advantage of a more gradual increase of the standards, quality and volumes to be provided by suppliers and often entail the advantage of cash business.	MSME's to be linked to the supply chain of larger local or national companies emerged as complementary and at times alternative to linkages to TNCs.	UNCTAD should encourage its implementation partners to identify also large national or local companies for potential business linkages with MSMEs. This is of particular relevance in Zambia. UNCTAD might wish to revise the BLP project document to clarify that any kind of linkages are desirable, not only linkages with TNCs
<b>Impact</b>		BLP and EMPRETEC resulted in a general increase in employment, turnover, contracts and clients, though the numbers are still low.	Both programmes contribute to creating growth oriented MSMEs, though their numbers are still small. A systematic impact assessment would be beneficial to fully report programme's impact to stakeholders, especially donors.	UNCTAD is advised to schedule an impact assessment of both programmes in Tanzania and Zambia to satisfy stakeholders' demand for quantifiable impact data.
<b>Sustainability</b>	<b>Business linkages</b>	Entrepreneurs' capacity to supply high volumes of products or services, their ability to comply with the high quality standards of TNCs as well as access to finance seems to be the key elements for linkages to mature. This is not yet given.	A programme element to facilitate access to finance would add significant value to the BLP	See recommendation concerning the "MSME skills and business development needs"

<p><b>EMPRETEC Centres</b></p>	<p>EMPRETEC centres hosted by TIC and ZDA seem unable to fund EMPRETEC training through regular budgets, though efforts are being made. SIDO is likely to mainstream the EMPRETEC approach in its trainings. It will do so however, by taking local trainers at a non-certified basis to keep costs within its operational margins and thereby significantly increase the reach of the trainings.</p>	<p>EMPRETEC centres seem too dependent on UNCTAD to run trainings and lack a clear timeframe for finalization of UNCTAD's support to step up their efforts to ensure a higher degree of self-sustaining trainings.</p>	<p>UNCTAD should provide EMPRETEC centres with a clear timeframe of funding and demand strategies from EMPRETEC centres for gradually self-sustaining trainings.</p>
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**Key**

<p><b>Excellent results</b></p>	<p><b>Satisfactory results but some shortcomings</b></p>	<p><b>Significant shortcomings</b></p>
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## Preamble

The present document outlines the evaluation report of the evaluation of the Finnish contribution to UNCTAD's EMPRETEC and Business Linkages Programme (BLP, 2008 – 2012).

The report is structured in four sections:

Section 1 contains an introduction to the evaluation, including the background of EMPRETEC and BLP, the evaluation background, evaluation methodology and limitations encountered during the evaluation process.

Section 2 lists the evaluations findings based on the evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability.

Building on key findings the evaluators' conclusions are highlighted in section 3, followed by recommendations in section 4.

Section 5 highlights key lessons learned from the evaluation.

## Introduction

*The following introduction aims to set the frame for the evaluation of UNCTAD's EMPRETEC and BLP in Tanzania and Zambia. It nurtures the understanding of the programmes' background, the rationale for the evaluation and its objectives as well as the methodology chosen to undertake the evaluation. The section closes with some minor limitations that have affected the evaluator's ability to fully implement the tasks listed in the ToR for this evaluation.*

## Programmes' background

Small and medium enterprises (SMEs) are considered vital for broad-based economic growth and rising living standards. Since 1988, UNCTAD's EMPRETEC programme has helped to foster entrepreneurship capabilities and the growth of internationally competitive SMEs in developing countries and countries with economies in transition. EMPRETEC centres are in 33 countries and coordinated by UNCTAD headquarters in Geneva. The programme is based on public-private partnership (PPP) and it aims at developing sustainable mechanisms to unleash entrepreneurial potential and provide business development services (BDS) for local SMEs. It specifically promotes the development of entrepreneurship through a behavioural approach and strengthens the capacity of policy makers to design and implement enterprise support measures through training and exchange of best practices.

The project financed by Finland since 2011 also serves to enhance the competitiveness of SMEs through business linkages with large firms. Specific activities have included the organization of training events, research, fieldwork, advisory services to EMPRETEC centres, associations of entrepreneurs, and governments, and participation in international, regional and national meetings on promoting entrepreneurship and SME development. In particular, Finland's contributions supported the continued installation of EMPRETEC and the BLP in Tanzania and Zambia.

The programme is executed by UNCTAD, in collaboration with national governments and other United Nations agencies, EMPRETEC centres and selected public institutions.<sup>3</sup>

Since 2007, the EMPRETEC and the BLP have received contributions of about US\$1.9 Million from donors including Spain, Finland, Sweden, Switzerland, Italy and Portugal. The Government of Finland has contributed about US\$585,786 since 2008 to support the activities under these programmes<sup>4</sup>, a contribution of 29.9% of the overall budget. US\$157.786 of Finland's contribution, i.e. about 26.9% was invested in Tanzania and Zambia<sup>5</sup>. In 2012 Finland has contributed an additional US\$132.000 to UNCTAD's Division on Investment and Enterprise outside the multi-donor trust fund, with US\$44,340 invested in Tanzania and Zambia. This result in a total investment of US\$717,706, including US\$ 202,108 for programme activities in the two focus countries.

## Evaluation background

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<sup>3</sup> Terms of Reference (TOR): External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme

<sup>4</sup> *ibid*

<sup>5</sup> UNCTAD, Division on Investment and Enterprise Development, 2012 (personal communication)

According to the TORs presented in Annex 7, the purpose of this evaluation is to:

- Evaluate the activities that the Government of Finland has financed under the EMPRETEC and BLP so as to assess the needs for further contributions,
- Document results and lessons learned in the implementation of the programme, and
- Formulate recommendations in order to strengthen the work of UNCTAD in this area.

In addition to the above, the evaluation highlights:

- What has been successful and can be replicated elsewhere,
- Indicates the shortcomings and constraints in the implementation of the programme while,
- At the same time, it identifies the remaining challenges, gaps and needs for future courses of action<sup>6</sup>.

Following initial consultations with the Finnish counterpart, the following secondary objectives of the evaluation emerged:

- Assessment of the relevance and effectiveness of a comparatively small contribution of about EURO 100,000 p.a. as part of pooled donor funding
- Review of synergies of the programmes with the Finnish bilateral cooperation
- Particular assessment of the programmes' focus on women entrepreneurs, a programme component since 2008 and further emphasized by the Finnish project document in 2011
- Assessment of the EMPRETEC and BLP experience in Zambia and Tanzania in the context of the overall programme in the regional African context
- Creation of a regional benchmark using programme indicators and UNCTAD ones. This will help to rank Tanzania and Zambia accordingly

### **Evaluation methodology**

The evaluator aims to make this evaluation utilization-focused to provide practical answers to the questions of the programmes, to be constructive and to make actionable recommendations.

For the purpose of this evaluation a mixed method approach was taken. This approach entails a document review, particularly of recent evaluations of the programmes, key stakeholder interviews and focus group interviews. For face-to-face or telephone interviews a semi-structured questionnaire was used. The semi-structured questionnaire is presented in Annex 1.

The evaluator interviewed 49 stakeholders, including 29 entrepreneurs, 17 in Zambia and 12 in Tanzania. A full list of interviewees is presented in Annex 2. Interviews in country were

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<sup>6</sup> Terms of Reference (TOR): External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme

organized by UNCTAD's project implementation partners and interviewees identified and invited by the partners.

Visits to UNCTAD in Geneva and to the programme countries- Zambia and Tanzania were undertaken in accordance with the ToR for this evaluation. Interviews were undertaken either by telephone or face-to-face in Geneva, Lusaka and Dar es Salaam. Enterprise visits were also proposed in at least one location to add the element of observation to the evaluation methodology. However, the enterprise visit did not materialize due to logistical difficulties of the company to be visited in Lusaka.

Table 1 summarized the data sources used to address the evaluation criteria and questions listed in the ToR.

<b>Table 1: Data sources used to address evaluation criteria and questions</b>	
<b>(a) Relevance</b>	<b>Data sources:</b> - Questionnaire for all stakeholders; document review; - Government counterparts, UNCTAD, Project implementation partners ZDA, TIC and SIDO, Finnish Embassies, document review; - Government counterparts, UNCTAD, Project implementation partners ZDA, TIC and SIDO, Finnish Embassies, document review, observation; - Questionnaire for all stakeholders, document review, observation - UNCTAD, Project implementation partners ZDA, TIC and SIDO, Finnish Embassies, document review; - UNCTAD, Project implementation partners ZDA, TIC and SIDO, Finnish Embassies, document review.
• Whether the programme design and choice of activities/deliverables have properly reflected the needs of the beneficiaries;	
• Whether there are complementarities evident from the implementation of activities under this programme with other related development initiatives that the beneficiary government is undertaking. If so, are outcomes evident in this regard?	
<b>(b) Effectiveness</b>	
• Whether the activities have achieved planned objectives; Are there unintended outcomes that contribute towards the achievement of the stated objectives?	
• What were the main factors influencing the outcomes of this programme;	
<b>(c) Impact</b>	
• In countries where activities have been implemented, what are the results against the following indicators:	
- EMPRETEC institutional performance indicators:	
- Business linkages performance indicators:	
<b>(d) Efficiency</b>	
• Whether project schedules were met or projects were completed within reasonable time parameters;	
• Whether the activities have used the most efficient means in delivering results, for example, through the use of local experts, when appropriate;	
<b>(e) Sustainability</b>	
• Whether there is initial evidence that the benefits of the programme will, or are likely to continue in the future;	
• What are the specific factors that positively or negatively influence the sustainability of the results obtained by the programme;	



The evaluation criterion of gender objectives was treated across the above stated evaluation criteria with specific evaluation questions to equally assess the programmes from a male and female perspective for all evaluation criteria.

### **Limitations**

The evaluator encountered a number of limitations during this evaluation.

The secondary focus on the evaluation to assess the EMPRETEC and BLP experience in Zambia and Tanzania in the context of the overall programme in the regional African context and the creation of a regional benchmark was hindered by a lack of impact data. While an impact assessment is available for BLP in Uganda, the evaluator only got access to an impact assessment for EMPRETEC in Zambia in the middle of the evaluation process and could not revise his evaluation questions any more.

The answers to the impact evaluation questions of the evaluator were based on the entrepreneurs' memory to recall. Consequently, the data could not be independently verified. Hence comparability with impact data from Uganda seemed not fully adequate.

The evaluator stayed clear of undertaking a ranking of African countries based on macro-economic indicators, as the EMPRETEC and BLP are expected to unleash their full potential only 10 to 15 years after the intervention. In addition, the current number of trainees still seems to be very low and results are unlikely to have a macro-economic effect. In Tanzania for example, a country with over 40m inhabitants, training 341 MSMEs is unlikely to be detectable in the country's macro economy.

Changes in the performance of the EMPRETEC centres were difficult to assess as the entrepreneurs who would have been in the best position to make an assessment were given training only once and therefore did not substantially gain from it.

Owing to a significant focus of EMPRETEC in the northern part of Zambia, telephone interviews were scheduled in order to reach out to a group of trainees in Zambia's Copper Belt. However, the list of the training participants reached the evaluator only at the end of the week reserved for those telephone interviews. As a result, no telephone interviews could be conducted with the trainees from the Copper Belt in Zambia.

## Findings

*The following detailed findings are grouped by the evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability. Key findings leading to conclusions and recommendations are presented in sections 3 onwards.*

## Relevance

*This section analyses a variety of dimensions of the relevance of EMPRETEC and BLP: policy relevance for the Government of Finland, UNCTAD, to the United Nations Development Assistance Framework (UNDAF) in Zambia, the United Nations Development Assistance Plan (UNDAP) in Tanzania and UNCTAD's programme implementation partners hosting EMPRETEC centres (ZDA, TIC and SIDO). The assessment of relevance for skills, businesses development and linkages needs in Tanzania and Zambia is followed by the evaluation of relevance for gender specific needs. The section closes with an in-depth assessment of complementarities of the two programmes with other national, bilateral or multilateral initiatives in the area of skills, business development and linkages in both countries.*

### 1.1.1 POLICY RELEVANCE

#### **Government of Finland**

EMPRETEC and BLP are in line with government policies. Relevance is particularly high for the trade policy plan, development policy plan and Aid for Trade action plan.

Finland's bilateral programme focus in Zambia includes private sector development, the programming area of EMPRETEC. BLP directly relates to Finland's Aid for Trade approach with multilateral agencies. Finland's bilateral focus in Tanzania does prioritize the forestry sector and environment. Since 2008, the bilateral programme does not include private sector development anymore and shows more limited policy relevance. In fact, from the Finish Embassy in Tanzania's point of view the Finnish multilateral engagement seems incoherent and with very little value added to the bilateral investment portfolio in Tanzania.

#### **UNCTAD**

Both programmes show strong relevance for the development side of UNCTAD's work. The relevance for the trade side could be further strengthened, specifically with regard to the policy level work of the BLP.

#### **United Nations Development Assistance Framework in Zambia**

The United Nations Development Assistance Framework (UNDAF) for Zambia 2011- 2016 is aligned with the government's National Development Plan. Employment is mainstreamed for the first time in Zambia's UNDAF under outcome 2.2 which is technically led by ILO. ILO also represents non-resident organizations like UNCTAD and for outcome 2.2 the ILO planned together with UNCTAD. UNCTAD figures in the UNDAF Results framework as UNCTAD participated in the UNDAF design phase due to on-going EMPRETEC and BLP activities on the ground.

#### **United Nations Development Assistance Plan Tanzania**

UNCTAD with its EMPRETEC and BLP do not figure in the United Nations Development Assistance Plan (UNDAP) for Tanzania (2011-15). Endeavours to partner with UNIDO to include both programmes in the UNDAP were unsuccessful. However, UNIDO is implementing the Subcontracting Partnership Exchange Programme in Tanzania and potential synergies for BLP and EMPRETEC emerge. Enhanced communication and coordination between UNCTAD and UNIDO could help to include EMPRETEC and BLP in the UNDAP. The upcoming UNDAP mid-term review in 2013 seems an appropriate entry point for this endeavour.

### **ZDA, TIC and SIDO**

As government institutions, ZDA, TIC and SIDO are implementing their respective governments' policies. In Zambia both programmes fall under the government's MSME development policy (2009) under focus 2<sup>7</sup>. EMPRETEC and BLP are fully within the mandate of ZDA and TIC while SIDO is focusing more on micro-enterprises and could benefit from better targeting potential trainees for EMPRETEC.

However, policy relevance of both programmes is not fully reflected in the availability of funds for programme related activities in Zambia and Tanzania. Subsequently, policy relevance and policy priorities seem to differ from each other in both countries.

Former Finnish Embassy staff in Dar-Es-Salaam pointed out that recent challenges in the sector policy dialogue and fragmentation of initiatives supporting private sector development in Tanzania have led to limited results regarding a conducive environment for private sector, and limited efficiency of development projects and programs. One example listed was the US\$ 23m "Business Environment Strengthening for Tanzania" programme (BEST), funded by four bilateral donors (DANIDA, SIDA, DFID, and the Royal Netherlands Embassy) and one multilateral donor (the World Bank). Between 2003 and 2008 SIDA invested US\$ 5.9m in the programme for strengthening the business enabling environment through legal and regulatory reform and improved government services to promote the private sector.

#### **1.1.2 RELEVANCE FOR SKILLS, BUSINESS DEVELOPMENT AND BUSINESS LINKAGES NEEDS IN TANZANIA AND ZAMBIA**

According to the Finnish Embassy in Lusaka, MSMEs are the missing link in Zambia's economic development. The sole FDA focus over the last 10 to 15 years resulted in minimal trickle down effects, leading eventually in a change of government with the slogan "more money in your pockets". In Zambia out of about 149,000 companies, only 9000 are registered (8000 of these Lusaka based). If more businesses were registered as legal entities, it would also be easier to identify emerging and innovative growth sectors and even better target EMPRETEC and BLP.

In Tanzania small enterprises are the backbone of the economy and plans to list SME's on the Dar-Es-Salaam stock exchange<sup>8</sup> show how serious the government take SME's.

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<sup>7</sup> Access: i) access to market opportunities and ii) business development services/EMPRETEC).

<sup>8</sup> The East African newspaper, 30 September 2012

Given this background in both countries the emerging shift of some MSME's from subsistence-oriented to clearly growth-orientated enterprises is welcomed by the government, Transnational Companies (TNCs) and many MSMEs themselves. For this purpose the enhancement of entrepreneurship, business attitudes, business skills and quality standards seems key for both Zambia and Tanzania. Figure 1 shows the key needs in terms of skills and business development for MSMEs in Tanzania and Zambia. The key need in Zambia is access to finance for the participants of both EMPRETEC and BLP; while in Tanzania the need for machinery and equipment is dominant among MSME's interviewed. In both countries EMPRETEC trainees interviewed by the evaluator were mostly sourced from micro entrepreneurs with continuing training needs particularly in Tanzania. Small enterprises with more than 5 employees expressed less skills development needs.

**Figure 1: MSME needs in Tanzania and Zambia**

Needs	ZAMBIA		TANZANIA	
	ETW	BLP	ETW	BLP
Access to finance	<b>8 (40%)</b>	<b>8 (45%)</b>	3 (16%)	2 (17%)
Machinery/equipment	2 (10%)		<b>5 (26%)</b>	<b>7 (58%)</b>
Access to markets	3 (15%)	4 (22%)		
Business execution	2 (10%)			
Training	2 (10%)		4 (22%)	
Market analysis/planning	1 (5%)			
Business planning	1 (5%)			
Logistics Distribution/Storage		6 (33%)	3 (16%)	3 (25%)
Diversification	1 (5%)			
Marketing			1 (5%)	
Change in attitudes			1 (5%)	
Quality packing materials			1 (5%)	
Design			1 (5%)	

Source: External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme, 2012

The evaluator's findings regarding the importance of access to finance is well reflected in the final evaluation of the ILO's Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development.<sup>9</sup>

"That owing to the importance of finance as a generic constraint facing MSMEs, facilitation access to finance should have been included as a separate immediate objective to receive the emphasis it deserves"

Source: ILO; 2011

### 1.1.3 RELEVANCE FOR GENDER SPECIFIC NEEDS

<sup>9</sup> ILO, 2011: Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development. Final Evaluation, page vii

The EMPRETEC project document (2008)<sup>10</sup> and the specific project document to outline Finland's support for the EMPRETEC and BLP in 2011<sup>11</sup> contain a gender focus. The Finnish counterpart wished to strengthen the evaluation's gender perspective beyond the level foreseen in the original ToR for the evaluation and this is reflected in the evaluation's inception report.

While a gender perspective was included under all evaluation criteria in the questionnaire used for the purpose of the evaluation, stakeholders interviewed agreed from the outset that both programmes showed no deliberate effort to respond to the needs of female entrepreneurs in both countries. For UNCTAD providing equal access to business development services and business linkages in growth oriented industries seemed more pertinent than identifying industries that are of particular relevance for women but with insufficient growth potential. To specifically honour the results of women entrepreneurs, UNCTAD celebrates the annual EMPRETEC Women in Business Award.

Gender inequality is increasing in Zambia as the country is progressing economically. However, there seems little financial or human resource capacity in ZDA to seriously address gender issues in EMPRETEC and BLP. In Zambia about 30% of EMPRETEC trainees are women while this number increased to over 50% in Tanzania. Women entrepreneurs interviewed in Zambia were outspoken about the need to increase the quota for women entrepreneurs for EMPRETEC to 50% to satisfy the high demand for training among women.

The final evaluation of the ILO's Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development<sup>12</sup> highlights insufficient incorporation of gender concern as a weakness in programme design.

#### **1.1.4 COMPLEMENTARITIES**

In Zambia the evaluator found mixed complementarities of the two UNCTAD programmes with government, bilateral or multilateral initiatives for MSME business development services and business linkages for MSMEs. Complementarities between the two UNCTAD programmes were lower than expected, taking into account that both programmes are implemented by the same organization- ZDA. MSMEs targeted for BLP still don't systematically undergo EMPRETEC training. While this was identified as a weakness during the inception of both programmes till 2010 in Zambia, the weakness still seems to persist<sup>13</sup>.

In Tanzania complementarities with a wider range of public and private business development service initiatives exist while complementarities at UN level are less evident. SIDO and TIC have different target groups for EMPRETEC training and SIDO trained micro entrepreneurs seem not involved in the BLP.

ZDA is using the business linkages approach in Zambia for cooperation with Ministry of Agriculture on oil palm farming. The EMPRETEC training and BLP are also complementary with the Government of Zambia's Business Development Services Voucher Programme, the

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<sup>10</sup> UNCTAD, 2008: Project document: The EMPRETEC networks to promote entrepreneurship and enterprise development

<sup>11</sup> UNCTAD, 2011: Project Document: Capacity building in investment for development

<sup>12</sup> ILO, 2011: Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development. Final Evaluation

<sup>13</sup> The exception being 50 MSME's from Konkola Copper Mines' existing supply chain which have been undergone EMPRETEC training to strengthen their linkages with the mine

multi-donor basket funded Private Sector Development Reform Plan for access to markets, the Business Development Service Providers and Future Search Programme of the Cabinet Office. The Future Search programme makes use of the EMPRETEC package.

Very strong complementarities existed between the EMPRETEC training and BLP and the ILO's "Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development" (2009- 2011), funded by the Government of Finland and implemented by ZDA, among others. Both the EMPRETEC training and BLP were integrated elements of the ILO-lead programme. The programme's successor, the UN Joint programme "Enhancing competitiveness and sustainable business among MSME's in building construction Industry" (2012-16, with a one year inception phase) again entails EMPRETEC training and BLP as important programme elements. The programme started in June 2012. It is ILO-led with the participation of UNCTAD, ITC, UNEP and FAO and again benefits from funding by the Government of Finland and ZDA implementation support. Given the very high degree of complementarities and involvement by key EMPRETEC and BLP stakeholders it is surprising that key stakeholders failed to highlight the UN Joint programme for its significant relevance and complementarity to the on-going two UNCTAD programmes.

A significant lack of complementarities between the BLP and the UNIDO initiated Subcontracting Partnership and Exchange Programme (SPX) emerged during the evaluator's field visit. SPX is a core tool of UNIDO's Investment and Technology Promotion portfolio with 25 years of expertise. It operates in 30 countries including Zambia and Tanzania.

While BLP and SPX are both managed by ZDA, in fact by the same ZDA staff member, programmes are not coordinated and don't benefit from cross-fertilization. **Rather than cooperating, both programmes are in fact in competition with each other.** Having a very similar approach and programme design<sup>14</sup>, both programmes compete for the same TNCs in the same sectors to link MSME's for example to large supermarkets and mines.

In Tanzania a wide range of organizations work in capacity building and business development, ranging from universities to the private sector, NGOs and a variety of government institutions, SIDO being one of them. On the UN's side UNIDO is working with a national partner on curriculum development. As in the case of UNIDO's SPX programme, managed by the Tanzania Chamber of Commerce, Industry & Agriculture the evaluator did not witness any indications of contacts with EMPRETEC or BLP, despite a similar programmatic approach.

Complementarities between EMPRETEC and BLP exist as SIDO and TIC collaborate in the implementation of the programmes but synergies could be higher by better selecting entrepreneurs fit to participate in the BLP.<sup>15</sup> Ultimately, training TNC suppliers leads to more programme effectiveness in terms employment and business growth.

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<sup>14</sup> The UNIDO initiated Subcontracting Partnership and Exchange Programme contains a company performance diagnosis, an element not included in the BLP

<sup>15</sup> UNCTAD commented that it should be considered that the two programmes may run independently, but operate in a mutually reinforcing manner. This is due to several factors, among which: a. as it happens in Tanzania, EMPRETEC and BLP may be hosted by different counterparts; b. with the BLP, the training needs of local SME suppliers may be very specific, based on TNC requirements, and therefore go beyond the EMPRETEC training.

### 1.1.5 VALIDITY OF EMPRETEC AND BLP PROGRAMME DESIGN

Potential benefits of business linkages for MSMEs and TNCs have been described in detail in the literature. For MSMEs the benefits include:

- Increased employment
- Wealth creation by local firms,
- Enhanced skills, standards and capacity,
- Access to new domestic markets, more diversified client and market structures and opportunities to innovate.

Potential benefits for TNC include:

- Reduced procurement and distribution costs,
- Improved productivity and
- Increased opportunities for corporate responsibility combined with profitability<sup>16</sup>.

EMPRETEC supports the improvements of MSME's skills base and is fully complementary with the BLP.

Stakeholders discussed in depth with the evaluator the validity of programme design so as to efficiently implement EMPRETEC and BLP. EMPRETEC is appreciated as a methodology with a proven track record in other countries. Some stakeholders consider EMPRETEC as the precondition for a successful BLP where MSMEs are linked to the supply chain of TNCs. EMPRETEC prepares MSMEs to understand TNC's expectations on entrepreneurship, quality and standards.

However, disconnects between EMPRETEC and BLP seem to exist in Tanzania and Zambia. In Zambia, where both programmes are implemented by ZDA, EMPRETEC training seemed targeted only at the existing supply chain MSME of the Kokola Copper Mines. For the other four active TNCs in Zambia, MSMEs are not specifically pre-selected for EMPRETEC training. This resulted in disconnect between both programmes. In Tanzania, as far as the evaluator could assess, TIC seems to be specifically targeting its EMPRETEC trainees for linkages to TNC under the BLP. However, SIDO fails to do so.

## Efficiency

*The efficiency of partners in implementing EMPRETEC and BLP in Tanzania and Zambia is assessed on the following sub-criteria: administration, technical backstopping, M&E, finances and communication. Country implementation partners- ZDA, TIC and SIDO are assessed as well as UNCTAD and the Finnish Ministry of Foreign Affairs in Helsinki. This section closes with an assessment of the validity of the design of the programmes.*

### 1.1.6 KEY STRENGTHS

#### **Technical backstopping and administration**

Key strengths in the programmes' efficiency are UNCTAD's Division on Investment and Enterprise Development's technical backstopping through field visits and trainings run by

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<sup>16</sup> Jenkins, Beth, Anna Akhalkastsi, Brad Roberts and Amanda Gardiner, 2007. Business Linkages: Lessons, Opportunities and Challenges. IFC, International Business Leaders Forum, and the Kennedy School of Government, Harvard University.

UNCTAD funded international consultants. Staff from the Division on Investment and Enterprise Development also undertakes field visits on a periodic basis, as acknowledged by programme implementation partners. The programmes also seem to be administrated efficiently with timely reporting to the donor- Finland.

### **1.1.7 KEY WEAKNESSES**

#### **Results-based planning**

The lack of concrete and quantifiable programme objectives and targets, the absence of performance indicators, and a very weak planning framework established in 2011 i.e. the third year of Finland's funding of both programmes are the key weakness of Finland's funding arrangements with UNCTAD in terms of efficiency. While UNCTAD is unclear about the level of achievements to be expected by the donor, the donor is unclear about how to appreciate the results delivered by UNCTAD.

#### **Monitoring and evaluation**

At the country level both programmes show less efficiency in the insufficiently implemented BLP M&E system<sup>17</sup> and the lack of a monitoring and evaluation system for the EMPRETEC programme<sup>18,19</sup>.

#### **Finances**

Finland's contributions to the multi-donor trust fund for EMPRETEC and BLP activities are delivered at an annual basis and an overview of contributions since 2008 is presented in Table 2. The total of Finnish contributions is listed, followed by the actual funds invested in Tanzania and Zambia<sup>20</sup>.

The efficiency of annual contributions with a certain volatility in its annual amount, combined with a funding gap in 2011<sup>21</sup> was significantly lower than committing the same total amount of contributions from the outset of Finland's funding in 2008.

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<sup>17</sup> Questionnaires to MSME's 6, 12 and 18 months after the BLP launch seem not to have been collected systematically, if collected at all.

<sup>18</sup> Though a common EMPRETEC M&E system seems to have been drafted in 2011 according to the document titled "Project on EMPRETEC Networks to Promote Entrepreneurship and Enterprise" Development, Final Report, 2011", it was neither shared with the evaluator nor implemented at country level

<sup>19</sup> UNCTAD commented on the draft evaluation report of the External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme that EMPRETEC impact indicators were developed and discussed at the EMPRETEC directors meeting in Rio de Janeiro, Brazil, in 2011. However, local national counterparts seem to find it difficult to collect data and monitor the impact of the EMPRETEC programme in a systematic manner due to the lack of financial resources.

<sup>20</sup> The Finnish Ministry of Foreign Affairs commented that in 2008 and 2011 funding was not tied to Tanzania and Zambia. In 2009 however, it was the understanding of the Finnish counterpart that EURO 100.00 would be exclusively invested in both programme countries, followed by EURO 150.000 in 2010. This is not reflected in the financial breakdown of funds used by UNCTAD in Table 2.

<sup>21</sup> The Finnish counterpart clarified that delays in payment amounted to 4 months in 2010 and in 2011. Funds not used in one financial year could be carried over to the subsequent year, as happened in 2011 when no contribution was made but funds from 2010 invested in Tanzania and Zambia.



**Table 2: Finland's contributions to EMPRETEC and Business Linkages programme**

Year	Total Finnish contribution in US\$	Funds invested in Tanzania & Zambia in US\$
2008	186,625	0
2009	143,885	47,050
2010	190,597	76,474
2011	0	34,244
2012	196,599	44,340
<b>Total</b>	<b>717,706</b>	<b>202,108</b>

Source: UNCTAD: Division on Investment and Enterprise, 2012

UNCTAD has less planning security with annual contributions and is unable to contract consultants for programme implementation support for extended periods of time, which is of particular relevance for a non-resident organization like UNCTAD. In fact UNCTAD lost a consultant it had invested in to a resident UN agency in Zambia because the consultant received an offer for a multi-year contract. UNCTAD was unable to compete owing to lack of multi-year funding. At times volatile funding flows from the donor Finland to UNCTAD increased inefficiencies as they led to add on effects at country level where implementation partners are already struggling to adequately fund their national contributions to EMPRETEC training.

From of viewpoint of the Finnish Ministry of Foreign Affairs, the decision to provide annual funding resulted from the insufficient quality of programme planning framework due to the lack of a logframe, indicators and specific targets for both programmes. In order to guarantee operations in Tanzania and Zambia while at the same time keeping the investment risk low, Finland opted for annual funding.

### **Communication**

Communication at many levels of the two programmes is sub-optimal. The Finnish Ministry of Foreign Affairs in Helsinki does not sufficiently benefit from the knowledge its Embassy in Lusaka has acquired for EMPRETEC and BLP on the ground. Conceptually both programmes are still unclear to UNCTAD's counterpart in Helsinki while they seem to be fully understood and implemented through Finland's bilateral support to the ILO-led "Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development" programme (2009-2011) containing EMPRETEC and BLP as full-fledged and successfully working programme elements.

The evaluator noted that though the BLP focal point in ZDA was managing two competing donor funded programmes, the BLP and SPX, none of the other stakeholders interviewed seemed to be aware of this rather significant inefficiency. It was also noted that only the ILO in Lusaka brought up the ILO-led joint UN programme titled "Enhancing competitiveness and sustainable business among MSMEs in building the construction industry", a successor programme to ILO-led "Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development" programme. In this successor programme that started in June 2012 EMPRETEC and BLP are again used as key programmatic tools. No other

key stakeholders highlighted the significant development of this new \$9.3 m, 4-year ILO-led joint UN programme in the construction sector<sup>22</sup>.

### **Speed of implementation**

Overall the speed of programme implementation was seen as critical and initial programme implementation schedules might have been overoptimistic. While 10 EMPRETEC trainings can be run annually in a country like South Africa, in Least Developed Countries the implementation pace is slower. For the BLP programme in Zambia it took about 1.5 years from the first discussion with TNCs till the signature of MoUs to formalize their engagement in the programme. EMPRETEC experienced a slow down when the ILO project closed in December 2011 and all administrative responsibilities were solely handled by ZDA with its funding constraints, leading to delays in a training planned for early 2012. This delay is now ongoing for 9 months and the training scheduled for November 2012.

In Tanzania the change of the EMPRETEC implementation partner from the Tanzania Private Sector Foundation to SIDO and TIC required a restart of the programmes in 2010, following the initial programmes' launch in 2009.

All programme partners in Tanzania and Zambia agreed that a quicker implementation of both programmes would be possible at country level. Funding gaps, the dependency on international trainer for longer than envisaged and project implementation partners' lack of capacities required the programmes to progress at a slower pace. Delays in undertaking EMPRETEC training were the rule rather than an exception, according to programme implementers.

#### **1.1.8 PERFORMANCE OF IMPLEMENTATION PARTNERS AT NATIONAL LEVEL**

##### **Zambia Development Agency (ZDA)**

ZDA's key strength is its network of provincial offices in seven out of ten provinces that enhances co-ordination at national level and the high commitment of its staff. ZDA's BLP partner Pick n' Pay, the South African supermarket chain, acknowledged the useful role ZDA is playing in the programme.

Shortages in financial and human resources are the key weaknesses. While ZDA fully integrates both programmes in its annual work plan and budget, competing funding priorities of its broad programme often lead to delays in implementing EMPRETEC or BLP activities.

ZDA seems to lack structured monitoring of both programmes, a weakness in its accountability towards UNCTAD. As a result, ZDA's clients were critical about the lack of follow-up to EMPRETEC training and BLP.

##### **Small Industries Development Organization (SIDO), Tanzania**

SIDO replaced the Tanzania Private Sector Foundation as UNCTAD's EMPRETEC partner in 2010. SIDO has a very strong training portfolio and is deeply rooted in training micro

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<sup>22</sup> With a one year inception phase

enterprises across Tanzania's regions. A value addition by SIDO is its loan scheme with 5788 loans provided to MSMEs in 2011/12<sup>23</sup>. EMPRETEC with its comparatively high operational costs (approximately US\$ 10.000 to US\$11.000 for one training workshop) is not typically a training activity for SIDO, as the organization's focus is to train large numbers of MSMEs across the country at considerably lower costs. In fact, the evaluator was told that in view of the amount of work and resources invested in EMPRETEC, results were too meagre and the training inefficient; 35 trainees per year was disappointing for a country of over 40 million inhabitants.

As a result SIDO's EMPRETEC Coordinator shared plans with the consultant to mainstream this highly appreciated training approach across its capacity building portfolio where applicable and run training by non-certified trainers to keep costs low. This would allow to significantly increase the number of MSME's trained, though on an un-certified basis. However, this caveat seems acceptable to SIDO in its endeavour to swiftly increase the reach of fully SIDO funded EMPRETEC training. For UNCTAD the question arises whether SIDO can remain an EMPRETEC implementation partner as UNCTAD's requirement of operating with certified local EMPRETEC trainers cannot be circumvented by host institutions. This would constitute a violation of UNCTAD copyrights and counterpart obligations.

An inefficiency observed in SIDO's role as EMPRETEC centre is the insufficient targeting of MSME's for EMPRETEC. Selected MSMEs appear too small to be successfully linked to TNCs.

### **Tanzania Investment Centre (TIC)**

Following the change of Tanzania Private Sector Foundation as UNCTAD's EMPRETEC partner in 2010, TIC also took on EMPRETEC trainings, apart from being BLP partners for UNCTAD.

Its own staff and its partner UNCTAD appreciate TIC's high administrative capacities and very prompt communication. The BLP is fully embedded in TIC's work programme. The organization seems to understand the private sector well and has a reputation to implement core investment policies of the Government of Tanzania. TIC is in the driver's seat for the EMPRETEC and BLP but still relying on UNCTAD's advise. Though TIC has highly professional staff there is a tendency to become dependent on external consultants, as also observed by the evaluator. Externally TIC's financial robustness for an efficient programme implementation seems sufficient. However, TIC staff highlighted many delays in undertaking EMPRETEC trainings owing to lack of own funding.

A key weakness in the efficiency of TIC's programme management is that BLP processes as predefined by UNCTAD are not consistently complied with. MSME's trained between 2010 and 2011 have not been monitored. However, TIC tries to catch up with this shortcoming on the part of the BLP by undertaking a fully UNCTAD funded health check of the linked MSMEs. Another weakness is the missing signatures on the MoU's with TNCs. While some TIC staff did not fully understand or appreciate the importance of this BLP implementation flaw in Tanzania that is on-going since 2009, lessons from Zambia tell that the willingness to co-funding EMPRETEC trainings through TNCs has successfully been anchored through MoU's negotiated with each of the TNCs. TIC is missing out on this systematic approach to acquire more TNC co-funding. Not following BLP implementation steps comes at a cost to UNCTAD programme's efficiency.

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<sup>23</sup> Loans were not made available to EMPRETEC trainees, as far as the evaluator could assess

Overall, all 21 EMPRETEC participants interviewed in Zambia and Tanzania were either satisfied or very satisfied with the capacities of ZDA (Zambia), TIC (Tanzania) or SIDO (Tanzania) to initiate and implement the training.

#### **1.1.9 PROGRAMME IMPLEMENTATION BY UNCTAD**

Its partners in Tanzania and Zambia appreciate UNCTAD for its instant and helpful communication. The Finnish counterpart in Helsinki shares this positive experience as well. UNCTAD is undertaking monitoring activities for the BLP and EMPRETEC programmes in Tanzania through a consultant to assess programme results at the MSME level and to plan ways forward through the so called "BLP health check". However, the programmes in Zambia don't benefit from this kind of monitoring support. Programme funding seems to be smooth from UNCTAD's side in Zambia while undertaking TIC-led EMPRETEC workshops in Tanzania seem to depend on the simultaneous availability of UNCTAD and TIC funding. The disruption of programme funding in UNCTAD and TIC was particularly mentioned to the evaluator during the field visit in Tanzania.

For country implementation partners, an important programme inefficiency for EMPRETEC seems to be the dependency on foreign master trainers in both countries. The EMPRETEC concept foresees local capacity building through master trainers based on the participation in six training courses. However, the slow implementation of the programme meant that after 2 years of programme implementation only one trainer is qualified in Tanzania and still none to date in Zambia. In South Africa, local trainers can be certified within just over 6 months, with 10 trainings being run per year.

The Finnish counterpart is satisfied with UNCTAD reporting but would appreciate to get a wider picture of how EMPRETEC and BLP are proceeding beyond the Finnish contribution. Approaches taken by other donors and related results would be of interest for the Finnish Ministry of Foreign Affairs. More proactive communication would also be appreciated though UNCTAD always reacts very swiftly to information requests from the Finnish Ministry of Foreign Affairs.

#### **1.1.10 COORDINATION OF FINNISH BILATERAL AND MULTILATERAL AID**

The coordination of Finnish bilateral and multilateral aid and its synergies is one of the key evaluation questions addressed by the evaluator. As EMPRETEC and BLP fit into Finland's bilateral portfolio in Zambia, contacts between the programmes and the Finnish Embassy were ensured. This was further helped by a field visit by UNCTAD's counterpart in Helsinki to Zambia.

In the case of Tanzania, coordination is less clear. A trade and development mission from Finland briefed the Embassy in Dar-es-Salaam in Autumn 2009 about the EMPRETEC and BLP executed by UNCTAD. However, this piece of institutional memory seemed lost and according to the Finnish Embassy, relevant staff learned about the two programmes funded by the Finnish multilateral aid only in 2011 through an invitation by a local implementation partner to a EMPRETEC training workshop.

This example showcases the systemic challenges of Finland's bilateral and multilateral development co-operation that go well beyond the two UNCTAD programmes. All three Finnish government officials interviewed during the evaluation pointed out that

improvements could be made in ensuring strong co-ordination between Finland's bilateral and multilateral aid.

## Effectiveness

*This section outlines the results of EMPRETEC training and business linkages on MSMEs. The programmes' effectiveness can't be measured against predefined targets and indicators as none had previously been agreed between the donor Finland and UNCTAD. As an alternative measure the evaluator asked beneficiaries about how the programmes affected their way of doing business and their likes/ dislikes about the programmes.*

### 1.1.11 EMPRETEC

Despite shortcomings in the efficiency of EMPRETEC and BLP, the effectiveness of particularly EMPRETEC is outstanding. Trainees in Tanzania and Zambia felt that their behaviour and business competences had significantly changed following the training. EMPRETEC boosted their morale, encouraged participants to be persistent in their businesses, be goal focused and to believe in themselves. Some trainees were encouraged to take further industry specific trainings from other service providers to systematize their business development. In Zambia the importance of basic business skills like bookkeeping were highlighted by participants as a key training result. This fully coincides with the findings of the ILO's impact assessment of the Broad Based Wealth and Job Creation Programme<sup>24</sup>. Overall the combination of practice and theory was highlighted by trainees, a distinctive character of EMPRETEC compared to other trainings available in both countries. Trainees felt their lobbying, negotiating and time management skills strengthened owing to EMPRETEC.

“The course was enlightening”

“I found myself in a place I have never been before”

“I now understand my business weaknesses and can work on them rather than going forward by trial and error”

“The course helped me to decrease the risk to go into losses”

Source: EMPRETEC trainees from Tanzania and Zambia

Through EMPRETEC training UNCTAD successfully facilitated the establishment of an entrepreneurs association in Tanzania. The same did not take place in Zambia where a critical mass of entrepreneurs was missing in the EMPRETEC trainings.

EMPRETEC trainees also commented on critical issues. The training workshop design contained too much content to be presented in 6 days. Entrepreneurs also found it difficult to be away from their businesses for an entire week as they were the sole decision makers in their businesses. Trainees wanted to get an opportunity to implement the EMPRETEC

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<sup>24</sup> ILO, 2011: Broad Based Wealth and Job Creation Programme, Impact Assessment Report

learning in their businesses so as to be able to ask the EMPRETEC trainer more “real life” questions. Therefore they proposed the following:

- To have three quarter of a day training for 6 consecutive days
- Thereafter, three quarter of a day training again for 6 days. This was to be done 6 months after the initial training and without extending the training content.

This proposal made to the evaluator would allow trainees to continue attending their businesses during the training weeks, spread the content more evenly over a total of 12 three quarter of a day sessions and have a follow-up of the initial training. In fact, trainees in both countries identified the lack of follow up, including an evaluation of training results as the one key weakness of EMPRETEC.

It was noted by the evaluator that owing to a lack of follow-up by EMPRETEC after the initial training, the workshop participants themselves organized and set up a discussion group in Lusaka, Zambia. This was done with the support of the Taj Pamodzi hotel- a TNC participating in the BLP where the workshop was initially held.

“We would like to benefit from some kind of follow-up training to get feedback on our business and advice on real-world business problems, to further strengthen skills”.

Source: EMPRETEC trainees, Tanzania

Two out of eight EMPRETEC trainees interviewed in Zambia suggested that participants should have been evaluated prior to being admitted to expensive EMPRETEC training. While there is a screening process in place, the evaluator got the impression that at least one out of eight interviewees might actually not run a business.

UNCTAD organized study tours for its EMPRETEC implementation partners with the aim of knowledge sharing and networking. Partners whom the evaluator spoke with acknowledged the participation in tours e.g. to Brazil and Uganda, without however pinpointing the results of those study tours for their respective government organization<sup>25</sup>.

### **1.1.12 BLP**

The BLP is characterized by high quality sector studies to identify growth industries as an entry point for UNCTAD in Zambia. Sector studies undertaken in Tanzania turned out to be too general and of lower quality than the ones done in Zambia, based on UNCTAD’s judgement. Policy level involvement was significant in both countries, with a presentation of UNCTAD’s policy review to a Parliamentary Committee in Zambia and a well-attended policy workshop in Tanzania. Access to TNCs in Zambia was more difficult than envisaged. However, demand for linkages by TNC’s in Tanzania was very high and only was slowed down by the lack of adequate suppliers.

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<sup>25</sup> UNCTAD commented that positive feedback was collected, for example from TIC, Tanzania, on the BL course/study tour conducted by UNCTAD on 26-28 September 2011 in Santiago de Chile.

UNCTAD's focus in Zambia is currently on the preservation and deepening of existing linkages rather than the diversification of TNC clients base for MSMEs.

TIC has linked 30 suppliers to TNC in Tanzania through the BLP: 9 for Vodacom, 10 for Shoprite and 11 for the National Housing Corporation. The evaluator had a chance to interview three of those 30 suppliers, selected by UNCTAD's implementation partner TIC.

In Zambia, the ZDA has signed 10 MoUs with TNCs through the BLP and 5 companies are actively engaged in the programme. In total 45 new supplies have been linked to the supply chains of TNCs:

- 7 suppliers are linked to Pick n' pay supermarkets
- 11 suppliers to Mopani Copper Mines
- 20 suppliers are linked to Zambia Breweries
- 7 are linked to Shoprite supermarkets

In addition, 50 pre-existing suppliers of the Konkola Copper Mines undertook EMPRETEC training.

Table 3 provides an overview of services and products provided by MSME's to TNC's under the BLP. By comparing both countries, MSME's in Tanzania seem to provide higher value to the supply chains of TNCs, particularly in the case of Vodacom but also for supermarkets.

**Table 3: Sample products and services provided by BLP suppliers to TNCs**

Country	Industry	TNC	Products/services
Tanzania	Telecommunication	Vodacom	Import, distribution, authorized dealers, accessories, courier services, groceries
	Supermarket	Shoprite	Processed food, eggs, pastes, bakery ingredients, shoes, garments, fruit, vegetables, juices
Zambia	Supermarket	Pick n' pay	Rice, honey, fruit juices, detergents, grounded foods
	Supermarket	Shoprite	Rice, honey, detergents, grounded foods
	Mining	Mopani Copper Mines	Sawdust bricks, contractual jobs
	Mining	Konkola Copper Mines	Canteen, plumbing, sand supply

Source: External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme, 2012

In Tanzania BLP trainees interviewed by the evaluator benefitted from previous EMPRETEC training and saw significant synergies between the knowledge acquired during the training and their businesses getting linked to the supply chains to companies like Shoprite supermarkets or Vodacom (telecommunications).

In Zambia only one out of eight BLP participants interviewed during the evaluation had previously benefitted from EMPRETEC training. Hence feedback on the effectiveness of BLP was predominantly unrelated to EMPRETEC.

Only a minority of entrepreneurs liked the fact that linkages could bring immediate business. This is because they believed that the exposure and connectivity provided by the linkages gave them the unique opportunity to penetrate markets. One local juice producer in Lusaka considered very stringent South African standards applied for MSMEs in Zambia as encouraging. For example, Pick n' Pay supermarkets force MSMEs to raise their standards, quality and production volumes and prepare them for linkages with other TNC and even for exportation. One out of eight entrepreneurs under the BLP felt proud to be part of the programme and felt they do get a second chance from TNCs due to their linkage with the ZDA and BLP.

Seven out of eight entrepreneurs participating in the BLP in Zambia and interviewed by the evaluator were quite critical about the programme and felt their business needs were not being met.

Entrepreneurs felt being left alone by ZDA once the linkages got established and rather powerless when dealing with TNCs. Any kind of follow-up by ZDA was painfully missing and the need for MSME's participating in the BLP to being better organized as a group was expressed. A critical issue for entrepreneurs is that a large supermarket order for example can hold up to 50% of their working capital and the MSME has to wait for payment for 30 days, in some cases even longer. MSMEs feel that they are treated unfairly as South African business rules are applied for suppliers in Zambia; even though the access to finance is infinitely more difficult for MSME's in Zambia than in South Africa, as entrepreneurs explained.

One BLP entrepreneur now deliberately avoids supplying to the TNC Pick n' Pay supermarket as her working capital is insufficient. Other complications are the rejection of products showing insufficient quality and Pick n' Pay's demand for non-traditional vegetables like cherry tomatoes or celeries that could only be sold to this particular supermarket rather than other local markets.

“The BLP pushes us a step further but then we are left alone.”

Source: Entrepreneur participating in BLP, Zambia

Entrepreneurs also missed ZDA's analysis of why some MSME's are successful in supplying TNCs while other fail. This could be embedded in ZDA-led lesson sharing activities. The appetite of entrepreneurs to learn from success and failure seems very high and following the group interview the ZDA-BLP focal point was approached to agree a date for a BLP follow-up meeting in October 2012. This is an example of the MSME's desire for ZDA to play a more active role and to be their voice at key stages of dealing with TNCs.

### **1.1.13 POSITIVE SPILLOVERS**

One unintended result of the BLP in Tanzania and Zambia is a significant potential for MSME's to be linked to the supply chain of larger local or national companies. In Dar Es



Salaam one BLP entrepreneur failed to be linked to a TNC but is successfully engaged with big local schools and a military canteen in providing pastries. Though customers are not operating internationally, the entrepreneur accessed interesting growth markets. A similar picture emerged from Lusaka where a BLP juice producer supplies all bigger sized local supermarkets in the capital. Cash payments make up for part of the MSME's capital being bound to its new contracts with Pick n' Pay supermarkets. In addition, quality standards are slightly lower and helped the MSME to gradually improve for example its packaging or labelling.

Annex 5 contains a complete list of EMPRETEC and BLP activities.

### 1.1.14 RESULTS IN THE REGIONAL AFRICAN CONTEXT

The ToR for this evaluation seeks to benchmark Tanzania and Zambia in the wider context of EMPRETEC and BLP results in Africa. For such a benchmark, quantifiable results are required and in the case of the BLP in Uganda, an 18-months evaluation was commissioned to assess the results of the programme. Spending two days in each programme country, as part of the present evaluation was insufficient to produce comparable data as presented in Table 4 below<sup>26</sup>.

**Table 4: Results of BLP in Uganda**

Description	Item	Before intervention	After intervention	% Change
Sales generated	Revenue	UGX 5 billion	UGX 12.2 billion	144%
Employment created	Permanent	59	133	125%
	Part-time	524	2054	292%
Total value of salaries paid	Permanent	UGX 484 million	UGX 759 million	57%
	Part-time	UGX 493 million	UGX 779 million	58%
Total value of investments made		UGX 385 million	UGX 1.13 billion	193%
Total value of loans accessed		UGX 248 million	UGX 600 million	141%

Source: [www.enterprise.co.ug](http://www.enterprise.co.ug)

However, one key finding is that the BLP in Uganda seems to be an all-inclusive, full-fledged programme. This is because of its EMPRETEC component, business health checks, management skills trainings, business advisory and counselling services. Most of these programme elements, which are highly desired by entrepreneurs are still missing in the programmes operating in Tanzania and Zambia.

Additionally, BLP Uganda benefitted from a \$ 450,000 funding commitment over 4 years (2005 to 2009). This is in contrast to the programmes operating in Tanzania and Zambia, where annual contributions are not committed beyond a 12 months time horizon. Consequently, the latter programmes could be defined more as an ad-hoc approach rather than a strategic investment. Committed funding would enable UNCTAD to engage consultants for programme support and training beyond short-term contracts.

Therefore, based on the successful Uganda BLP example and stakeholders' views, commitment for a 3-year programme with \$ 450,000 funding would seem sufficient to run a successful BLP-EMPRETEC programme in the Africa Region. The BLP would be facilitated by EMPRETEC, whereby BLP would create momentum for MSMEs. This in turn would strengthen capacities to perform in the supply chains. As MSME training has to be done at one point, BLP engagement of MSME's is apt and should therefore form a convincing argument to fund both programmes in one country, rather than focus funding on one programme only.

<sup>26</sup> <http://www.enterprise.co.ug/linkages.htm>

## Impact

The BLP Evaluation module is very useful and rich in terms of capturing impact data of business linkages. UNCTAD's project implementation partners are supposed to collect impact data every 6 months, 12 months and 18 months after the official launch of the BLP. Impact indicators are clear and standardised across the BLP portfolio. In the absence of a systematic M&E approach for EMPRETEC, impact is indirectly also measured by the indicators listed in Table 5 below.

**Table 5: BLP Impact indicators for SMEs and TNCs**

For SMEs	For TNCs
Sales per year	Local procurement as percentage of total procurement
The net income per year	Total purchases from local suppliers
Number of employees	Total purchases from SMEs participating in the programme
Salaries of employees (total cost of salaries)	
Access to Loans	How often TNCs purchase from local SMEs
Investments Made	Different kinds of assistance given by TNCs to SMEs

Source: UNCTAD, undated: BLP guidance

For the BLP, no data for the above indicators seems available, as project implementation partners have not fully implemented the BLP M&E module.<sup>27</sup> However, the evaluator managed to get an ad-hoc estimation of changes on key business indicators from entrepreneurs using a memory recall approach. Those changes are presented in Table 6 below. It should be noted that interviewees were reluctant to share turnover figures with the evaluator. They preferred a percentage changes in turnover, for the purpose of this evaluation. The evaluator promised confidentiality about the use of enterprise data and hence particular SME's are on purpose not identifiable in the table below.

The above programme impact on enterprises is overall very positive and a very significant number of positive trends do emerge. However, it should be noted that the data is not representative and needs to be taken with certain caution, owing to the nature of methodology applied: memory recall and the absence of any validation by the evaluator during the 2 days field visits in each country.

<sup>27</sup> The results of the ILO's impact assessment of Broad Based Wealth and Job Creation Programme for 17 entrepreneurs benefitting from EMPRETEC training are unfortunately not fully comparable with the data collected by the evaluator as the questions asked were slightly different. Key results are: 23 new jobs created in the 17 enterprises between 2009 and 2011. Profits decreased in the same period from ZKW 18.000.000 to ZKW 16.000.000 and sales remained unchanged at ZKW 192.000.000  
Source: ILO, 2011: Broad Based Wealth and Job Creation Programme, Impact Assessment Report

**Table 6: Impact of EMPRETEC and BLP on MSMEs – before and after engagement in UNCTAD programmes**

	BLP Tanzania (Four sample companies)	EMPRETEC Tanzania (Six sample companies)	BLP Zambia (Seven sample companies)	EMPRETEC Zambia (Four sample companies)
Turnover Increase	1. + 350% 2. +35% 3. + 10% 4. n/a	1. + 45% 2. + 0% 3. + 100% 4. + 300% 5. + 100% 6. + 100%	1. +50% 2. n/a 3. +35% 4 + 45% 5. +10% 6. +20% 7. +20%	1. n/a 2. n/a 3. n/a 4. +50%
Permanent employment (Before/ after)	1. 4/10 2. 11/4 3. 8/4 4. 4/7	1. 4/8 2. 20/15 3. 3/6 4. 0/4 5. 3/4 6. 2/5	1. 11/11 2. 15/25 3. 6/10 4. 6/9 5. No changes 6. 12/8 7. No changes	1. 0/4 2. 8/3 3. 1/3 4. 7/18
Clients (fixed) (Before/ after)	1. 0/40 2. 0/2 3. 0/5 4. n/a	1. 0/2 2. 2/5 3. 0/2 4. n/a 5: + 100% 6. 50/150	1. n/a 2. +100% 3. 7/12 4. 5/12 5. +10% 6. +30% 7. 10/20	1. 0/3 2. n/a 3. n/a 4. 1000 guests per year/3500 guests per year
Contracts (Before/ after)	1. 0/50 2. 1/2 3. 0/5 4. n/a	1. 0/2 2. 0/3 3. 0/2 4. 0/6 5. 0/5 6. 0/6	n/a	1. 0/5 2. n/a 3. n/a 4. n/a

Source: External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme, 2012

n/a = no answer

In both countries turnover has increased for 15 out of 16 businesses providing data to the evaluator. Employment in MSMEs increased from 59 employees to 67 employees in Tanzania (+ 14%) and from 66 employees to 91 employees in Zambia (+38%).

EMPRETEC participants in Tanzania show a median of 100% turnover increase compared to a median of 35% turnover increase for BLP entrepreneurs in Tanzania and 27.5% to BLP entrepreneurs in Zambia.

All 16 entrepreneurs providing data noted an increase in the number of fixed clients mainly based on fixed contracts. This is partly a result of business linkages and partly of a more structured and growth oriented way of doing business.

A caveat to the encouraging business numbers is the deep frustration of 7 out of 8 BLP entrepreneurs interviewed in Zambia. Those entrepreneurs experienced a negative impact of the BLP on their businesses. This is because they felt that they were pushed around by TNCs owing to their comparatively weak bargaining power. This exposed them to higher business risks since a significant amount of their capital is bound by contracts with TNCs for 30 days or even longer.

The TNC Pick n' Pay supermarkets acknowledged tight business conditions in line with its procurement policy. However, the number of MSME's integrated in its value chain increased from 6 in 2011 to 15 in 2012 with a contractual value of over US\$ 400,000 p.a. in 2012.

## Sustainability

UNCTAD's approach for EMPRETEC is based on the correct assumption that anchoring the programme in a local institution hosting the EMPRETEC Centre increases the chances for its sustainability. In fact, UNCTAD has made significant investments in terms of time and resources to strengthen EMPRETEC Centres in Zambia, hosted by ZDA and in Tanzania, hosted by SIDO and TIC.

The 2010 UNCTAD terminal report on the Development Account<sup>28</sup> states that: "working closely with and through national counterpart institutions (as UNCTAD's Business Linkages Programme usually does) may lead to unexpected delays largely beyond the Project Manager's control. In short, one will have to "run at the pace of" the national counterparts. However, if done well, it is UNCTAD's belief that these caveats are greatly outweighed by increased project sustainability and cost-effectiveness in the long term". The evaluator shares this view following the field visits to Tanzania and Zambia. According to SIDO, a typical EMPRETEC workshop in Tanzania costs about US\$ 14,000 and UNCTAD covers US\$6,000 for the international trainer, daily allowance and the venue. The remaining US\$8,000 needs to be funded by the local counterpart hosting the EMPRETEC Centre. This requires significant commitment and ownership on part of UNCTAD's implementation partners, which is a key ingredient to ensure sustainability.<sup>29</sup>

In Zambia each of 25 EMPRETEC participants linked to Konkola Copper Mines paid ZKW 400,000 (USD 80) to participate in a training workshop in early 2011 due to their main client's interest in and appreciation of the EMPRETEC. Subsequent quality assurance training for its supplies was fully funded by Konkola Copper Mines.

The ILO's impact assessment of the Broad Based Wealth and Job Creation Programme<sup>30</sup> showed that 75% of EMPRETEC trainees paid course fees in the period 2009 to 2011. Both findings coincide with UNCTAD terminal report on the Development Account concluding that both TNCs and MSME's can be gradually convinced to share costs of EMPRETEC training.

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<sup>28</sup> UNCTAD, 2010: Building Productive Capacities in Developing Countries to Enhance their Participation in Global Supply Chains. Terminal Report, page 36.

<sup>29</sup> UNCTAD shared the following rough figures with the consultant: approximately US\$ 2500 for an international trainer and approximately US\$ 2500 for international travel (e.g. from Uganda to Tanzania or from Zimbabwe to Zambia) and DSA. Costs for the venue, meals and course materials amount to approximately US\$ 5000 to 6000 and are normally covered by the partner.

<sup>30</sup> ILO, 2011: Broad Based Wealth and Job Creation Programme, Impact Assessment Report

The sustainability of business linkages of individual MSMEs will be very much influenced by the entrepreneurs' capacity to supply high volumes of products or services and their ability to comply with the high quality standards of TNCs. Access to finance seems to be the key element for linkages to mature, for entrepreneurs to further diversify their clients' base among large domestic companies and TNCs and to move towards exporting its products and services. The importance of access to finance was among the key recommendations of the ILO's impact assessment report of its Broad Based Wealth and Job Creation Programme in Zambia.

In Zambia, ZDA tries to address this problem by the successful negotiation of an Invoice Discount Facility with Bank ABC and the Invest Trust. However, for MSMEs to change their bank account to a new bank and to have all payments from TNC deposited in those new bank accounts, as required by the banks collaborating in the Invoice Discount Facility seems unfeasible. Experience tells that the relationship of a MSME with its bank is long standing, matures over time and results in credit margins, overdrafts and credit conditions being carefully negotiated. According to an entrepreneur interviewed during the evaluation, changing his bank "would take me another 6 months at least to renegotiate business terms and keep me from doing my core business". This would outweigh the benefits from getting discount on invoices from a new bank.

## Key findings and conclusions

### RELEVANCE

There is no doubt about the relevance of EMPRETEC and BLP for the policy priorities of the Government of Finland and UNCTAD. EMPRETEC and BLP are fully in line with the Government of Finland's trade policy plan, development policy plan and Aid for Trade action plan and UNCTAD's policy priorities.

Both programmes are highly relevant for the skills and business development needs for MSMEs in Tanzania and Zambia, without successfully addressing however the key need of access to finance, particularly in Zambia.

In **Zambia** EMPRETEC and BLP are fully aligned with Finland's bilateral programme, as both programmes are included in the Finland funded and ILO-led Broad-Based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development (2009-2011). The strong alignment continues with the UN Joint programme "Enhancing competitiveness and sustainable business among MSME's in building construction Industry" (2012-16), a programme again funded by Finland and lead be the ILO with UNCTAD participation for EMPRETEC and BLP. **This underscores the very high relevance and synergies of the two programmes co-funded by the Finnish Multilateral co-operation with the Finnish bilateral co-operation in Zambia.** Both programmes are fully included in Zambia's United Nations Development Assistance Framework. EMPRETEC and BLP are also of high relevance for the EMPRETEC centre host ZDA, being part of its core business.

In **Tanzania**, both programmes were not observed to be a part of the United Nations Development Assistance Plan for Tanzania in the period concerned, and could benefit from closer coherence with Finland's bilateral development cooperation portfolio in Tanzania. For TIC, the BLP is of high relevance to its mandate while the training element is not part of TIC's core business. SIDO is rooted in training micro entrepreneurs and the EMPRETEC approach seems only partly relevant for the organization due to the high training costs involved.

The programmes appear **gender neutral**- the aim being explicitly to enable equal access to business development services and business linkages in growth oriented industries. However, demand indicates that female entrepreneur participation in EMPRETEC training Zambia could be further increased to 50% to ensure equal access to training for men and women.

### Complementarities

In Zambia, EMPRETEC and BLP are still insufficiently linked and synergies are missing. The same applies to SIDO's EMPRETEC training and its missing link to the BLP implemented by TIC in Tanzania. It can be concluded that potential economic benefits of EMPRETEC could be increased if targeted at MSME's of BLP.

ZDA makes use of a significant amount of complementary initiatives for both programmes in Zambia, the new ILO-lead joint UN programme being the latest important example. But ZDA is also implementing a competing business linkages programme initiated by UNIDO where no cooperation and complementarities are evident but competition for TNCs emerges.

Complementarities of EMPRETEC and BLP with other related initiatives are less clear in Tanzania than in Zambia, partly due to the fact that both programmes seem to work in isolation from national, bilateral and multilateral donor programmes. However, the 2013 mid-term review of the UNDAF is an opportunity for UNCTAD to include its two programmes in the UNDAF.

### **Validity of programme design**

EMPRETEC supports the improvements of MSME's skills base and is fully complementary with BLP. It responds to the needs of entrepreneurs to improve the standard and quality of their products and services so as to link them into TNC's supply chains. The complementary design of both programmes is not fully made use of in Zambia and Tanzania.

Training a pool of certified local trainers within one year or maximum 2 years in Least Developed Countries proves the validity of the EMPRETEC design. However, the slow implementation pace severely affects the availability of local trainers and leads to the impression of "dependency" on expensive international trainers. While delays in undertaking EMPRETEC training in Tanzania and Zambia were rampant, it did not seem to undermine the validity of EMPRETEC design.

### **EFFICIENCY**

#### **Technical backstopping and administration**

UNCTAD seems to be efficiently undertaking technical backstopping and administration of the programmes.

#### **Results-based planning**

Both UNCTAD and the Government of Finland suffer the consequences of not having clear objectives, quantifiable targets and SMART indicators to assess the performance of both programmes. While it is certainly not desirable to have a log frame for each of the donors of this multi-donor fund for both EMPRETEC and BLP, log frames for both programmes would have significantly improved the assessment of progress. As the demand for accountability and value for money is strongly increasing among the donor community, both programmes could have benefited from meeting those demands by creating a clear performance framework. Otherwise regular reporting, monitoring and any kind of evaluation will lack the quantification of achievement levels against specific targets.

#### **Monitoring and evaluation**

The BLP's evaluation module to assess the impact of linkages is insufficiently implemented in both countries. It seems that EMPRETEC does not have an M&E system yet, though an approach was to be developed in 2011.

#### **Funding modalities**

Certain volatility in the annual contributions, combined with a temporary funding gap in 2011, significantly lowered the efficiency which could have been achieved, had the same amount of contributions been committed upfront by Finland since 2008.



### **Communication**

The long chain of BLP and EMPRETEC implementation reaches from the donor- Government of Finland to UNCTAD and three implementation partners at country level. Communication along such a long implementation chain is very challenging and in fact one of the weak spots of both the programmes. This includes the sub-optimal co-ordination between Finland's bilateral and multilateral aid in Tanzania. Most stakeholders showed knowledge gaps about the performance of both programmes and particularly its operating environment in Zambia.

### **EFFECTIVENESS**

#### **EMPRETEC and BLP**

The effectiveness particularly for EMPRETEC is outstanding due to solid training materials and a much-appreciated training approach, which combined theory and practice. Key results are changing the mind-set and behaviour of entrepreneurs from a subsistence-oriented business to an organized and goal focused growth-oriented enterprise.

BLP identified and targeted specific business sectors and linked 30 suppliers to TNC in Tanzania and 45 new supplies to the supply chains of TNCs in Zambia.

The Finnish multilateral aid contributed to the effectiveness of the programmes.

Beneficiaries of both programmes would significantly benefit from a follow-up by UNCTAD implementation partners to further increase the effectiveness of EMPRETEC and BLP. Programme effectiveness was particularly high when MSMEs participating in the BLP had undergone EMPRETEC training to increase their business skills, to become more confident, better structured and growth oriented.

#### **Positive spillover**

The ability for MSMEs to unleash the important potential of linkages to the supply chain of larger local or national companies emerged as complementary and at times alternative to linkages to TNCs. Those kinds of linkages have the advantage of a more gradual increase in the standards, quality and volumes to be provided by suppliers and often entail the advantage of cash business.

#### **Results in the African context**

Insufficient existing M&E data is available. Additionally, the evaluation mission to Tanzania and Zambia was too short to collect representative data to compare both programme results in both countries e.g. with BLP in Uganda. In the case of Uganda, an 18-months impact assessment was undertaken for that purpose. The BLP in Uganda serves as a good example of efficient funding arrangements leading to enhanced programme effectiveness. While Finland's funding for BLP and EMPRETEC was executed on an annual basis with insufficient predictability, funding for Uganda was committed for 4 years with a set budget of \$ 450,000 and enabled to engage consultants beyond short-term contracts.

### **IMPACT**

BLP and EMPRETEC resulted in a general increase in employment, turnover, contracts and clients in Tanzania and Zambia. Contracts and clients changed to becoming fixed with more predictable income. It was noticed that lack of access to finance constituted a real challenge

for MSMEs as a significant amount of their operating capital is held in contracts with TNCs for 30 days and longer. This could lead to negative unintended impact.

## SUSTAINABILITY

The entrepreneurs' capacity to supply high volumes of products or services, their ability to comply with the high quality standards of TNCs and access to finance are the key elements for linkages to mature.

TIC and ZDA seem dependent on UNCTAD funding for the time being as they are unable to fund EMPRETEC training through regular budgets. Nevertheless, their financial commitment to co-fund EMPRETEC needs to be promoted. Moreover, a funding commitment from a donor like Finland beyond a 12 months time horizon is imperative. These steps would encourage government partners to increase the availability for co-funding EMPRETEC, while SIDO is likely to mainstream the EMPRETEC approach in its trainings, however with local trainers and at a non-certified basis to keep costs within its operational margins. As UNCTAD's requirement of operating with certified local Empretec trainers cannot be circumvented by host institutions, a clarification of SIDO's role as official EMPRETEC implementation partners seems pertinent.

## KEY CONCLUSION

In this evaluation, Finland-the donor expressed its desire to comprehend the relevance and effectiveness of a comparatively small contribution of about EURO 100,000 p.a., which was made as part of the pooled donor funding and synergies of the programmes with the Finnish bilateral cooperation. The following risk profile for UNCTAD's and Finland's future investments in Tanzania and Zambia emerges from the evaluation's key findings.

The risk matrix in Table 7 leads to the conclusions that further investments by Finland's multilateral aid in UNCTAD's EMPRETEC and BLP in Tanzania would have medium to high risk with potentially high returns. Investments in both programmes in Zambia would be low risk with potentially low to medium returns to the donor Finland.

**Table 7: Investment risk for EMPRETEC and BLP in Tanzania and Zambia**

Criteria	Tanzania	Zambia
Disabling policy environment	Medium	Low
UNCTAD Programme incoherence	Medium to low	Medium
Finland's policy incoherence	High	Low
Incoherence with other initiatives	High	Medium to low
Lack of MSME demand	Low	Low
Lack of TNC demand	Low	Medium to high
Limited value of MSME supply chain linkages	Low	Medium to high

Source: External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme, 2012

## Recommendations

*This section summarizes all recommendations for the Government of Finland, UNCTAD and UNCTAD and its implementation partners. Recommendations are targeted. Prioritization of recommendations is given due to their time-bound nature.*

### GOVERNMENT OF FINLAND

#### Next 1 to 3 months:

1. The evaluator recommends the Government of Finland to continue funding EMPRETEC and BLP in Zambia. It would be beneficial to communicate any decision to UNCTAD to allow for respective forward planning.
2. The evaluator proposes the Government of Finland to review, together with the Finnish Embassy in Dar es Salaam, Finland's bilateral cooperation portfolio to ensure better strategic value. For example, closer linkages to the forestry sector, one of Finland's country priorities, could be envisaged.
3. If Finland decided to continue funding, it is recommended to contribute to both, EMPRETEC and BLP rather than prioritizing one programme over the other, due to the complementary nature of both programmes
4. It is highly recommended to review Finland's funding modalities from 2013 onwards, if Finland decided to continue funding the UNCTAD programmes. Committing funds for a full-fledged 3 years to the EMPRETEC/BLP programme would be significantly more efficient than continuing with the current funding modalities.
5. Given challenges in the programmes' monitoring and follow-up, the evaluator would recommend the Government of Finland to earmark part of its funding specifically for M&E. This could help implementation partners to more actively follow-up and monitor EMPRETEC trainees and enterprises engaged in BLP, leading to increased programme efficiency and effectiveness.

### UNCTAD

#### Immediately:

6. UNCTAD is encouraged to fully implement the current approach aiming at equal access for men and women to business development services and business linkages in growth-oriented industries, despite the donor's appetite for a stronger gender focus of both programmes. A higher percentage of female entrepreneurs should benefit from EMPRETEC training in Zambia and an increase from 30% to 50% should be discussed with ZDA
7. The evaluator strongly recommends UNCTAD to prioritize funding trainings with entrepreneurs "related" to the BLP. Prior to co-funding any further EMPRETEC trainings UNCTAD is invited to double check that trainees are participating or likely to be participating in BLP so as to fully make use of the strong conceptual synergies between both programmes. This should not be misunderstood as micromanagement but due diligence to ensure higher programme effectiveness.
8. The evaluator recommends UNCTAD to engage with UNIDO in Zambia to ensure that both BLP and SPX stop competing for the same TNCs. This could result in BLP and SPX either targeting a separate set of industries<sup>31</sup> or a strategic partnership with

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<sup>31</sup> unless both programme concepts are significantly modified, which is very unlikely to happen.

clear roles and responsibilities for specific BLP/SPX programme components for both UN agencies. Cost savings for UNCTAD could result from this engagement e.g. if the EMPRETEC centre would create income by training SPX-linked MSMEs.

**Next 1 to 3 months:**

9. The evaluator recommends UNCTAD to proactively offer all donors willing to contribute on a multi-year basis to a new multi-donor fund a programme log frame with clear objectives, quantifiable targets and SMART indicators for EMPRETEC and BLP. This would be in line with good management practices and meet donor demands for increased accountability from partners, including the UN.
10. UNCTAD should provide its implementation partners with guidance for follow-up and a full introduction in the BLP M&E module. These include building on the good practice of “BLP health check” in Tanzania and fully mainstreaming its BLP monitoring and evaluation approach across its BLP portfolio. Equal efforts for EMPRETEC are required.
11. The evaluator recommends UNCTAD to ensure that its two implementation partners in Tanzania map relevant national, bilateral and multilateral donor initiatives to identify complementarities and revise programme planning accordingly. Cost savings and efficiency gains could result from this mapping and planning exercise. UNCTAD should use the UNDP mid-term review in 2013 as an opportunity to embed both programmes in the One UN approach. To this end UNCTAD should mobilize its Technical Assistance Unit and do all possible efforts to create more synergies and complementarities with other on-going UN initiatives.
12. UNCTAD is invited to engage more actively with key stakeholders periodically to facilitate communication. Upcoming issues could be shared for example every 6 months.

**Next 6 to 12 months:**

13. It is recommended that UNCTAD encourage its implementation partners to also identify large national or local companies for potential business linkages with MSMEs. Partners should subsequently prepare the signature of MoUs and train selected MSMEs for those supply chains in EMPRETEC centres.
14. UNCTAD might wish to revise the BLP project document to clarify that any kind of linkages are desirable, including linkages with TNCs.
15. The evaluator recommends UNCTAD to either reiterate its timeframes for engagement with EMPRETEC centres or to provide centres with a clear timeframe for funding. UNCTAD should demand budgeted and time-bound strategies from EMPRETEC centres for gradually self-sustaining trainings.
16. UNCTAD should schedule an impact assessment for both programmes in Tanzania and Zambia to satisfy the stakeholders' demand for quantifiable impact data and to increase comparability of performance with other programme countries in Africa.

**UNCTAD and its implementation partners**

**Next 1 to 3 months:**

17. UNCTAD's implementation partners should step up efforts to facilitate access to finance for MSMEs, given its the high relevance for both programmes. UNCTAD should advise partners based on its rich expertise from EMPRETEC and BLP across and beyond Africa.

## Lessons learned

### Funding modalities

1. The funding modality of a multi-donor trust fund with annual contributions is particularly problematic for a non-resident UN organization like UNCTAD. Project implementation support through long-term national consultants is in fact disabled by the annual funding modality. In Zambia for example UNCTAD engaged a national consultant to support the local government partner ZDA in the implementation of the EMPRETEC and BLP programme. After having invested in the consultant, UNCTAD lost the person to resident UN agency with the capacity to offer a longer-term contract. Funding modalities did not allow UNCTAD to engage the consultant up to the point where the first national EMPRETEC trainers were certified and less implementation support was required. This constitutes a significant inefficiency with negative consequences for the effectiveness of programme implementation.

### Sustainability

2. As a non-resident UN organization, UNCTAD entrusts the EMPRETEC and BLP programme implementation to partners in national governments. This process strengthens national capacities and ownership, both key elements for programme sustainability. UNCTAD's approach is fully in line with the Paris Declaration on Aid Effectiveness and commendable for other UN organizations. Despite the delays experienced in programme implementation due to limitations in the partners' capacities, UNCTAD "is doing the right thing", as its approach ultimately increase programme sustainability. Having a long-term consultant engaged for the critical time of programme implementation could have created a catalyst effect for the work of government partners. However, as stated above, the programme's funding modalities did not allow for UNCTAD to take this approach.

### Value added of strategic planning, monitoring and evaluation

3. Following the global financial crisis the demand for accountability and value for money has been accelerated among the donor community with taxpayers keen to see results of international development cooperation. While it is certainly not desirable to have a log frame for each of the donors of this multi-donor fund for both EMPRETEC and BLP, logframes for both programmes would have significantly improved the assessment of progress. A clear performance framework with baselines, milestones and targets would enable regular results-based reporting and efficient monitoring while at the same time providing valuable data for evaluations. In addition, it could increase donor's willingness for longer-term investments.

### Linkages to TNCs and larger local or national companies

4. Linkages of MSMEs to the supply chain of larger local or national companies like large schools, government canteens or local supermarkets emerged as complementary and at times alternative to linkages to TNCs. The particular value of those "unintended" linkages, which developed through market dynamics in Tanzania and Zambia, is contained in a more gradual increase of the standards, quality and volumes demanded by the buyers. In addition, those linkages often entail the advantage of cash business, which is very important for entrepreneurs with very limited access to finance.



**Annex 1 Questionnaire for data collection**

**External Evaluation of UNCTAD's Empretec and Business Linkages Programme: questionnaire for programme managers and implementers (UNCTAD, ZDA, TIC, SIDO)**

Name	Position	Organization/Enterprise	Date
Mr/Mrs./Ms.			

I. Relevance

1a. To what extent does the programme design and choice of activities relate to skills/business needs priorities in your organization/country?

*Please explain:*

1b. Is the programme design specifically responding to the needs of female entrepreneurs?

	Highly relevant	Relevant	Less relevant	Irrelevant
1a. Relevance to skills needs				
1a. Relevance to business needs				
1b. Relevance for female entrepreneurs				

2. How does the programme relate to those priorities?

*Please explain:*

3. To what extent is the programme complementary to governments' initiatives to:  
a) provide business development services (BDS) for local SMEs/female led SMEs;

	Highly relevant	Relevant	Less relevant	Irrelevant
Complementarities				

b) enhance the competitiveness of SMEs/ female led SMEs through business linkages with large firms ?

	Highly relevant	Relevant	Less relevant	Irrelevant
Complementarities				

*Please explain your assessment:*

## II. Efficiency and validity of project design

4. How would you rate the adequacy of UNCTAD's organizational (administrative and managerial) arrangements to support the programme?

Adequacy of UNCTAD arrangements	Very high	High	Low	Very low
Administration				
Technical backstopping				
Monitoring & Evaluation				
Finances				
Communication				

*Please explain your assessment:*

5. How would you rate the adequacy of Finland's' organizational (administrative and managerial) arrangements to support the programme? (for UNCTAD to answer)

Adequacy of Finland's' arrangements	Very high	High	Low	Very low
Administration				
Technical backstopping				
M&E				
Finances				
Communication				



*Please explain your assessment:*

6. How would you rate the counterparts project management and set-up supporting the programme implementation (i.e. ZDA, TIC or SIDO)

Counterparts' programme management and set-up	Very high	High	Low	Very low
Administration				
Technical backstopping				
M&E				
Finances				
Communication				

*Please explain your assessment:*

8. To what extent could the same results have been achieved for less money or more quickly?

*Please explain:*

9. Have planned activities always been delivered as scheduled?

	Always	Usually	Sometimes	Never

*Please explain your assessment:*

### III. Effectiveness

10a. To what extent have programme activities achieved the planned objectives?

Achievement of planned objectives	Very high	High	Low	Very low
<b>EMPRETEC</b>				
1. Entrepreneurship development workshops				
2. - Training of trainers' workshops				
3. Diagnostic & advisory services				
Establishment of entrepreneur associations				
- Specialized training workshops				
4. EMPRETEC Talent Fair				
Others				
<b>Business Linkages Programme</b>				
Review existing policies and strategies				
Conduct linkage scoping surveys in different regions serving as a basis for linkage plan				
Build understanding of TNCs supply chains, fine-tune				

methodology on brokering business linkages				
Establish business linkages				
Provide SMEs with additional business opportunities				
Encourage SME partners to diversify their customer base				
Others				

*Please explain your assessment and the reasons influencing the progress made to date:*

10b. What are the major strengths of the programme and what are the major weaknesses?

11. Can you highlight the programme's complementarities with related national/UN/ bilateral donor initiatives to a) provide business development services (BDS) for local SMEs/ female led SMEs; b) enhance the competitiveness of SMEs/ female led SMEs through business linkages with large firms in Zambia/ Tanzania?

#### IV. Impact

13. To what extent are Empretec Centres better able to design, initiate and implement strategies and mechanisms to deliver Empretec training?

*Please explain your assessment:*

Improvements in strategies and mechanisms to deliver Empretec	Very high	High	Low	Very low
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training:				
1. Design				
2. Initiation				
3. Implementation				

*Please explain your assessment:*

14. To what extent are Empretec Centres better able to provide entrepreneurs and particularly SMEs/ female led SMEs with tools, solutions and information on business opportunities compared to other similar programmes in your country?

Improvements in Empretec Centres to provide business opportunities to entrepreneurs/SMEs in terms of:	Very high	High	Low	Very low
1. Tools				
2. Solutions				
3. Information				
Improvements in Empretec Centres to provide business opportunities to female led SMEs in terms of:	Very high	High	Low	Very low
1. Tools				
2. Solutions				
3. Information				

*Please explain your assessment:*

15. To what extent are Empretec Centres better able to provide entrepreneurs and particularly SMEs/ female led SMEs with potential business linkages partnerships, and share expertise and best practices compared to other similar programmes in your country?

Improvements in Empretec Centres to provide for <b>SMEs</b> :	Very high	High	Low	Very low
1. Potential business linkages partnerships				
2. Share expertise				
3. Share best practice				
Improvements in Empretec Centres to provide for <b>female led SMEs</b> :	Very high	High	Low	Very low
1. Potential business linkages partnerships				
2. Share expertise				
3. Share best practice				

*Please explain your assessment:*

17. To what extent are TNCs and SMEs involved in the Business Linkages programme doing more business with each other?

#### V. Sustainability

18. To what extent do linked businesses require support by the Business Linkages Programme once the linkages are established?

19. To what extent is the replication or expansion of business linkages happening beyond the Business Linkages Programme? To what extent are SMEs/female led SMEs benefitting?

20. To what extent have Empretec Centres assumed ownership and responsibility for undertaking training on a routine basis as envisioned?

21. To what extent have exit strategies been agreed with programme implementers to fully hand over responsibilities at the end of the programme?

22. Which elements of the programmes are replicable in other countries in Sub-Saharan African and which not? Why?

<b>Annex 2</b>	<b>List of persons interviewed</b>
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## Tanzania: partners

Name	Position	Organization
Mr. Raymond P. Mbilini	Ag. Executive Director & Director – Investment Facilitation	Tanzania Investment Centre (TIC)
Ms Nakuala Senzia	Director – Investment Facilitation	Tanzania Investment Centre (TIC)
Ms Glory Bildard	Business Linkages Coordinator	Tanzania Investment Centre (TIC)
Mr Mike Laiser	Director General	Small Industries Development Organization (SIDO, Tanzania)
Mr Pius Wenga	EMPRETEC Coordinator	Small Industries Development Organization, Training and Extension Services (SIDO, Tanzania)
Mr. Tomi Särkioja	Former Counsellor (Economic Affairs)	Ministry for Foreign Affairs of Finland
Mr. Ernest Salla	Practice specialist trade and private sector development	UNDP, Tanzania

## Tanzania: entrepreneurs

Name	Position	Enterprise
Mrs. Clara Dismass Mwakijosi	Managing Director	YCK General Supplies
Mrs. Ruth Lema	Managing Director	Dealer-M-Pesa agent; Fast food café; Telecom accessories
Mrs. Josephine Leonard Katunzi	Director	JR & Sons Ltd. (Bakery & Vegetable farming)
Mrs. Mamnana	Managing Director	Mamnana Enterprises

Tanzania: entrepreneurs (continued)

Name	Position	Enterprise
Mrs. Vera T. Seisay	Director	Sierra Trader Food Processing
Mrs. Eileen Mngumi	Director	Tausi Desire Ltd.
Mrs. Delphine B. Kallagne	Director	Mr. Oil Skuvi 141 Ltd
Mrs. Rose Romanos	Managing Director	Tusajigwe Grains and food suppliers
Mrs. Pilly Kafuye	Director	Samara Art Group
Mrs. Ndiwela Sichone	Managing Director	Bakery
Mr. Jovine P. Matzindiko	Managing partner	Matzingo Enterprises
Mr. Laibai Laiboni Kallaghe	Managing Director	Mr. Oil Skuvi 141 Ltd

Zambia: partners

Name	Position	Organization
Mr. Windu Matoka	Director, MSME Division	Zambia Development Agency (ZDA)
Ms. Kalobwe Chansa	Business Linkages Coordinator	Zambia Development Agency (ZDA)
		Zambia Development Agency (ZDA)
Mr. Ebben Sibbuku	Business Linkages Focal Point	Embassy of Finland, Lusaka
Mr. Ville Luukkanen	Councillor, Economic Affairs	International Labour Organization (ILO)
Ms Naomy K. Lintini	National Programme Officer	International Labour Organization (ILO)
Mrs. Belinda Chanda	Programme Officer	Pick n' Pay (supermarkets)
Mr Ahmend Buttler	Product Procurement Advisor	

Zambia: entrepreneurs

Name	Position	Organization/Enterprise

Mrs. Melody Kashima	Director	Melofoods Ltd.
Mr. Mukupo Sichula	Director	Wanzana Processing Ltd. (Juice)
Mrs. Namakau Ukando	Finance and Admin. Manager	Lumonu Organic Farms
Mr. Paul Mwanza	Marketing Manager	Beta Suppliers Ltd. (Medical equipment)
Mrs. Elly Siakasasa Mwale	Managing Director	Glymo Enterprises (agribusiness)
Mr. Chrispin Musokelo	Director	Ermine Enterprises Ltd. (Processing of lint into medical cotton wool)
Mrs. Khadija Namanza	Director	Sanitary World Ltd.
Mrs. Vezi M'hango	Sales Executive	Sanitary World Ltd.

## Zambia: entrepreneurs (continued)

Name	Position	Enterprise
Mr. Nathan M. Sichilongo	Director	Natest Ent. Ltd.
Mrs. Esnaty Lungu	Nurse	Linazika General Dealer
Mr. Peter Zulu	Proprietor	Zulpet Construction Enterprise
Mrs. Monika Chitulangoma	Proprietor	(n/a)
Mrs. Joyce Ntenga Banda	Hospitality Industry	Hospitality Industry
Mr. Mubita Kabalanjana	Owner	
Ms. Dorica Nyirenda	Proprietor	MK Chemical Systems Ltd.
Mr. Abonny Munsaka	Proprietor	Tailoring & chicken rearing business
	Proprietor	Muuilantha Business solutions

## Other locations



<b>Name</b>	<b>Position</b>	<b>Organization</b>
Mrs. Fiorina Mugione	Chief	UNCTAD, Entrepreneurship section, Division on Investment and Enterprise
Mr Lorenzo Tosini	Programme Officer	UNCTAD, Entrepreneurship section, Division on Investment and Enterprise
Mrs. Fulvia Farinelli	Programme Officer	UNCTAD, Entrepreneurship section, Division on Investment and Enterprise
Mrs. Stephania Bonilla	Associate Economic Affairs Officer	UNCTAD, Entrepreneurship section, Division on Investment and Enterprise
Mr. Alexandre Dabbou	Programme Officer	UNCTAD, Office of the Director, Division on Investment And Enterprise
Mr. Joerg Weber	Head	UNCTAD, Investment Policy Branch, Division on Investment And Enterprise
Dr. Kent Wilska	Commercial Counsellor	Department for External Economic Relations Ministry for Foreign Affairs of Finland

**Annex 3 Evaluation workplan**

		Tentative evaluation workplan for the External Evaluation of UNCTAD's Empretec and Business Linkages Programme														
Timeframe	Activity (Work)	Responsible for delivering	August				September				October					
			1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	5th	
<b>Week 1: 27-31.10</b>	<b>Phase 1: Work planning</b>															
	Briefing, meeting with UNCTAD M&E and programme staff; fine tuning of ToRs if required	UNCTAD & consultant														
	Initial document review	Consultant														
	Evaluation framework design	Consultant														
	Methodology	Consultant														
	Design of data collection instruments	Consultant														
<b>Week 2&amp;3: 03-14.09</b>	<b>Phase 2: Finalization of work planning; start of data collection</b>															
	Feedback on work planning and evaluation instruments	UNCTAD														
	Document review	Consultant														
	Revision of work planning and evaluation instruments	Consultant														
	Contacting key stakeholders to schedule interviews	Consultant														
<b>Week 4: 17-21.09</b>	<b>Phase 3: Interviews</b>															
	Interviews: face to face in Geneva and telephone interviews	Consultant														
<b>Week 5&amp;6: 24-09 - 05.10</b>	<b>Phase 4: Field visit</b>															
	Stakeholder meetings and interviews in Zambia and Tanzania	Consultant														
	Data analysis	Consultant														
<b>Week 7: 08-12.10</b>	<b>Phase 6: Draft Reporting</b>															
	Presentation of emerging findings to UNCTAD in Geneva	Consultant														
	Draft report	Consultant														
<b>Week 8: 15-28.10</b>	<b>Phase 7: Feedback period</b>															
	Feedback	UNCTAD														
	Sharing feedback with consultant	UNCTAD														
<b>Week 9: 29-31.10</b>	<b>Phase 8: Final report</b>															
	Finalization of report	Consultant														
<b>01-Feb</b>	<b>Phase 9: Follow-up</b>															
01-Feb	Follow-up of evaluation recommendations	Consultant														

**Annex 4      Schedule for field visits**

Day 1 (26 Sept): Arrival Lusaka

Zambia

Day 2 (27 Sept):

Meeting ZDA for interviews on both programmes, Interviews in Ministry of Trade where ZDA is hosted

Interviews Finnish Embassy, Interviews ILO on issues of One UN; Interviews UNDP Resident Coordinators Office on One UN (if feasible)

Day 3 (28 Sept):

Meetings entrepreneurs benefitting from EMPRETEC in ZDA for focus group interviews in the morning (relevant participation of female entrepreneurs required as on focus of the Finnish contribution)

Meetings entrepreneurs benefitting from Business Linkages programme in ZDA for focus group interviews in the afternoon (relevant participation of female entrepreneurs required as on focus of the Finnish contribution)

Day 4 (29 Sept):

Company visits in Lusaka with short interviews

Day 5 (30 Sept):

Travel Lusaka to Dar-es-Salaam

Day 6 (1 October)

Meeting SIDO for interviews on EMPRETEC, Meeting TIC for interviews on Business Linkages Programme (ideally interviews would be undertaken in same location to avoid travel across town)

Interviews Finnish Embassy

Interviews UNDP Resident Coordinators Office on One UN

Day 7 (2 October)

Meetings entrepreneurs benefitting from EMPRETEC for focus group interviews in the morning (relevant participation of female entrepreneurs required as on focus of the Finnish contribution)

Meetings entrepreneurs benefitting from Business Linkages programme for focus group interviews in the afternoon (relevant participation of female entrepreneurs required as on focus of the Finnish contribution); (ideally interviews would be undertaken in same location to avoid travel across town)

Departure 22:55 to Geneva

**Annex 5 EMPRETEC and BLP activities in Tanzania and Zambia**

EMPRETEC Networks to promote Entrepreneurship and Enterprise Development; Progress report for GoF

High-level policy workshops

Tanzania:

36 SMEs signed MoUs with 4 TNCs and 90 suppliers received entrepreneurship training. The first EMPRETEC National Trainer has been certified and a second one is going to get accreditation in 2012.

Zambia:

Training activities in Zambia have been organized for 137 entrepreneurs participating in the linkages programme. Six workshops have been offered to suppliers of TNCs in the mining, agribusiness and tourism sectors. Three trainee trainers are at an advanced stage of their training and are likely to get their certification as EMPRETEC National Trainers in 2012.

EMPRETEC Tanzania (for Annex); Do a graphic for the main report: EMPRETEC/BLP

- 12 EMPRETEC Entrepreneurship Training Workshops (ETW)
  - 1<sup>st</sup> ETW: 21 January - 1 February 2008, 31 participants (trainers from Zimbabwe and Jordan), Dar es Salaam
  - 2<sup>nd</sup> ETW: 10 - 19 March 2008, 18 participants (trainers from Zimbabwe) , Dar es Salaam
  - 3<sup>rd</sup> ETW: 12 - 19 December 2008, 23 participants (trainers from Zimbabwe) , Dar es Salaam
  - 4<sup>th</sup> ETW: 24 November - 1 December 2009, 19 participants (trainers from SEBRAE and Uganda) , Dar es Salaam
  - 5<sup>th</sup> ETW: 15 - 20 March 2010, 34 participants (trainers from SEBRAE and Uganda) , Dar es Salaam
  - 6<sup>th</sup> ETW: 21 – 26 June 2010 (BL workshop by TIC), 31 participants (trainers from Uganda and Mauritius) , Dar es Salaam
  - 7<sup>th</sup> ETW: 11 – 16 October 2010, 22 participants (trainers from Uganda) , Dar es Salaam
  - 8<sup>th</sup> ETW: 22 – 27 November 2010, 31 participants (trainers from Uganda) , Dar es Salaam
  - 9<sup>th</sup> ETW: 27 June – 2 July 2011 (BL workshop by TIC), 26 participants (one trainer from Uganda) , Dar es Salaam
  - 10<sup>th</sup> ETW: 18 – 23 July 2011, 33 participants (one trainer from Uganda) , Dar es Salaam
  - 11<sup>th</sup> ETW: 12 – 17 September 2011 (BL workshop by TIC), 33 participants (one trainer from Uganda) , Dar es Salaam
  - 12<sup>th</sup> ETW: 31 October – 5 November 2011, 31 participants (one trainer from Uganda) , Dar es Salaam

- Starting from ETW No. 11, participants paid a fee of 100,000 TSh (around 66USD) to attend the workshop.
- Participation of a trainee trainer to the Training of trainers (ToT) workshop on “Farming as a Business” (business linkages training package), Mozambique, 10 - 14 August 2009
- Participation of the Tanzanian EMPRETEC coordinator (from TPSF) to the annual EMPRETEC Directors Meeting in Rio de Janeiro, 16 – 18 November 2010, and participation to a Brazilian-led coaching session on the EMPRETEC methodology
- ToT workshop held by Ugandan Master Trainers in Dar es Salaam (Tanzania), 29 November – 1 December 2010
- Participation of a trainee trainer in a regional EMPRETEC workshop in South Africa (29 November – 4 December 2010), as assistant trainer within an international training team (Brazil, Ghana, Tanzania)
- Participation of the Tanzanian EMPRETEC coordinator (from SIDO) to the annual EMPRETEC Directors Meeting in Pretoria, South Africa, on 18 – 21 October 2011, and participation of Ms. Beata Minga (SIDO) to a coaching session on Uganda’s Business and Enterprise Start-Up (BEST) tool, a 5-day training which aims to equip the youth with the confidence and practical skills to start and run successful enterprises.
- Participation of two Tanzanian women entrepreneurs to a regional EMPRETEC workshop, held in Pretoria, South Africa, 17 – 22 October 2011 with the aim to create regional business contacts with other entrepreneurs attending the event from the region.
- In November 2011, upon successful delivery of all training modules, Mr. Benedict Lema was certified as EMPRETEC National Trainer by a Ugandan Master Trainer

#### Business Linkages

- The UNCTAD Business Linkages (BL) programme has been officially launched in Dar es Salaam, Tanzania, on 26 June 2009. Tanzania Investment Centre (TIC) is UNCTAD's partner in the programme.
- TIC and UNCTAD organized ETWs Nos. 6, 9 and 11 for 90 suppliers participating in the Business Linkages programme.
- 1 July 2010 - During a Business Linkages policy forum UNCTAD experts presented successful linkages cases at the presence of representatives of the Government and SME supporting institutions.
- 26 – 28 September 2011. Participation of TIC’s Business linkages staff to a two-day Business Linkages Training followed by a study tour in Santiago, Chile, organized in collaboration with EMPRETEC Chile and Chile Calidad.
- In coordination with TIC, UNCTAD started to screen and interview candidates for the position of business linkages broker, who would be carrying out in-depth analysis

and upgrading plans for up to 10 SMEs, among those which have already attended the EMPRETEC workshop. A linkages expert has been recruited for follow-up in 2012.

Zambia (also for annex) Do a graphic for the main report: EMPRETEC/BLP

- 6 Entrepreneurship Training Workshops (ETW)
  - 1<sup>st</sup> ETW: 1 - 6 June 2009, 24 participants, Lusaka
  - 2<sup>nd</sup> ETW: 25 - 30 January 2010, 17 participants (Business Linkages ETW - Taj Pamodzi suppliers), Lusaka
  - 3<sup>rd</sup> ETW: 31 May - 5 June 2010, 23 participants, Lusaka
  - 4<sup>th</sup> ETW: 21 - 26 February 2011, 17 participants, Chingola (Business Linkages ETW – suppliers to Konkola Copper Mine, KCM – fully organized by Zambia Development Agency - ZDA with no support from ILO)
  - 5<sup>th</sup> ETW: 8 – 13 August 2011, 28 participants, suppliers to Mopani Copper Mine (MPM)
  - 6<sup>th</sup> ETW: 3 – 8 October 2011, 28 participants, small scale sugar cane farmers supplying to Zambia Sugar Plc
- On 4<sup>th</sup> ETW, participants (suppliers to KCM) paid a fee of 100 USD to attend the workshop.

#### Business Linkages

- The UNCTAD Business Linkages programme has been officially launched in Lusaka, Zambia, on 25 July 2008. Zambia Development Agency (ZDA) and ILO are UNCTAD's partners in programme.
- The second ETW (January 2010) has been organized specifically for suppliers to the Taj Pamodzi Hotel, Lusaka, as a pilot BL workshop.
- 30 March 2010 - A Business Linkages awareness workshop was organized to present the features of UNCTAD's BL programme to 22 prospective TNCs and large domestic companies. Representatives from business associations, chambers of commerce, banks and SME development institutions were also attending the event.
- 29 June 2010 - During a Business Linkages policy forum UNCTAD experts presented successful linkages cases at the presence of representatives of the Government and SME supporting institutions. ADD BRIEFING TO PARLAMENTARIANS
- 26 January 2011 – ZDA signed five linkage agreements with National Housing Authority (NHA), Zambian Breweries, Konkola Copper Mines (KCM), Mopani Copper Mines (MPM), and Copperbelt Energy Corporation (CEC), at the presence of H.E. Mr. Felix Mutati, Minister of Commerce, Trade and Industry
- 137 entrepreneurs have been trained in total.

- Three trainee trainers have advanced on their way to be certified as National EMPRETEC Trainers and it is foreseeable that they may get their accreditation in 2012.

#### Zambia

- Taj Pamodzi (hotel)
- Tata Zambia (tanneries) (not active)
- Pick & Pay (supermarket)
- Zambia Breweries (brewing company) (not active)
- National Housing Authority (NHA) (not active)
- Konkola Copper Mines (KCM)
- Mopani Copper Mines (MPM)
- Copperbelt Energy Corporation (CEC) (not active)
- Shoprite supermarket (active)

<b>Annex 6</b>	<b>List of documentation cited</b>
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EU-UNCTAD, 2011: Project on EMPRETEC Networks to Promote Entrepreneurship and Enterprise. Final report

<http://www.enterprise.co.ug/linkages.htm>

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Jenkins, Beth, Anna Akhalkastsi, Brad Roberts and Amanda Gardiner, 2007. Business Linkages: Lessons, Opportunities and Challenges. IFC, International Business Leaders Forum, and the Kennedy School of Government, Harvard University.

UNCTAD, 2008: Project document: The EMPRETEC networks to promote entrepreneurship and enterprise development

UNCTAD, 2010: Building Productive Capacities in Developing Countries to Enhance their Participation in Global Supply Chains. Terminal Report

UNCTAD, 2011: Project Document: Capacity building in investment for development

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**Annex 7 Terms of Reference**

CONFÉRENCE DES NATIONS UNIES SUR  
LE COMMERCE ET LE DÉVELOPPEMENT



UNITED NATIONS CONFERENCE  
ON TRADE AND DEVELOPMENT

**Terms of Reference (TOR)**

**External Evaluation of UNCTAD's Empretec and Business Linkages Programme**

**1. Introduction and Purpose**

The Empretec and Business Linkages Programme aims to help developing countries to participate more actively in, and reap the benefits from the global economy through harnessing foreign investment. To this end, the project builds and strengthens the capacity of developing countries to design and implement effective policies aimed at establishing an enabling environment for private sector development, strengthening competitiveness, and more broadly, promoting investment for sustainable development.

Upon request by the Government of Finland, an evaluation of the activities that they have financed under this programme is to be undertaken in order to inform their assessment of further contributions. The objective of the evaluation is to satisfy this requirement, as well as to document results and lessons learned in the implementation of the programme and to formulate recommendations in order to strengthen the work of UNCTAD in this area.

**2. Background**

Small and medium enterprises (SMEs) are considered vital for broad-based economic growth and rising living standards. Since 1988, UNCTAD's EMPRETEC programme has helped to foster entrepreneurship capabilities and the growth of internationally competitive SMEs in developing countries and countries with economies in transition. EMPRETEC centres are in 33 countries and coordinated by UNCTAD headquarters in Geneva. The programme is based on public-private partnership and it aims at developing sustainable mechanisms to unleash entrepreneurial potential and provide business development services (BDS) for local SMEs. It specifically promotes the development of entrepreneurship through a behavioural approach and strengthens the capacity of policy makers to design and implement enterprise support measures through training and exchange of best practices. The project financed by Finland since 2011 also serves to enhance the competitiveness of SMEs through business linkages with large firms.

Outputs under this programme relate to:

- (i) Strengthening existing EMPRETEC centres and rolling out the EMPRETEC model to other countries;
- (ii) Knowledge sharing and networking;
- (iii) Promoting regional activities;
- (iv) Building linkages between local entrepreneurs and suppliers to large TNCs/domestic companies, and upgrading hard and soft skills for firms participating in the national business linkages programme;

- (v) Developing local capacity by training local trainers and certify them according to UNCTAD-Empretec international standards; and
- (vi) Transferring the Empretec and Business Linkages methodologies to local counterparts.

Specific activities have included the organization of training events, research, field work, advisory services to EMPRETEC Centres, associations of entrepreneurs, and governments, and participation in international, regional and national meetings on promoting entrepreneurship and SME development. In particular, Finland's contribution in 2011 supported the continued installation of Empretec and the Business Linkages programmes in Tanzania and Zambia

The programme is executed by UNCTAD, in collaboration with national Governments and other United Nations agencies, EMPRETEC centres and selected public institutions.

Since 2007, the EMPRETEC programme has received contributions of about US\$1.9 Million from donors including Spain, Finland, Sweden, Switzerland, Italy and Portugal. The Government of Finland have contributed about US\$586,000 since 2008 to support the activities under this programme.

### 3. Scope of the Evaluation

This will be an evaluation of the Empretec and Business Linkages programme, but with a focus on activities that have been directly implemented with the financing of the government of Finland. This means the activities undertaken since 2008, and in particular, the activities implemented in Tanzania and Zambia. The evaluation should address the following issues:

#### (a) *Relevance*

- Whether the programme design and choice of activities/deliverables have properly reflected the needs of the beneficiaries;
- Whether there are complementarities evident from the implementation of activities under this programme with other related development initiatives that the beneficiary government is undertaking. If so, are outcomes evident in this regard?

#### (b) *Effectiveness*

- Whether the activities have achieved planned objectives; Are there unintended outcomes that contribute towards the achievement of the stated objectives?
- What were the main factors influencing the outcomes of this programme;

#### (c) *Impact*

- In countries where activities have been implemented, what are the results against the following indicators:
  - Empretec institutional performance indicators:
    - Empretec Centres are better able to design, initiate and implement strategies and mechanisms to deliver Empretec training.
    - Empretec Centres are better able to provide entrepreneurs and particularly SMEs with tools, solutions and information on business opportunities and/or potential business linkages partnerships, and share expertise and best practices.
  - Business linkages performance indicators:
    - SMEs involved in the programme are doing better, as reflected by sales, employment, and export volumes/value indicators;

- TNCs and SMEs involved in the programme are doing more business with each other, as reflected by sales indicators;
- What indications are there of actual (or potential for) impact of the programme? (for example, as reflected in poverty, unemployment and income levels in the countries where activities have been implemented)

**(d) Efficiency**

- Whether project schedules were met or projects were completed within reasonable time parameters;
- Whether the activities have used the most efficient means in delivering the activities, for example, through the use of local experts, when appropriate;

**(e) Sustainability**

- Whether there is initial evidence that the benefits of the programme will, or are likely to continue in the future;
- What are the specific factors that influence positively or negatively the sustainability of the results obtained by the programme;

**(f) Gender objectives**

- Has the programme contributed to the promotion of gender objectives, including women's empowerment?

#### **4. Deliverables and expected output**

The evaluation, on the basis of its findings and assessments made on the above criteria, should draw conclusions, make recommendations and identify lessons learned from the implementation of this project.

More specifically, the evaluation should:

- Highlight what has been successful and can be replicated elsewhere;
- Indicate shortcomings and constraints in the implementation of the programme while, at the same time, identifying the remaining challenges, gaps and needs for future courses of action;
- Make pragmatic recommendations to suggest how UNCTAD's work under this area and related projects can be strengthened.

The final output of the evaluation is a report composed of: (a) Introduction and a brief description of the project; (b) a clear description of the methodology used; (c) assessments according to the criteria listed above, including case illustrations of project performance in both Tanzania and Zambia; and (d) conclusions and recommendations drawn from the assessments. The report shall also include a table of contents, list of acronyms, and an executive summary.

In the report, all the assessments made must be supported by facts, direct or indirect evidence, and/or well-substantiated logic. It follows that all the recommendations made should be supported by the assessments made.

The evaluator is required to submit a separate list of those interviewed, for the record. If necessary, the report may be accompanied by a supplement including supporting materials.

## 5. Methodology

A mixed-method approach that triangulates all available data sources to reach conclusions and findings should be employed, and may include and not be limited to the following:

- (i) Review of relevant materials available;
- (ii) Interviews with direct beneficiaries and other relevant stakeholders in Tanzania and Zambia;
- (iii) Interviews with representatives of the government of Finland;
- (iv) Interviews with relevant UNCTAD staff;
- (v) Questionnaires as may be required;
- (vi) Analysis of the data collected.

All relevant materials will be provided to the evaluator including: project documents and reports, evaluation reports, mission reports, publications, documents and reports produced, material used for activities, resource-use information; list of beneficiaries and workshop/meeting participants, counterparts and resource persons; existing feedback (assessments, letters, surveys, etc.).

## 6. Description of Duties

The evaluator will undertake the evaluation exercise under the guidance of the Evaluation and Monitoring Unit (EMU), and in coordination with the programme manager. The evaluator will be responsible for the evaluation design, data collection, assessment and reporting. The evaluator must take full responsibility for the contents of the report generated and ensure its independence and accuracy.

## 7. Timetable

The evaluation will take place over a period of 32 days, spread between 3 September - 31 October 2012.

Activity	Days
Work planning	3
Evaluation framework design	
Methodology	
Design of data collection instruments	
Data collection, including:	16
Desk study	
Interviews with UNCTAD staff	
Interviews with stakeholders via telephone and field visits to Tanzania and Zambia	
Administration of survey	
Data analysis and draft report write-up	10
Final report write up	3

## 8. Monitoring/Progress Control

The evaluator must keep the Evaluation and Monitoring Unit informed weekly of the progress made in the evaluation. The evaluator will also present the draft report to the Evaluation and Monitoring Unit and the project manager before the final submission, giving sufficient time for the verification of factual findings as well as its compliance with the terms-of-reference (approximately 1 week). To this end, a draft of the report must be presented by 17 October 2012 for verification by the Evaluation and Monitoring Unit and the programme manager, before submission of the final report.

The deadline for submission of the final report will be 31 October 2012.

#### **9. Qualifications and experience**

- **Education:** Advanced university degree in business, economics, or related field.
- **Experience:** At least 5 years of experience in conducting evaluations, preferably on interventions in the area of enterprise development and small-to-medium enterprises.
- **Language:** Fluency in oral and written English.

#### **10. Conditions of service**

The evaluator will serve under a consultancy contract as detailed in the applicable United Nations rules and regulations. The evaluator will not be considered staff member or official of the United Nations, but shall abide by the relevant standards of conduct. The United Nations is entitled to all intellectual property and other proprietary rights deriving from this exercise.