



# Evaluation Summaries

## Evaluation: Developing Business Service Markets for Micro and Small Enterprises in Zambia

### Quick Facts

**Country:** Zambia

**Mid-Term Evaluation:** July 2005

**Mode of Evaluation:** independent

**Technical Area:** Small enterprise development

**Evaluation Management:** Africa

**Evaluation Team:** Juliet Munro; Fackson Banda; Gerard Hendriksen

**Project Start:** September 2003

**Project End:** August 2006

**Project Code:** ZAM/03/01/SID

**Donor:** Sweden (US\$ 2,684,598)

**Keywords:** Small enterprise development; business development services; media; market information

1. Establishment of a project office with staff and equipment
2. Market assessment for Business Development Services (BDS)
3. Commercially viable radio programme from MSEs with a commercial radio station
4. Publications targeted at MSEs through a commercial publisher
5. Business portal providing information for small and medium enterprises (SMEs) through a commercial Internet Service Provider
6. Additional radio programmes not covered under output 3
7. Services for MSEs in sectors and regions identified by the market assessment.

### Background & Context

**Project Background:** The project focuses on the development of commercially viable information services through radio, printed media and internet providers aimed at reaching primarily micro and small enterprises (MSEs).

The goal is “to make micro and small enterprises healthier and more likely to grow by increasing their access to business development services they need and want to pay at a price and quality they can afford”. Traditionally, many of these services in Zambia have been supported by the public sector and donor agencies, and have been difficult to sustain.

The project’s seven outputs focus initially on services which allow the project to build up experience in the Zambian market.

### Evaluation Context:

The aim of the mid term evaluation was to assess the delivery and performance of the project against its objectives and to determine whether the initial activities and outputs have so far been beneficial to the target groups. The evaluation was also expected to ascertain whether the original project design, strategy, institutional framework, and assumptions remain valid, and to provide the management, the donor, and the social partners with information to assess and possibly revise the project.

### Main Findings & Conclusions

In particular, progress has been good in the piloting of radio and printed media interventions, with community radio

broadcasting in English and Bemba demonstrating the biggest outreach among MSEs. Development of the internet business portal and HIV/AIDS materials are in progress and likely to be completed by the end of the project. In addition, a new promising intervention has been initiated to develop SMS services targeted at small businesses and this will be worked on during the next twelve months.

Business Development Services Zambia (BDSZ) has primarily provided technical assistance support to its partners, which was delivered by both the project team and external consultants. Financial contributions have been kept to a minimum and the BDSZ team should be commended for the way they have adhered to the Business Development Services (BDS) guiding principles.

The radio and print partners are continuing with the initiatives after withdrawal of BDSZ support with the expectation that these will become financially sustainable over time through increased audience among MSEs and related advertising income. The impact on the targeted MSE sector is not clear at this point in time although individual companies that featured in the media report increased demand and revenue. The project has contracted an external media marketing agency to carry out a survey which should provide more information on changes in attitude and behaviour of MSEs.

Project documents refer to gender and to the important role of female entrepreneurs in the MSE sector. However, a proposed strategy to incorporate gender issues is not included in the expected outputs and is further aggravated by the lack of (gender-specific) indicators. BDSZ has not developed a methodology to address gender issues systematically. The project is making a more specific contribution to HIV/AIDS issues in collaboration with other organizations. Partners do cover HIV/AIDS and gender issues in their programmes on their own initiative and with some encouragement by BDSZ.

The project document does not provide indicators of achievement at either purpose or output levels or a time chart to guide

implementation and performance evaluation. This has led to confusion about the pilot nature of the project and the up-scaling of successful interventions.

ILO administrative support provided by the Lusaka office has been effective although the mission would have preferred greater autonomy for the project to reduce bureaucratic procedures and delays further. The mission is of the opinion that the project would have benefited from additional ILO technical support than what has been provided during this pilot phase and more interaction with other ILO and external BDS programmes. The review team also appreciates the fact that there might be a split in opinion within ILO on the extent to which the project should have been technically back-stopped. This should further strengthen the need for explicit monitoring indicators to capture the nature and amount of technical back-stopping required for this project.

## Recommendations & Lessons Learned

**Recommendations:** BDSZ should primarily focus efforts on achieving the outstanding outputs in the remaining project period, as well as up-scaling successful interventions such as radio and printed media, further developing the market for these services for MSEs. It is also recommended that the project explore cost effective ways of building the capacity of partner organizations in business reporting skills.

The project should actively engage with other development partners working in sub-sectors where media and “Information and Communication Technology” (ICT) services can improve the way the markets work and which are likely to benefit MSEs. For example, there are opportunities in the agricultural sub sectors where market actors are in contact need of updated information. BDSZ should facilitate sustainable relationships driven by financial incentives between the media providers and service providers working in the productive sub sectors.

The project needs to further pursue systems that will help to assess the impact of the media/ICT services on the MSEs. However, time and financial inputs for measuring the impact should be in proportion to the scale of the interventions.

Furthermore, BDSZ needs to develop an appropriate gender strategy which sets out what the project hopes to achieve in the remaining project period and how it will reach these goals. It may be useful for the project to engage the expertise of relevant ILO programmes to achieve this.

A detailed work plan and budget for the interventions during the remaining project period should be prepared indicating the likely outputs, the required resources and their costs. These interventions should build on BDSZ's experiences over the past 18 months and may go beyond those stated in the project document if staff resources allow. The work plan should allow resources and time for dissemination of the project outcomes.