



Evaluation Summary



International
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Cluster independent final evaluation of projects:

“Entrepreneurship Development and SME Support in Myanmar” and “Supporting Tourism in Myanmar through Business Management Training”

Quick Facts

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| Country: | <i>Myanmar</i> |
| Final Evaluation: | <i>May 2017</i> |
| Evaluation Mode: | <i>Cluster independent evaluation</i> |
| Administrative Office | <i>ILO Regional Office for Asia and the Pacific (ROAP)</i> |
| Technical Office: | <i>ENTERPRISE</i> |
| Evaluation Manager: | <i>Pamornrat Pringsulaka</i> |
| Evaluation Consultant(s): | <i>Martin Østergaard and Min Min Han</i> |
| Project Code: | <i>MMR/13/13/NAD & MMR/13/07/SWI</i> |
| Donor(s) & Budget: | <i>1) US\$ 4.1 million 2) US\$ 1.1 million (CHF 1 million)</i> |
| Keywords: | <i>Small enterprise development, employment creation, start your own business (SIYB)</i> |

Background & Context

Summary of the project purpose, logic and structure

The two small enterprise development projects were financed by the governments of Norway and Switzerland, respectively, and shared some common objectives:

- the establishment of a delivery structure for Start and Improve Your Business (SIYB) training
- training of entrepreneurs in the small and medium enterprise (SME) sector with the ultimate aim to increase their turn-over, job creation and stimulate new business start-up.

In other areas, the two projects had different objectives:

- The NORAD project aimed to adapt the training approach to also reach out to potential entrepreneurs in the rural areas and to establish a solid system of monitoring and evaluation.
- The SECO project meanwhile focused on the tourism sector and aimed to influence the policy level by conducting studies to identify skills gaps and support needed.

The SME projects were run through a shared project office with staff covering both projects except for the two national coordinators. With this set-up, the projects were able to pursue the common objectives effectively,

also by starting out in mainly urban areas such as Yangon and Mandalay, where the demand for business management training from the outset was the highest. Today, the projects have managed to reach most parts of Myanmar with the SIYB trainers network.

Present Situation of the Project

Myanmar has undergone profound changes in recent years in both political and economic terms. In 2013, these changes enabled the ILO to embark on two projects of support to the SME sector through the ILOs Start and Improve Your Business methodology.

The SME sector makes up the main part of the private sector in Myanmar, and is the most important base for employment creation. The business sector is still poorly developed in Myanmar and the sector has been relatively isolated, with little support in terms of skills training, access to finance or links to external markets.

The SME projects initially concentrated on the delivery of the SIYB training and the establishment of a pool of trainers to be able to deliver business management skills training. To this end, the project contacted a large number of institutions and organisations to identify trainers. Training materials were adapted from standard SIYB training materials to the Myanmar context and translated into local languages. Specific attention has been given to the development of training materials for the tourism sector, where specific examples were included as a key point in the training delivery for SMEs.

In addition, the project has developed a substantial number of initiatives, some were envisaged in the original project design, while others were not. Among these initiatives are:

- Partnerships with micro-finance institutions
- Partnerships with Myanmar private sector business development service providers
- Collaboration with Coca Cola
- Business Development Services training and adaptation of the Action Learning approach combining SIYB with the GIZ's entrepreneurship training (CEFE).
- Sector analysis in selected value chains in agriculture and fishery (Shan State and Myeik)

- Adaptation of the Sustaining Competitive and Responsible Enterprises (SCORE) programme and launching of training of trainers and SMEs

Finally, the projects have operated during a period of political change. For this reason, the establishment of formal project advisory committees only took place in 2016, as it was only possible to commit government institutions to participate at this point.

Purpose, scope and clients of the evaluation

Purpose: The evaluation is made for the following main purposes:

- Accountability to the donors, the tripartite partners and key stakeholders
- Evaluate the achievement of the two projects against its objectives.
- Consider the strategic contribution of the two projects to the overall priority of ILO Myanmar to address enterprise development.
- Learning purposes for improvement in the future which include recommendations for the new programme

Scope: The evaluation is carried out as a cluster evaluation as the two projects address a similar segment of the employment creation portfolio of the ILO and use the same business management techniques for the SME sector. In relation to the purposes mentioned above, the cluster evaluation adds value in relation to the assessment of objectives as it relates to a larger context, combines learning points across the two projects, and form a better basis for future decisions, where both donors will contribute to a continued phase of support to the SME sector in Myanmar. The combined approach will also allow for an assessment of the role of the SME projects in the context of other, donor-supported SME interventions in Myanmar and the potential niche for the SIYB training in the market.

Clients: The main clients for the evaluation are project management, the ILO Liaison Office, the ILO Regional Office in Bangkok, ILO ENTERPRISE department, NORAD and SECO. The main audience is furthermore the project partners in Myanmar, including the Ministry for Tourism and Hotels, the Ministry of Industry, the Myanmar Tourism Federation and its

associations, government institutions, private sector partners, members of the Project Advisory Committee, and other external partners in Myanmar.

Methodology of evaluation

The evaluation mission was based on desk reviews and review of documents, including analyses of the SME sector in Myanmar and the political context. During the evaluation mission, meetings were held with most of the projects stakeholders such as the ILO SME team, SME technical experts, other ILO projects, government partners, social partners, private sector entities such as business development service providers, SIYB trainers, entrepreneurs, and donors. The evaluation team in particular collected data on SIYB trainers and Master Trainers in order to focus on the sustainability of the SIYB training network.

The evaluation team ensured that sites for both projects were visited in order to allow for separate assessment for each of the projects. In addition, the evaluation team undertook a few, additional e-mail-based surveys to ensure consistency, and combined the primarily qualitative data with quantitative data collected as part of the project's impact assessment. A final stakeholder workshop ensured active participation of main stakeholders and validation of preliminary evaluation results. Triangulation of data was carried out through access to independent sources and resource persons to avoid biases in evaluation findings.

Main Findings & Conclusions

Findings show that the project from the outset addressed a relevant issue in Myanmar as there was very limited provision of business management training to SMEs prior to the project. During the course of the two projects, the relevance was further enhanced through the development of partnerships with a range of private sector partners and methodological adaptations to the SIYB training approach.

The two projects were designed based on a standard SIYB approach that enabled the effective implementation in terms of training materials adaptation, translation and printing, selection of trainers and training through the international Master Trainers network. At the same time, the Myanmar

context demands a high degree of adaptation to specific needs, which should be further developed in the future.

Project effectiveness has been above expectations for both of the projects. In terms of trainers trained, the NORAD project has trained 578 trainers (269 certified and 16 Master Trainers) and trained 6,163 entrepreneurs, while the SECO project has trained 370 trainers (122 certified trainers and 8 Master Trainers) and trained 3,593 entrepreneurs. Put together, the two projects have trained 948 trainers with 391 certified trainers and 24 master trainers. Training of entrepreneurs has reached more than 9,500. In addition, the NORAD project has reached out to 775 potential entrepreneurs in the rural sector, and links have been established with relevant micro finance institutions, most importantly the Vision Fund.

In terms of unexpected outcomes, the projects have:

- 1) Established cooperation with the GIZ on action learning and support to regional business development service providers outside Yangon through a combination of the ILOs SIYB and the GIZ entrepreneurship training approach.
- 2) In selected sectors such as agriculture and fishery, value chain analyses have been carried out and provide a network and a knowledge base for the coming SECO-NORAD funded project.
- 3) The SCORE training approach for medium-sized enterprises has been adapted into a shorter version, trainers trained and tested with a group of SMEs, with positive feedback on content and applicability.
- 4) The project has established programmes with private sector partners such as the Aye Aye Thant Business Centre in Mandalay, and with Coca Cola through an outreach programme to young entrepreneurs and retailers, respectively. Both of these innovative programmes reach out to new segments of the SME sector.

Efficiency has overall been satisfactory with the attainment of project objectives despite a late start to the project and a loss of approx. 20 per cent of financial funds due to the depreciation of the dollar. Effectiveness of management has also been good with shared competencies within the SME project team

supported by the uniform design of the two projects. Project Advisory Committees, however, were only established rather late due to the political changes in Myanmar after the elections in 2015. As a consequence, the project has provided a platform for collaboration but has not managed to influence policies substantially in the tourism and SME sectors.

Impact at the level of the entrepreneurs makes up an impressive 1,800 new businesses, increased turn-over for more than 1,200 enterprises and jobs created for more than 7,700 persons.

Meanwhile, attention needs to be given to the technical, financial and institutional sustainability of the SIYB trainers network in the future. Technical sustainability needs to be consolidated due to the relatively short experience of many SIYB trainers, and financial sustainability needs to be made feasible for a larger group of trainers, not least in relation to micro enterprises and the rural sector. Institutional sustainability also needs special attention as no national host is envisaged. Among the master trainers, data collected during the evaluation show that they are diverse in terms of background and outlook for the future.

Lessons learned: Lessons learned relate to: a) the methodological innovations towards on-site counselling and action learning techniques, and b) the lessons learned in relation to SIYB training delivery sustainability.

Recommendations

Main recommendations and follow-up

- **Recommendation 1:** SIYB training materials should be further adopted to reach a wider audience on the basis of translation into local languages, adaptation to business terms in the local contexts and focus on those aspects of the business management training that are most in need, e.g. marketing skills as opposed to the focus on production.
- **Recommendation 2:** The new SME project should expand on the methodological innovations made in relation to action learning, on-site consultancy, coaching of entrepreneurs

and development of non-text-based training materials for use by entrepreneurs.

- **Recommendation 3:** To establish follow-up processes for SIYB trainers to support the continued development of their competencies, and ensure availability and motivation in relation to the end-need of improving SME sector performance.
- **Recommendation 4:** To explore ways to encourage the development of **clusters** of SIYB trainers by combining the technical, financial and institutional aspects in relation to specific markets.
- **Recommendation 5:** A sustainability strategy should be made for the SCORE programme with a focus on 1) human resources/training capacity and 2) Needs of the target group of companies in the food sector (or other sectors that may be subsequently involved).
- **Recommendation 6:** The SME project should establish closer contacts with NGOs that have a long-term presence in selected rural communities to ensure that the support of NGOs to long-term livelihoods can be complemented by business management training.
- **Recommendation 7:** The value chain approach represents a strong analytical tool that should be integrated more with the SIYB training methodology. i.e. the integration of the specific sector-related contents of the value-chain approach with the general business management contents of the SIYB.
- **Recommendation 8:** Communication about the SIYB training should be developed further through partner organisation platforms for dissemination of information, social media to ensure wider outreach on SIYB, and alternative models of communication in the more remote areas.
- **Recommendation 9:** The linkages with government partners through the Project Advisory Committee meetings should be further developed in the next phase to ensure coherence between policy level and technical needs for SME development and build on the momentum created for the promotion of SMEs by the government.