



Dr Achim Engelhardt  
Lotus M&E Group  
[www.lotus-group.org](http://www.lotus-group.org)



**Final evaluation of the project titled “Establishment of the Small Business Development Centers (SBDC) Model in CARICOM – phase III**

**Final report**

Prepared for the  
Organization of American States

Geneva, December 2020

## Table of contents

Executive summary .....	1
Section I: Introduction.....	5
1.1 Program background .....	5
1.2 Evaluation background and objective .....	7
1.3 Evaluation methodology and approach .....	8
1.4 Limitations .....	9
1.5 Reconstructed Theory of Change of SBDC III .....	10
Section II: Findings .....	11
2. Relevance: is the SBDC program doing the right thing?.....	11
2.1 The validity of SBDC III’s Theory of Change .....	11
2.1.1 Overall intervention logic .....	12
2.1.2 Scope of SBDC III .....	12
2.1.3 Timeframe of SME support programs.....	12
2.1.4 Market access .....	13
2.1.5 Assumptions .....	13
2.2 Inclusion of vulnerable groups, including women and youth.....	14
3. Efficiency: were resources used appropriately to achieve program results?.....	15
3.1 Application of results-based management principles, including monitoring mechanisms.....	16
3.2 Use of lessons learned and recommendations from the mid-term evaluation.....	16
3.3 Cost-benefit of SBDC since its inception.....	16
3.3.1 Analysis of selected economic impact indicators .....	22
4. Effectiveness: were program results achieved, and how? .....	24
4.1 Results of SBDC – phase III.....	25
4.2 Degree of contribution of SBDC to changes in MSME environment.....	32
4.3 Factors influencing program performance .....	32
4.4 Unforeseen program results.....	34
5. Impact: is change transformational?.....	35
5.1 Use and validity of NeoSerra software to track program performance.....	35
5.2 Change in economic sectors .....	36
5.3 Change for women .....	36
5.4 Enterprise-level changes.....	37
5.5 Trends in SBDC economic impact.....	40
6. Sustainability: is change lasting?.....	43
6.1 Robustness of SBDC’s seven years after the SBDC launch .....	43
6.2 Institutional set-up of SBDC's and its influence on SBDC performance .....	44
6.3 Governments’ funding of SBDCs .....	45
6.4 SBDC exit strategy .....	45
6.5 SBDC progression along its results chain and sustainability.....	45
Section III: Conclusions, recommendations and lessons learned .....	49
7. Conclusions .....	49
8. Recommendations .....	51
9. Lessons learned.....	53
Annex 1: Terms of reference .....	57
Annex 2: Detailed evaluation approach and processes .....	58

Annex 3: Relevance of SBDC program.....	60
Annex 3: Efficiency of SBDC program.....	62
Annex 4: Effectiveness of SBDC program – results for outputs.....	66
Annex 5: Evaluation matrix.....	70
Annex 6: Documents reviewed.....	72
Annex 7: Background data for cost benefit analysis .....	74

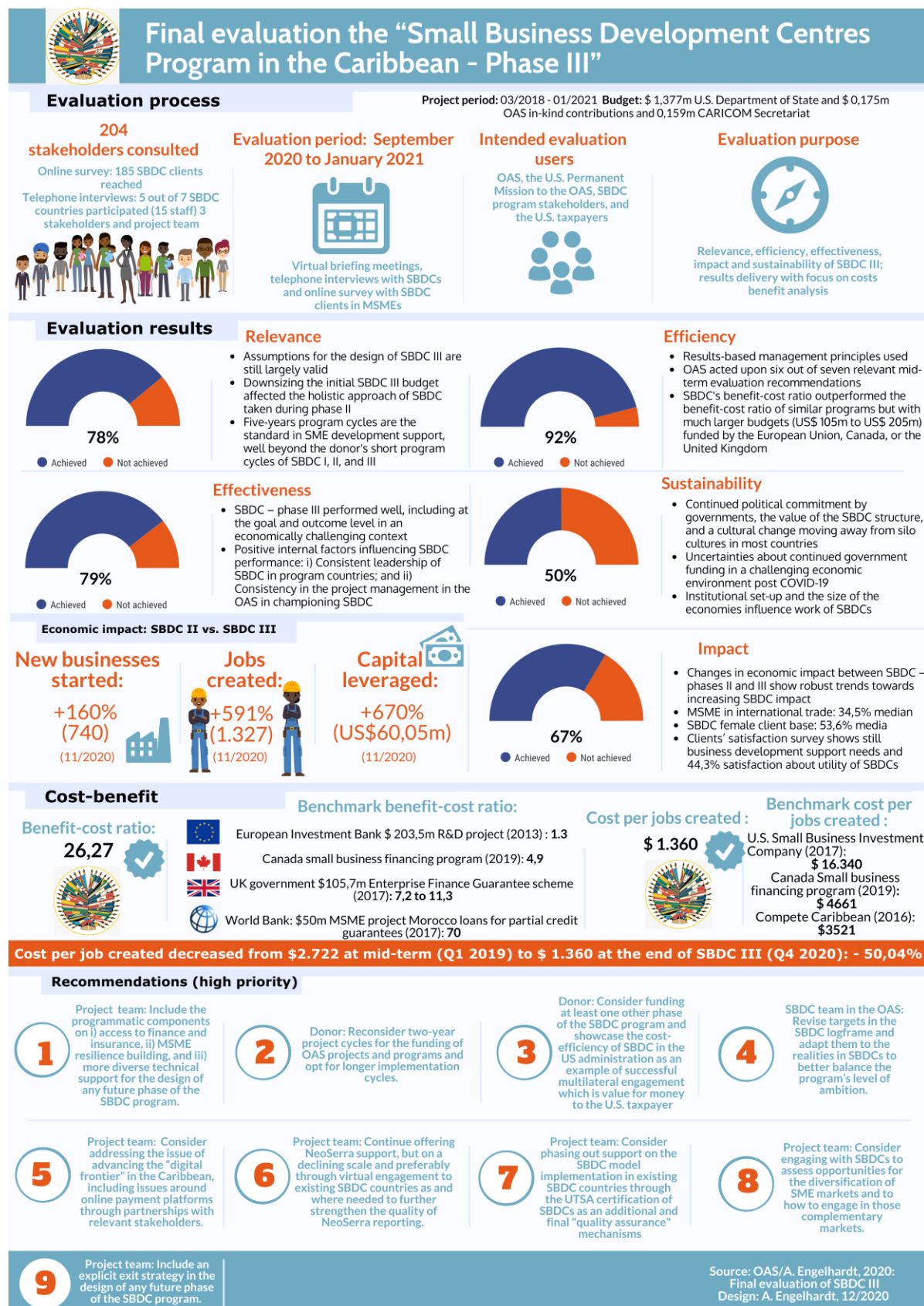
## Table of figures

Figure 1: Map of the Caribbean .....	7
Figure 2: Reconstruction of the Theory of Change for SBDC – phase III .....	10
Figure 3: Total net benefits and total benefits-cost ratio 2013 - 2020 .....	17
Figure 4: Benchmark of benefits-cost ratio in support for SMEs and Research and Development .....	18
Figure 5: Jobs created per 100.000 inhabitants and average capital funding acquired per SBDC client .....	22
Figure 6: Accomplishment of SBDC III targets – output level indicators .....	30
Figure 7: Effects of the coronavirus pandemic on SBDC clients in Saint Lucia .....	33
Figure 8: Results of SBDC clients’ satisfaction survey I .....	38
Figure 9: Results of SBDC clients’ satisfaction survey II .....	39
Figure 10: Summary of comparing economic impact indicators: SBDC phase II vs. SBDC phase III .....	41
Figure 11: Stocktaking of SBDC concept implementation in the Caribbean and outlook .....	46
Figure 12: SBDC Saint Kitts and Nevis - clients and employment per sector 2015-2020 .....	63
Figure 13: SBDC Guyana - clients and employment per sector 2015-2020 .....	63
Figure 14: SBDC Jamaica - clients and employment per sector 2015-2020 .....	64
Figure 15: SBDC Belize - clients and employment per sector 2015-2020 .....	64
Figure 16: SBDC Barbados - clients and employment per sector 2015-2020 .....	64
Figure 17: SBDC Saint Lucia - clients and employment per sector 2015-2020 .....	65

## Table of tables

Table 1: Cost-benefit results of SBDC, 2015 to 2020 .....	19
Table 2: SBDC inputs and results, 2015 to 2020 .....	20
Table 3: Number of SBD Centers in beneficiary countries in November 2020 .....	28
Table 4: International trade and gender of SBDC clients 2015 to 2020 .....	37
Table 5: Comparison of SBDC economic impact indicators: phase II vs. mid-term of phase III and total phase III .....	41
Table 6: Implementation of recommendations of the final evaluation SBDC – phase II .....	62

## Executive summary



**Introduction:** This report constitutes the final evaluation of the Organization of American States’ (OAS) “Small Business Development Centers Program in the Caribbean - Phase III.” The United States Department of State funds the program with US\$ 1,377,684.16 (87.72% of total funding). Phase III of the program implementation started on March 9, 2018, and is scheduled to end on January 12, 2021, following a 5-month non-cost extension following the coronavirus pandemic.

The OAS complements the U.S. funding with in-kind contributions of US\$ 175,077.20, and the CARICOM Secretariat provides US\$ 159,000.00 in-kind funding.

**Program background:** The SBDC model has successfully been in existence in the United States for nearly four decades, and an SBDC program was introduced in the CARICOM region in 2012, following a regional workshop in San Diego, California, organized by OAS' Department of Economic and Social Development in partnership with Caribbean Export Development Agency and the University of Texas in San Antonio. The approach of the program is to: i) Thrive on the joint investment of three key sectors; academia, public and private sectors; ii) Focus on high value, long term, one-on-one assistance to help clients generate sustained economic impact; and iii) Promote a results-oriented culture where SBDCs and the service professionals are continuously evaluated in terms of the economic impact generated through client work. In its third phase, the OAS supported the consolidation of SBDC's in the Bahamas, Barbados, Belize, Jamaica, Saint Kitts and Nevis, and Saint Lucia. In Guyana, the OAS supported the establishment of an SBDC.

**Evaluation background:** The OAS's Department for Planning and Evaluation (DPE) aimed through this evaluation to assess the performance of the SBDC model Phase III with a focus on conducting a robust cost-benefit analysis using hard data derived from 7 years of program execution.

The evaluator took a theory-based evaluation approach using mixed methods to capture both quantitative and qualitative data from a total of 204 stakeholders. 185 SBDC clients participated in an on-line survey. The evaluator interviewed 15 SBDC stakeholders representing five out of the seven program countries, three other stakeholders including the donor and the project team.

The only limitation for the final evaluation of SBDC III was the lack of field visits for on-site observations and personal interviews with SBDC clients.

### **Key evaluation findings**

#### **Relevance: The OAS is doing the right thing to support MSMEs in the Caribbean.**

The program logic mainly holds but suffered from downsizing the initial SBDC III budget due to budget limitations on the donor's side, which affected the holistic approach of SBDC taken during phase II. One caveat in program assumptions concerns administrative bottlenecks in the OAS/GS, which surprisingly affect the program implementation more than expected, particularly in the COVID-19 context. Five-years program cycles are the standard in SME development support, well beyond the donor's short program cycles of SBDC I, II, and III. Concerning gender equality, the evaluation finds that the effects of the COVID-19 pandemic increased the demand for access to finance and non-traditional forms of funding, particularly for women-led MSMEs.

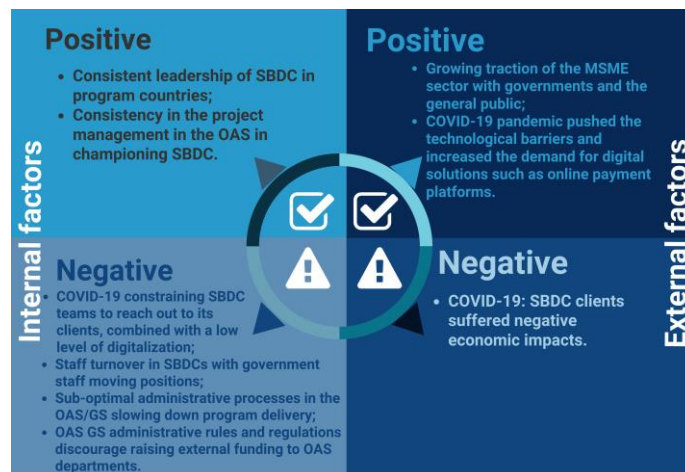
#### **Efficiency: The U.S. investments in the SBDC program since 2013 are value for money for the U.S. taxpayer based on a high benefit-cost ratio.**

The project team applied results-based management principles, complying with the OAS/GS standard reporting format, and producing high-quality monitoring. The OAS acted upon six out of seven mid-term evaluation recommendations targeted at the project team.

The total benefit-cost-ratio using the direct capital funding leveraged, but excluding indirect benefits, based on NeoSerra data: US\$ 26,27 for each US \$ invested by the donor and compares favorably with the benefit-cost ratio of similar programs but with much larger budgets (US\$ 105m to US\$ 205m). The cost per job created (US\$ 1.360) compares favorably with the costs incurred for employment-related programs in the United States, Canada, or the Swiss Development Cooperation (US\$ 4661 to US\$ 56.000).

**Effectiveness: SBDC – phase III performed well in an economically challenging context due to the COVID-19 pandemic, with satisfactory results even at the goal and outcome level**

SBDC III exceeded the targets of three out of four goal level (economic impact) indicators. The program exceeded, met, or closely met the targets of three out of five outcome level indicators. Concerning SBDC outputs, the program achieved eight out of 12 targets fully or partly and missed four targets. The evaluation managed to identify factors influencing program performance, as shown in the adjacent box.



**Impact: The evaluation finds a very high program impact based on trends in economic impact indicators.**

Changes in economic impact between SBDC – phases II and III show robust trends towards increasing SBDC impact, such as an increase of 160% in new businesses started in phase III compared to phase II of the program. In the same period, the number of jobs created increased by 591%.

The majority of SBDC clients are women-owned businesses in Guyana (59,84%), Barbados (57,17%), Belize (53,70%), and Jamaica (53,17) but only with 4,9% of SBDC clients being women-owned businesses in St. Kitts and Nevis. Jamaica shows the highest percentage of women-owned businesses engaged in international trade (43,24%). In general terms, Saint Lucia is the country with the highest percentage of SBDC clients trading internationally (55,04%) and Jamaica the lowest (12,09%), with a median of 34,5%. The clients' satisfaction survey shows still business development support needs (particularly in Saint Lucia), showing a low correlation compared to the age of MSMEs and also the length of SBDC support.

**Sustainability: The sustainability of the achievements under SBDC III are mixed, given governments' role in ensuring continued SBDC funding in program countries**

The final evaluation finds that the main strengths concerning the SBDC program's sustainability are the continued political commitment by governments, the value of the SBDC structure, and a cultural change moving away from silo cultures in most countries. The main weaknesses are uncertainties about continued government funding in a challenging economic environment in most countries and threats of external shocks like hurricanes or pandemics such as COVID-19. The evaluation revealed that the Institutional set-up and the size of the economies influence the work of SBDCs. Statutory agencies hosting SBDCs such as in Belize, Jamaica, or Saint Kitts and Nevis tend to have more autonomy for decision-making, enhancing SBDC business processes. In smaller economies, less SBDC support staff tends to be available, often fulfilling various roles and less specialized in SBDC-related issues. Finally, the evaluation finds that SBDC III lacks a formal exit strategy.

Based on a set of conclusions drawn from the key findings listed above, the evaluation makes the following targeted and prioritized **recommendations**:

R 1: SBDC team in the OAS: Include the programmatic components on i) access to finance and insurance, ii) MSME resilience building, and iii) more diverse technical support for the design of any future phase of the SBDC program.

**Prioritization: very high: next month**

R 2: Donor: Engage the OAS/GS in a dialogue about administrative reform to significantly enhance administrative processes.

**Prioritization: medium: next 6 to 9 months**

R 3: Donor: Reconsider two-year project cycles to fund OAS projects and programs and opt for longer implementation cycles.

**Prioritization: very high: next month**

R 4: Donor: Consider funding at least one other phase of the SBDC program and showcase the cost-efficiency of SBDC in the US administration as an example of successful multilateral engagement, which is value for money to the U.S. taxpayer.

**Prioritization: very high: next month**

For the design of any future phase of the SBDC program:

R 5: SBDC team in the OAS: Revise targets in the SBDC logframe and adapt them to the realities in SBDCs to better balance the program’s level of ambition.

**Prioritization: very high: next month**

R 6: SBDC team in the OAS: Consider addressing the issue of advancing the “digital frontier” in the Caribbean, including issues around online payment platforms through partnerships with relevant stakeholders.

**Prioritization: very high: next month**

R 7a: SBDC team in the OAS: Continue offering NeoSerra support, but on a declining scale and preferably through virtual engagement to existing SBDC countries as and where needed to strengthen the quality of NeoSerra reporting further.

R 7b: SBDC team in the OAS: Consider phasing out support on the SBDC model implementation in existing SBDC countries through the UTSA certification of SBDCs as an additional and final "quality assurance" mechanism.

R 7c: SBDC team in the OAS: Consider engaging with SBDCs to assess opportunities for the diversification of SME markets and how to engage in those complementary markets.

**Prioritization: very high: next month**

R 8: SBDC team in the OAS: Share lessons about the choices and effects for the institutional set-up of SBDCs with other countries and territories in the Caribbean which are currently outside the OAS SBDC program.

**Prioritization: medium: next 6 to 9 months**

R 9: SBDC team in the OAS: Include an explicit exit strategy in the design of any future phase of the SBDC program.

**Prioritization: very high: next month**



## Section I: Introduction

This document constitutes the final report of the final evaluation of the intervention titled “Small Business Development Centers Program in the Caribbean - Phase III.” The Organization of American States (OAS) implements phase III of SBDC (“the program or SBDC III”), and the United States Department of State funds the program. Phase III of the program implementation started on March 9, 2018, and is scheduled to end on January 12, 2021, following a 5-month non-cost extension following the coronavirus pandemic.

The United States Department of State funds the program with US\$ 1,377,684.16 (87.72% of total funding), complemented with in-kind funding of US\$ 175,077.20 from the OAS and US\$ 159,000.00 from the CARICOM Secretariat.

Following the mid-term evaluation between September and November 2019, this is the final evaluation of SBDC III.

### 1.1 Program background

The Terms of Reference (ToR) for the evaluation outline the program background as follows<sup>1</sup>:

“Micro, Small, and Medium-sized enterprises have long been identified as the catalyst for economic and social development in the Caribbean. A long history of entrepreneurial spirit has spawned the development of MSMEs in several sectors related to natural resources, manufacturing, agro-processing, and a myriad of services sectors. These MSMEs have often been credited with having the potential for the creation of forward and backward economic linkages, reducing foreign currency expenditure, and utilizing local raw material inputs. By virtue of their small size, MSMEs are also deemed flexible enough to ably respond to rapid changes in market conditions. Thus, the support and development of the MSME sector in the Caribbean region became a comprehensive economic development strategy that it is hoped could guarantee equitable short and medium term growth.

Despite significant efforts and resources expended in the development of the MSME sector in the Caribbean region, countries continue to be plagued by significant problems that hinder their development.

The SBDC model has successfully been in existence in the United States for over 36 years and has contributed to the enhancement of economic development in the United States through the provision of critical management and technical assistance to small businesses. It remains one of the United States’ largest small business assistance programs in the federal government.

A SBDC program was introduced in the CARICOM region in 2012, following a regional workshop in San Diego, California, organized by OAS' Department of Economic and Social Development in partnership with Caribbean Export Development Agency and the University of Texas in San Antonio. The approach of the program is to:

- i) Thrive on the joint investment of three key sectors; academia, public and private sectors to combine efforts and funds in order to guarantee the sustainability of the program and eliminates inefficiencies and duplication of efforts among agencies.

---

<sup>1</sup> Secretary-General of the Organization of American States: Project evaluation. Terms of Reference. Evaluation of the Small Businesses Development Centers Program in the Caribbean, pages 1 to 3

- ii) Focus on high value, long term, one-on-one assistance to help clients generate sustained economic impact that would lead to the establishment of new businesses, job creation, increases in sales, and access to capital.
- iii) Promote a results-oriented culture where SBDCs and the service professionals are continuously evaluated in terms of the economic impact generated through client work.

The first phase of the Caribbean SBDC program began in 2012 with five beneficiary countries Barbados, Belize, Dominica, Jamaica, and Saint Lucia. The purpose of the intervention was to improve the access of SMEs in the CARICOM region to sustainable and effective business assistance services based on the US SBDC model.

In 2015 the DPE coordinated a final evaluation of Phase I of the program. At the time, it was concluded that it was too early to judge the program based on results related to economic indicators, as four out of five centers were only recently launched and SBDC training and business development support.

Additionally, the Phase I evaluation recommendations suggested that planning for phase II of the SBDC program in CARICOM member states ought to continue to deepen the engagement with pilot countries (Barbados, Belize, Dominica, Jamaica, and Saint Lucia) and start engaging with a smaller number of new countries. Those countries are the CARICOM member States of Antigua and Barbuda, the Commonwealth of the Bahamas, and St. Kitts and Nevis.

The project document of SBDC – phase III outlines that "Phase three of the Project "Establishment of Small Business Development Centers (SBDCs) CARICOM Member States" will therefore continue to focus on the consolidation of the model in the current project countries with a view to promoting the integrity and sustainability of the established national and regional SBDC networks. Unlike phase two of the program, expanding the model to new territories will be limited to one new country. In Phase III<sup>2</sup>. The fledgling centers and country networks established in the context of phases I and II will benefit from activities to ensure scale-up and broader coverage and network sustainability. These will include:

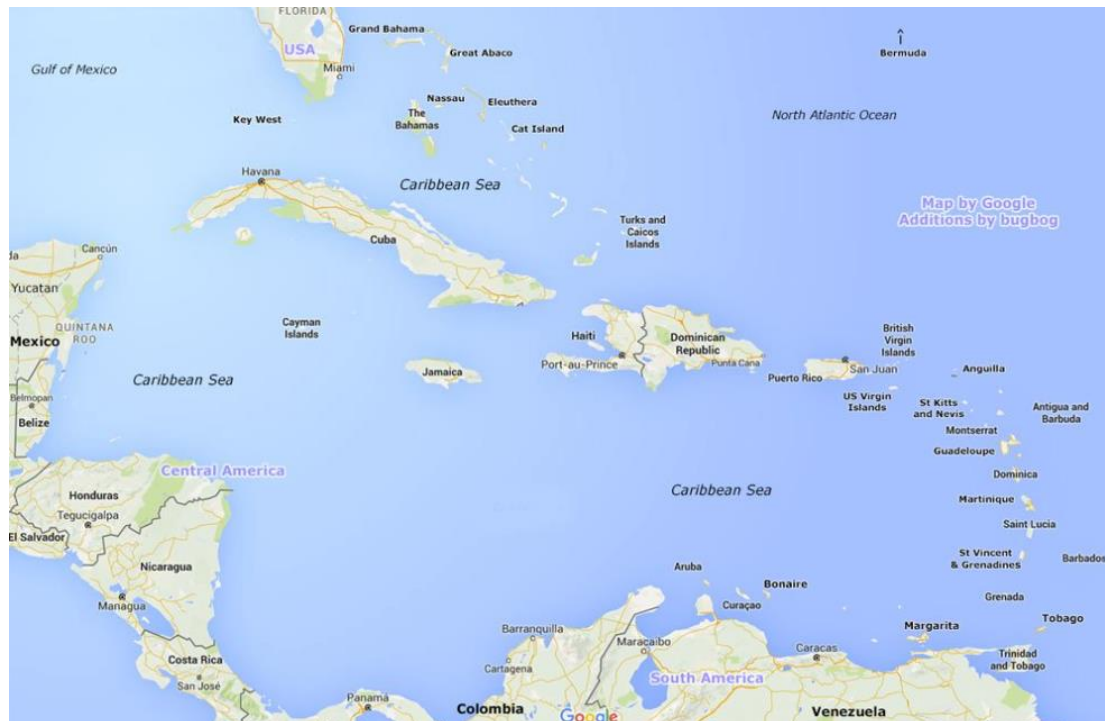
- **Offering professional development opportunities** to SBDC personnel, including observational learning visits to other established SBDC networks throughout Latin America, the Caribbean, and the United States, to expose SBDC directors and advisors to effective center operations, approaches, and best practices in similar country contexts.
- **Maximize the creation and capture of economic impact** to evaluate centers' performance;
- **Develop accreditation standards** that will guarantee the quality and consistency of the services as well as the implementation of management best practices across the national network;
- **Develop a framework for the delivery of specialized services** to respond to clients' changing and evolving needs"<sup>3</sup>.

---

<sup>2</sup>, Guyana joined the project while Dominica is no longer listed as a cooperation country.

<sup>3</sup> OAS General Secretariat, 2018: Establishment of Small Business Development Centers (SBDCs) Model in CARICOM Phase III. SID 1802. Project document, page 19.

Figure 1: Map of the Caribbean



## 1.2 Evaluation background and objective

The evaluation Terms of Reference (ToR)<sup>4</sup> outline the purpose of this final evaluation:

- “i) to assess the performance of the SBDC model Phase III in the beneficiary countries in the context of Phase I and II, by reviewing its achievements to date and comparing them to those established in the project objectives; and
- ii) to determine to what extent the recommendations and lessons learned from the evaluation of Phases I and II and the midterm evaluation of the current project, were taken into account in the execution of Phase III. More specifically, this evaluation will focus on conducting a robust cost-benefit analysis in using hard data derived from 7 years of program execution”.

The evaluation scope can be summarized as follows<sup>5</sup>:

- i) Conduct a summative assessment in order to determine the project’s achievements and performance.
- ii) Conduct a robust Cost-Benefit Analysis (CBA) using hard data derived from 7 years of program execution. The CBA should estimate the Net Present Value and the Internal Rate of Return to the investment at a 12% discount rate.

<sup>4</sup> Ibid, page 4

<sup>5</sup> Ibid. pages 4-5

- iii) Critically analyze the formulation, design, implementation, and management of the project and make recommendations as needed.
- iv) Determine if and how the recommendations made in past evaluations were applied in the design and execution of Phase III of the SBDC program (including phase III midterm evaluation).
- v) Document lessons learned and best practices related to the formulation, design, implementation, management, and sustainability.
- vi) Make recommendations, as appropriate, to improve the formulation, design, and implementation for future similar interventions.

The evaluation questions are listed in the evaluation matrix in Annex 5, based on the international evaluation criteria of relevance, efficiency, effectiveness, impact, and sustainability.

Expected users of this evaluation are the OAS, the United States Mission to the OAS, and SBDC stakeholders in CARICOM. The evaluation process is scheduled to take place between September 2020 and January 2021.

The OAS contracted an external evaluation specialist, Dr. Achim Engelhardt, to undertake this evaluation. The monitoring and evaluation consultant has supported the OAS in the evaluations of U.S. Permanent Mission-funded projects on several occasions since 2015.

### 1.3 Evaluation methodology and approach

The final evaluations’ work plan and evaluation framework presented the evaluation methodology and approach.

As for the midterm evaluation, the final evaluation of the SBDC program – phase III applied a theory-based evaluation. This approach specifies the program's intervention logic, building on a set of assumptions and outlining how the program designers think the change will happen.

While the focus of the evaluations of SBDC - phase I and SBDC – phase II was on reconstructing and assessing in detail the program’s theory of change, the midterm evaluation of SBDC – phase III only **validated the existing theory of change of SBDC – phase III**. The same light approach was successfully taken for the mid-term evaluation of SBDC III.

The evaluator validated this intervention logic by personally engaging the project team in the OAS Secretariat and via a survey with SBDC teams in the program countries.

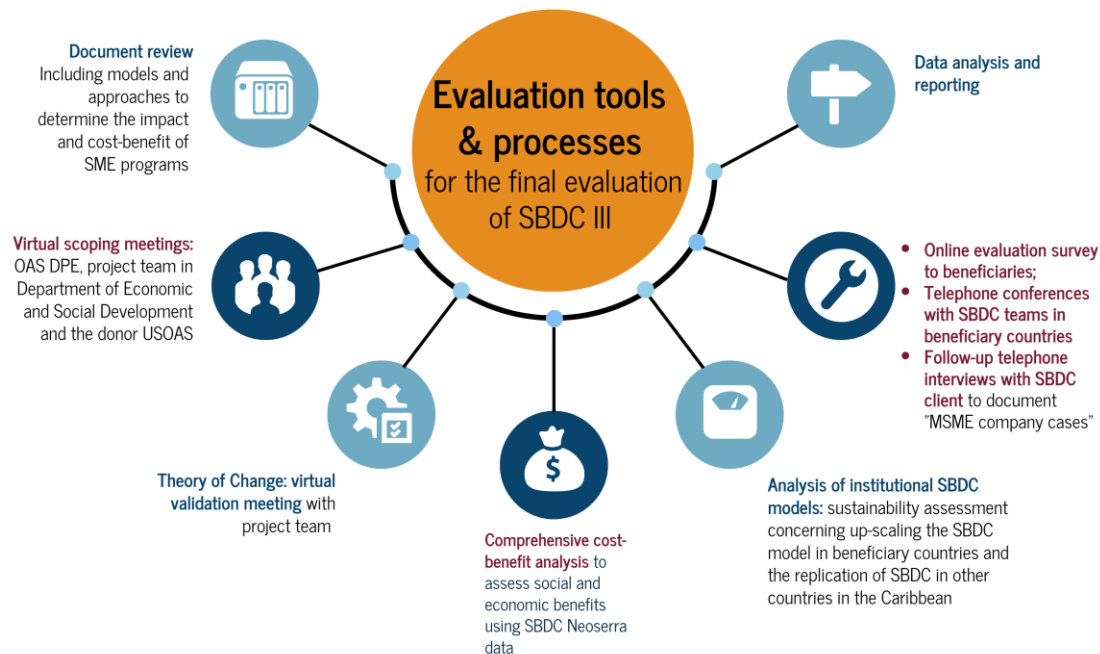
The SBDC program – phase III benefits from a logframe with specific, measurable, and time-bound indicators. For the output indicators, baselines, targets, and results are available for March 2019 and August 2019.

Logically the Theory of Change is linked to the logframe of the SBDC program – phase III.

The SBDC program – phase III benefits from a logframe with specific, measurable, and time-bound indicators. For the output indicators, baselines, targets, and results are available. The assessment of progress against those log frame indicators was the basis for evaluating the SBDC program's effectiveness – phase III at the end of the project cycle.

The evaluator used the following evaluation tools and processes summarized in Figure 2 for this evaluation, as agreed with the OAS:

**Figure 2: SBDC – phase III: evaluation tools and processes**



Source: Engelhardt, A. 08/2020:

Annex 2 contains the details of the evaluation tools and processes used for the final evaluation.

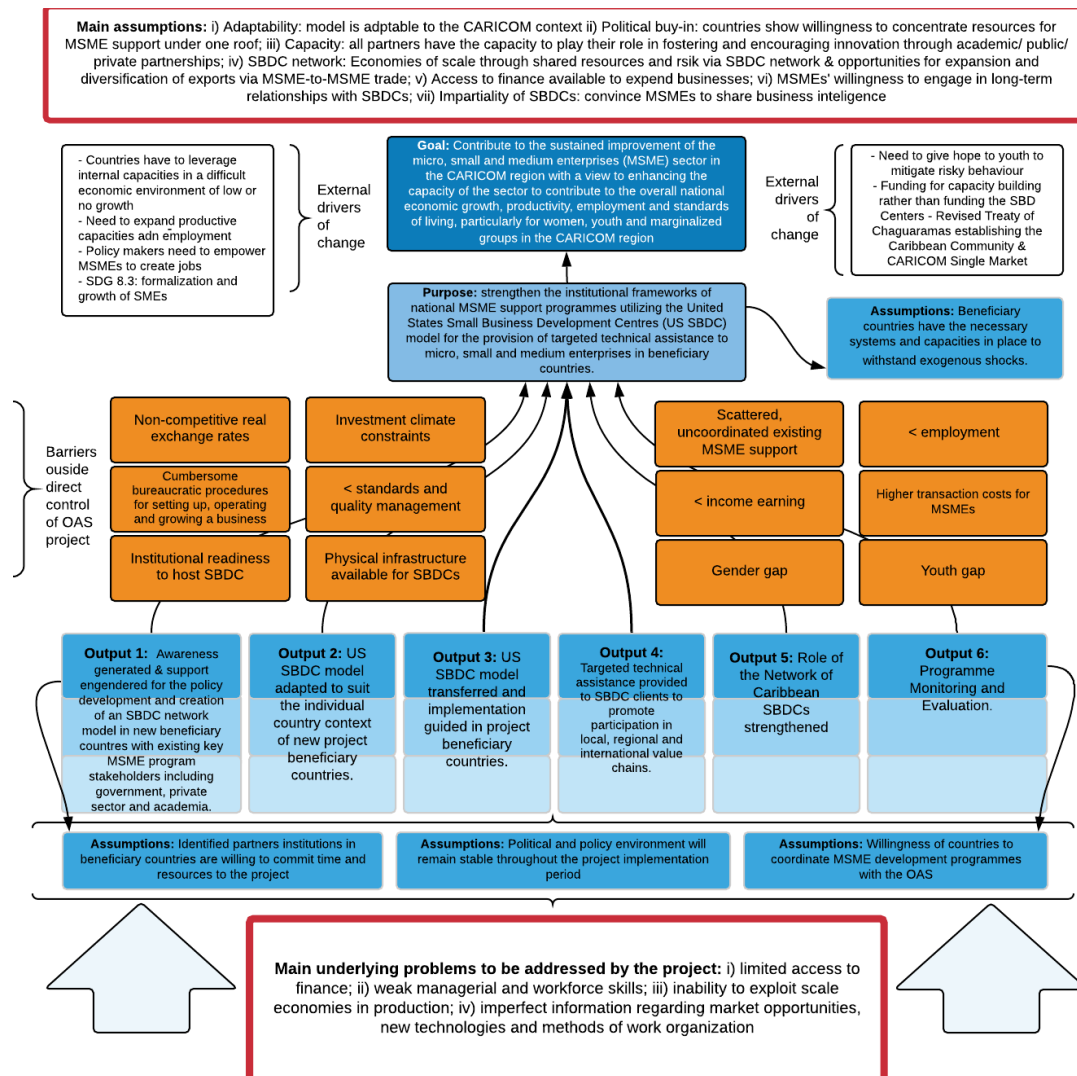
## 1.4 Limitations

The only limitation for the final evaluation of SBDC III was the lack of field visits for on-site observations and personal interviews with SBDC clients. This limitation was due to travel restrictions in the OAS as part of the mitigation measures of the coronavirus pandemic (COVID – 19). The evaluator mitigated this shortcoming through a comprehensive virtual engagement with SBDC teams and clients.

## 1.5 Reconstructed Theory of Change of SBDC III

Figure 2 presents the theory of change of SBDC III, reconstructed during the mid-term evaluation based on the project documents and its logframe. The evaluator validated the main assumptions of the theory of change with the project team and SBDCs in program countries through telephone interviews.

**Figure 2: Reconstruction of the Theory of Change for SBDC – phase III**



The reconstructed Theory of Change of the program contains the following elements:

- Formulation of the main problems
- Outputs (short-term results) and related assumptions
- Barriers to moving from outputs to outcomes (medium-term results)
- Outcomes
- Impact statement (long-term results)
- Linkages to external drivers of change catalyzing the achievement of the impact
- Main assumptions

Section 2.1 comprises a detailed assessment of the validity of the program's Theory of Change.



## Section II: Findings

### 2. Relevance: is the SBDC program doing the right thing?

This section addresses the evaluation criteria of relevance. Following the ToR and the subsequent evaluation matrix, the following sub-criteria are used: i) the validity of the program’s reconstructed Theory of Change (five sub-criteria); and ii) the relevance of the program in addressing issues of exclusion of vulnerable groups, including women and youth. The principal sources of evidence for this section are the document review, telephone interviews, the online survey, and the validation of the Theory of Change.

#### Key findings: The OAS is doing the right thing to support MSME’s in the Caribbean

- The program logic largely holds, but suffered from downsizing the initial SBDC III budget, which affected the holistic approach of SBDC taken during phase II;
- Five-years program cycles are the standard in SME development support, well beyond the donor's short program cycles of SBDC I, II, and III;
- Research evidence validates the export focus of SBDC in the Caribbean;
- The assumptions for the design of SBDC – phase III are still largely valid, with two caveats:
  - The lack of willingness to coordinate MSME support with the OAS at the political level accelerated the exit of Antigua and Barbuda from the SBDC program;
  - Administrative bottlenecks in the OAS/GS affect the program implementation;
- Gender: SBDCs address both men and women. Effects of the COVID-19 pandemic increased the demand for access to finance and non-traditional forms of funding, particularly for women-led MSMEs.



The evaluation finds that the relevance of SBDC III is very high, with a "green" score (78 out of 100)<sup>6</sup>. In two out of six rated sub-criteria, the program shows very strong performance, with four sub-criteria showing a strong performance.

#### 2.1 The validity of SBDC III’s Theory of Change

This section assesses the validity of the program’s theory of change, reconstructed during the mid-term evaluation of SBDC III. The evaluator validated the theory of change using a three-tiered approach: i) literature review; ii) validation call with the project team in the OAS; and iii) assessment of the main assumptions with SBDC teams in program countries.

While the mid-term evaluation of SBDC III assessed all elements of the theory of change in detail, the final evaluation undertakes a more general review.

The evaluation finds that program logic largely holds but suffered from downsizing the initial SBDC III budget, which affected the holistic approach of SBDC taken during phase II.

<sup>6</sup> Scores by sub-criteria: green: 3, green/amber: 2, amber/red: 1; red: 0 ; 2.1.1 = 3, 2.1.2 = 2; 2.1.3 = 2; 2.1.4 = 2, 2.1.5 = 2, 2.2 = 3. Total = 14 out of a maximum of 18. Overall performance = SUM (14/18\*100) (77,77%).



### 2.1.1 Overall intervention logic

The OAS's engagement in supporting the SME sector in the Caribbean through the SBDC program is fully defensible. The World Bank (2019) underscored the SME sector's importance for developing economies<sup>7</sup>. The IDB found in 2016<sup>8</sup> in a comprehensive synthesis study of 5,785 reports on SME support that “The findings suggest that overall SME business support has a positive impact on firm performances, employment creation, and labor productivity (...) as well as exports, innovation and investment”. Annex 3 provides further evidence.

As such, the OAS' engagement in supporting the SME sector in the Caribbean through the SBDC program is fully defensible.



### 2.1.2 Scope of SBDC III

The importance of institutional capacities for SME support emerged in Beck et al., (2005)<sup>9</sup> and an IDB meta-analysis (2016)<sup>10</sup>. The World Bank (2019) reiterated this focus's value by adding the significance of well-functioning markets. Annex 3 summarizes further relevant studies and research.

Despite the small program budget, this final evaluation of SBDC III finds a value in the program's broader approach addressing different fronts such as the policy environment, a focus on value chains, and regional networking. This broad approach was possible due to the program's partnership approach and outreach to leverage resources, for example, from Export Caribbean and Compete Caribbean. As such, the limited program resources were not spread too thinly.

During the design of SBDC III, the scope had to be narrowed down following budget adjustments. While the donor still preferred a geographic expansion of the program, the OAS project team had to cut program components as the only alternative to allowing for the required savings. As a result, the budget adjustments deprived SBDC III of the programmatic components on access to finance and insurance, as well as more diverse technical support and MSME resilience building.

**In hindsight and given the budget limitations, it would have been preferable to keep a broader programmatic approach rather than expending the geographical scope at the expense of the variety of technical support.**



### 2.1.3 Timeframe of SME support programs

<sup>7</sup> World Bank, 2019: World Bank Group support for small and medium enterprises. A synthesis of evaluative findings

<sup>8</sup> IDB/Cravo, Túlio A, 2016: <sup>SEP</sup>the impact of business support services for small and medium enterprises on firm performance in low- and middle-income countries: a meta-analysis. Inter-American Development Bank <sup>SEP</sup>Working Paper Series; 709, pages 2 and 30. <sup>SEP</sup>

<sup>9</sup> Beck, T., Demircuc-Kunt, A., Levine, R., 2005. SMEs, growth, and poverty: Cross-country evidence. Journal of Economic Growth 10, 197–227.

<sup>10</sup> IDB/Cravo, Túlio A, 2016: <sup>SEP</sup>the impact of business support services for small and medium enterprises on firm performance in low- and middle-income countries: a meta-analysis. Inter-American Development Bank <sup>SEP</sup>Working Paper Series; 709. <sup>SEP</sup>



The World Bank (2019)<sup>11</sup> restated a finding of the OECD (1997)<sup>12</sup> concerning the significance of longer-term SME support. The OECD (1997) found that “almost 70 percent of SME programmes last for more than five years. *Stable and predictable* programme management is in the interest of users”<sup>13</sup>

In this respect, the three phases of SBDC are laudable, though fewer phases with longer funding cycles would have been preferable to ensure stability and predictability from the launch of the SBDC program in the OAS. The final evaluation of SBDC – phase II, for example, recommended the donor to extend the SBDC funding cycle to at last three years<sup>14</sup>.



#### 2.1.4 Market access

Concerning market access, the SBDC approach is export-focused, which is supported, for example, by research from the IDB<sup>15</sup>.

The OECD (1997)<sup>16</sup> reported on the option to strengthen access to international markets or public procurement. The latter does not figure in the SBDC program but could become valuable in specific program countries, particularly in value chains in the aftermath of natural disasters when public infrastructure requires repairing. In the coronavirus pandemic and the accompanying economic crisis, every opportunity to diversify SBDC clients' markets will be desirable.

For SBDC, the potential to target SME's and prepare them for linkages to national and international supply chains emerges. This approach was successfully implemented in the past (UK's Business Linkages Challenge Fund)<sup>17</sup>, including in the Caribbean and potential is documented for example in the agri-food sector and tourism (World Bank, 2008<sup>18</sup>, Caribbean Agribusiness, 2020<sup>19</sup>). Opportunities also show for **supply chain visibility**, the key to coordination between food and beverage producers and domestic farms for national supply chains to ensure greater resiliency in the food system in times of disruption (COVID-19, Hurricanes)<sup>20</sup>. Annex 3 deepens the analysis of market access and business linkages.



#### 2.1.5 Assumptions

The evaluation finds that overall, the assumptions<sup>21</sup> for the design of SBDC – phase III are still valid. However, some differences across SBDC countries show.

<sup>11</sup> World Bank, 2019: World Bank Group support for small and medium enterprises. A synthesis of evaluative findings

<sup>12</sup> OECD, 1997: SMALL BUSINESSES, JOB CREATION AND GROWTH: FACTS, OBSTACLES AND BEST PRACTICES

<sup>13</sup> Ibid. page 4

<sup>14</sup> OAS/Engelhardt, A., 2018: Final evaluation of the Small Business Development Centers Program in the Caribbean – Phase II. Frankfurt and Geneva, May 2018.

<sup>15</sup> IDB INVEST, undated: SMEs and the challenge to export

<sup>16</sup> OECD, 1997: SMALL BUSINESSES, JOB CREATION AND GROWTH: FACTS, OBSTACLES AND BEST PRACTICES

<sup>17</sup> Engelhardt, A. et al, 2005: Mid-term evaluation of the DFID Business Linkages Challenge Fund

<sup>18</sup> World Bank. 2008. Organization of Eastern Caribbean States - Increasing Linkages of Tourism with the Agriculture, Manufacturing, and Service Sectors. Washington, DC.

<https://openknowledge.worldbank.org/handle/10986/7922>

<sup>19</sup> <https://agricarib.org/resources/details/54>

<sup>20</sup> DAI, 2020: Supply Chain Visibility to promote Food Security and MSME resiliency in Caribbean Markets

<sup>21</sup> SBDC III assumptions comprise the following:

- Beneficiary countries have the necessary systems and capacities in place to withstand exogenous shocks.
- The willingness of countries to coordinate MSME development programs with the OAS
- Identified partners institutions in beneficiary countries are willing to commit time and resources to the project.
- Political and policy environment will remain stable throughout the project implementation period.
- OAS remains a neutral and trusted partner in the business development sector
- OAS remains an efficient multilateral partner in the Americas

The strengths of MSME support systems and capacities are showing during the COVID-19 pandemic in Jamaica thanks to the broad SBDC partner network and the Bahamas due to the substantial SBDC budget and the mobilization of IDB support. However, Saint Lucia suffered a reduction of public sector staff wages, affecting the capacities, morale, and motivation of the SBDC and thus exposing vulnerabilities.

The willingness to coordinate MSME support with the OAS seems very high in Belize, Jamaica, Saint Lucia, and Saint Kitts and Nevis. Antigua and Barbuda's willingness was not visible at a political level, accelerating its exit from the SBDC program. In Guyana, following the protracted election process, the project team still needs to re-engage with the new administration.

The OAS's efficiency as an SBDC implementation partner is affected by administrative bottlenecks in the OAS/GS, slowing down SBDC implementation even further in the COVID-19 pandemic. All other assumptions mostly hold.



## 2.2 Inclusion of vulnerable groups, including women and youth

SBDCs address both men and women. In Barbados's case, the Youth Entrepreneurship Program, an SBDC partner, exclusively focuses on youth. The percentage of women-led SBDC clients is above 50% in four program countries.

The project team's push for digital outreach in the course of the coronavirus pandemic enabled to reach specifically female entrepreneurs through a webinar series. The pandemic's effects increased the demand for access to finance, and the need for non-traditional forms of funding for women-led MSMEs emerged, as also identified by the donor.

SBDC's in the larger program countries of Belize and Guyana specially target rural populations

- 
- OAS convening power remains high

### 3. Efficiency: were resources used appropriately to achieve program results?

This core section of the evaluation contains the cost-benefit analysis of the SBDC program since its launch in 2013 in the context of assessing the efficiency of SBDC – phase III. The evaluator used the following set of sub-criteria, as presented in the ToR: i) the application of results-based management principles, including monitoring mechanisms; ii) use of lessons learned and recommendation of the mid-term evaluation of phases III; iii) cost-benefit of SBDC since its inception; and iv) analysis of selected economic impact indicators;

The evaluation used the document review and interviews as the primary sources of evidence for this section.

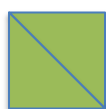
**Key findings: The U.S. investments in the SBDC program since 2013 are value for money for the U.S. taxpayer based on a high benefit-cost ratio, resulting in US\$ 26,27 for each US\$ invested**

- The project team applied results-based management principles, complying with the OAS/GS standard reporting format and producing high-quality monitoring;
- The OAS acted upon six out of seven mid-term evaluation recommendations targeted at the project team;
- The total benefit-cost-ratio using the direct capital funding leveraged, but excluding indirect benefits, based on NeoSerra data: US\$ 26,27 for each US \$ invested by the donor;
- SBDC's benefit-cost ratio compares favorably with the benefit-cost ratio of similar programs but with much larger budgets (US\$ 105m to US\$ 205m) funded by the European Union, Canada, or the United Kingdom (ratio of 1.3 to 11.3) but is outperformed by a US\$ 50m World Bank SME loan project (ratio of 70);
- The cost per job created (US\$ 1.368) compares favorably with the costs incurred for employment-related programs in the United States, Canada, or the Swiss Development Cooperation (US\$ 4661 to US\$ 56.000);



The evaluation finds that the efficiency of the program is very high, with a "green" score (92 out of 100)<sup>22</sup>. In three out of six rated sub-criteria, the program shows very strong performance, with three sub-criteria showing a strong performance. By August 19, 2020, 48.24% of the donor's project budget was disbursed for the payments of goods and services, with finalized plans to invest the entire project budget by January 2021, depending on the efficiency of the OAS administration to timely advance contracting.

<sup>22</sup> Scores by sub-criteria: green: 3, green/amber: 2, amber/red: 1; red: 0 ; 3.1 = 3, 3.2 = 3; 3.3 = 3; 3.3.1 = 2, Total = 11 out of a maximum of 12. Overall performance = SUM (11/12\*100) (91,67%).



### 3.1 Application of results-based management principles, including monitoring mechanisms

The mid-term evaluation of SBDC III assessed the appropriateness of logframe indicators in detail, with satisfactory results. Hence, this section focuses on the monitoring and reporting of the program as a basis for results-based management.

The evaluation reviewed four Reports on Progress of Project Implementation (RPPIs), the OAS/GS standard reporting format on project progress and results. The evaluator found that the reports are of high quality and comply with the OAS reporting format. For each indicator, the project team provides baselines, targets, and actual data, facilitating program performance tracking.

The RPPIs transparently document reasons for the project team's decision making, for example, the decision for suspending the engagement with Antigua and Barbuda due to the lack of progress in implementing the MoU with the OAS on SBDC III.

Concerning the project implementation, the donor granted the project team a six-month no-cost extension of the program, given a slowdown program implementation following the coronavirus pandemic. During the evaluation process, the evaluator witnessed several action lines for the project team to finalize all outputs. The delivery of those activities depends on the OAS administration's efficiency in the General Secretariat, which further slowed down considerably during the coronavirus pandemic. Only if service providers can be contracted in time will the delivery of remaining activities start from early December 2020 onwards. Delays would push back the implementation of activities well into the new year, with a likelihood of non-delivery of some planned activities.



### 3.2 Use of lessons learned and recommendations from the mid-term evaluation

The evaluation finds that the OAS acted upon six out of eight recommendations of the mid-term evaluation of SBDC III, including six out of seven recommendations targeted at the project team. The lessons learned at mid-term were only relevant for any future phase of SBDC or similar regional OAS projects. Annex 3 summarizes the evidence for the above assessment.



### 3.3 Cost-benefit of SBDC since its inception

This section addresses the cost-benefit of SBDC III based on several criteria used in NeoSerra in Barbados, Belize, Guyana, Jamaica, Saint Kitts and Nevis, and Saint Lucia. Those criteria include:

- Number of MSME clients counseled
- Percentage of new clients counseled
- Number of new businesses started
- Number of jobs created
- Amount of capital funding assured

The evaluation put those results in the context of the donor investments since the inception of SBDC in 2013 to calculate different elements of cost-benefit.

While for many calculations data is available annually, the evaluator chose to present only total results in this section, in line with the ToR for this evaluation. The analysis uses available anonymous NeoSerra data with the caveat of certain levels of underreporting across SBDC.

NeoSerra is a customer relations database which the US SBDC model uses. The OAS program also applies NeoSerra in the Caribbean for SBDCs to track SME customer support. Besides, the system also allows for economic impact reporting on standardized indicators such as the number of businesses created, number of jobs created or amount of capital funding accessed.

The OAS funds the NeoSerra licences for SBDC’s in the Caribbean as part of SBDC III.

Figure 3 summarizes the total net benefits and total benefit-cost-ratio using the direct capital funding leveraged based on NeoSerra data<sup>23</sup>: US\$ 26,27 for each US \$ invested by the donor. This calculation used direct capital funding accessed by 16.738 SBDC clients<sup>24</sup> between 2015 and 2020. Annex 7 specifies the clients by country and year. The direct capital leveraged through loans or equity reached US\$ 128,391,257 between 2015 and 2020. Annex 7 contains details of capital leveraged by year and country. The variables considered for the calculation are the capital SBDC clients leveraged only. The evaluator did not include important indirect benefits such as employment effects or additional taxes raised through businesses' formalization, given the absence of available data. As such, real the benefit-cost ration of phases I, II and II of the SBDC program is likely to be much higher. Finally, the calculation uses a zero % discount rate.

**Figure 3: Total net benefits and total benefits-cost ratio 2013 - 2020**

<b>Total present value of program costs</b>	US\$ 4,708,350
<b>Total present value of program benefits*</b>	US\$ 128,391,257
<b>Total present value of net program</b>	US\$ 123,682,907
<b>Total benefit-cost ratio</b>	26,27

\*Using the total amount of capital funding accessed

Source: OAS project team/ NeoSerra (2020), SBDC Bahamas (2018/2019), own analysis

Figure 4 presents a benchmark of benefit-cost ratios for SME support programs and research and development.

SBDC’s benefit-cost ratio compares favorably, for example, with the benefit-cost ratio of US\$ 4.9 achieved by the Canada Small business financing program (2019).<sup>25</sup>

In 2013, the European Investment Bank assessed the benefit-cost ratio of its investments showing very moderate results for multi-million dollar investments<sup>26</sup>:

- EURO 153,26 million/US\$ 203,52million<sup>27</sup> research and development project with benefit/cost ratio of 1.3

<sup>23</sup> SBDC Bahamas provided this data based on other reporting, as the center does not sue NeoSerra but Zoho I.

<sup>24</sup> Excluding Bahamas.

<sup>25</sup> Innovation, science, and economic development Canada, 2019: Canada Small business financing program. Cost-benefit analysis

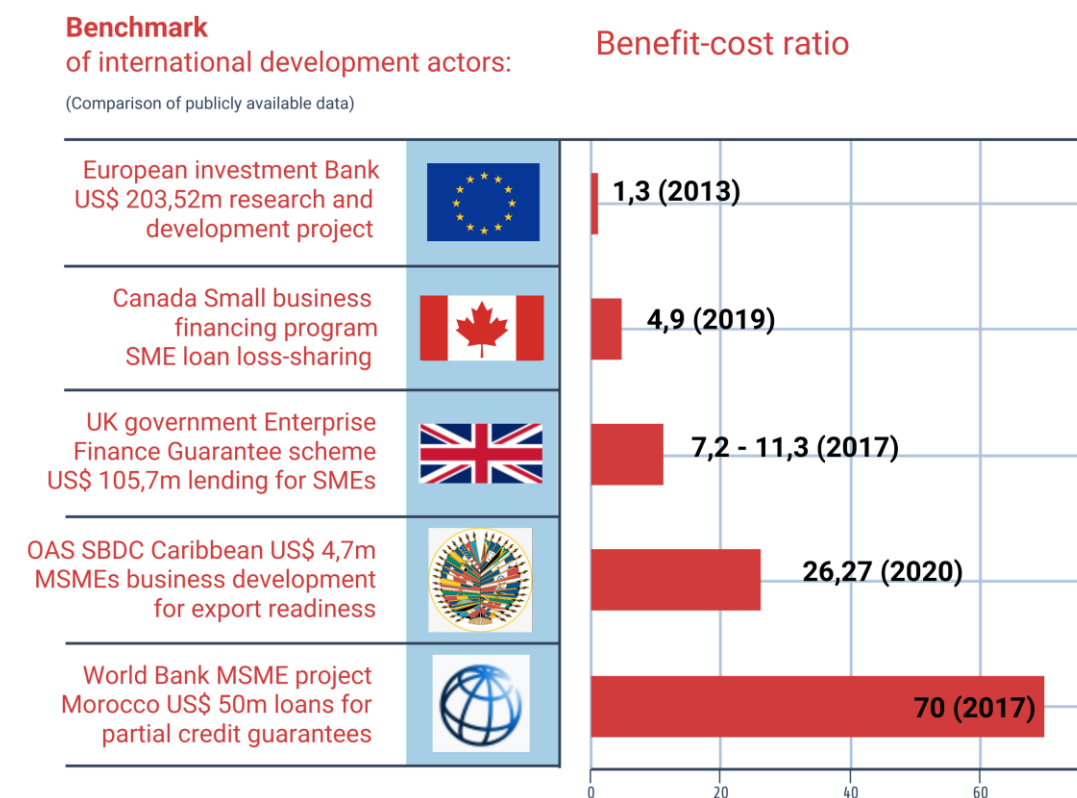
<sup>26</sup> European Investment Bank, 2013: The economic appraisal of the investment projects at the EIB. [https://www.eib.org/attachments/thematic/economic\\_appraisal\\_of\\_investment\\_projects\\_en.pdf](https://www.eib.org/attachments/thematic/economic_appraisal_of_investment_projects_en.pdf)

<sup>27</sup> Average exchange rate for 2016 : EURO 1 = US\$ 1.328 . Source : [exchangerates.org.uk](http://exchangerates.org.uk)

The evaluation of the Enterprise Finance Guarantee (EFG) scheme, an £ 82 million/US\$ 105,7 million UK government-guaranteed lending arrangement for British SMEs, showed a benefit-cost ratio ranging from 7.2 to 11.3 (London Economics, 2017)<sup>28</sup>.

The World Bank instead reported a benefit-cost ratio of 70 for the support for the issuance of partial credit guarantees of its Micro, Small and Medium Enterprise (MSME) Development Project in Morocco (2012-2017). The objective of the US\$ 50 million loan program was to improve access to finance for MSMEs in the Kingdom of Morocco<sup>29</sup>.

**Figure 4: Benchmark of benefits-cost ratio in support for SMEs and Research and Development**



Sources: Innovation, science and economic development Canada (2019); World Bank (2018); London Economics, 2017; European Investment Bank (2013). Analysis and design, A. Engelhardt 11/2020

Those examples from (international) financial institutions with significantly higher investments put the SBDC program in an interesting context. At the same time, the analysis shows the attractiveness and extremely high performance of the OAS SBDC program for the SBDC donor, the U.S. Department of State, and ultimately the U.S. taxpayer.

SBDC III's internal rate of return is 2627%, based on the donor investment of US\$ 4.708.350 and the total capital funding leveraged of US\$ 128.391.257.

<sup>28</sup> <https://londoneconomics.co.uk/wp-content/uploads/2017/11/Economic-impact-evaluation-of-the-Enterprise-Finance-Guarantee-scheme-November-2017-s.pdf>

<sup>29</sup> World Bank Independent Evaluation Group (2018): Implementation Completion Report Review. MA-MSME Development (P129326). <http://documents1.worldbank.org/curated/en/342831537371685408/pdf/Morocco-MA-MSME-Development.pdf>

**Table 1: Cost-benefit results of SBDC, 2015 to 2020**

	Number of new businesses started	Cost per business started (US\$)	Number of jobs created	Jobs created per 100.000 inhabitants	Cost per job created (US\$)	Total population
Bahamas*	n/a		21	5,27		398,480
Barbados	53		260	90,7		286,640
Belize	310		1.206	314,8		383,070
Guyana	19		3 <sup>30</sup>	0,4		783,766
Jamaica	755		688	23,4		2,934,860
Saint Kitts & Nevis	31		160	305,1		52,440
Saint Lucia	27		1.124	617,7		181,980
<b>Total</b>	<b>1.195</b>	<b>3.940,04</b>	<b>3462</b>		<b>1.360<sup>3132</sup></b>	

Sources: OAS project team/ NeoSerra (2020), \* 2018/2019

Population data: <https://data.worldbank.org/indicator/SP.POP.TOTL> calculations by the evaluator

Table 1 shows the number of new businesses started between 2015 and 2020 by country, the average cost per business started (US\$ 3940,04), and the number of jobs created (3441). The jobs created in the SBDC countries are calculated per 100.000 inhabitants for better comparability. This data is put in the context of the total population in SBDC countries.

The cost per job created amounts to US\$ 1.360,00 (November 2020) for the donor. This figure compares to an investment of US\$ 2722,68 for each job created found at the mid-term evaluation of SBDC III (January/March 2019).

This cost compares favorably with the costs incurred for employment-related programs in the United States. Those costs range from US\$ 16.340 in the U.S. Small Business Investment Company (SBIC) Program according to the Library of Congress – Federal Research Division<sup>33</sup> to US\$ 34.000 in the Minnesota Emergency Employment Development Program (1983 – 89) and US\$ 56.000 for U.S. job creation tax credit (W.E. Upjohn Institute for Employment Research, 2010)<sup>34</sup>.

The cost of job created of US\$ 1.368,21 in SBDC also compares favorably to the costs per job created of US\$ 3521 in phase I of Compete Caribbean (2012-2016)<sup>35</sup> or US \$ 4661,13 of the Canada Small business financing program (2019).<sup>36</sup>

<sup>30</sup> Only data for 2019 was available

<sup>31</sup> 3441 jobs created with a total of US\$ 4.708.350 donor funding during phases I, II, and III of the OAS SBDC program in the Caribbean

<sup>32</sup> Includes both full-time and part-time jobs

<sup>33</sup> Library of Congress – Federal Research Division, 2017: Measuring the Role of the SBIC Program in Small Business Job Creation

<sup>34</sup> Bartik, Timothy J. 2010. "Estimating the Costs per Job Created of Employer Subsidy Programs." Presented at Upjohn Institute conference on "Labor Markets in Recession and Recovery," October 22-23, Kalamazoo, MI.

<sup>35</sup> Using the total number of jobs created (5595) and the total project budget of US\$ 19,7m (CCF funding only, no co-financing by other donors or governments) own calculations using the following source: Technopolis, 2016: Final evaluation of the Compete Caribbean Program

<https://www.competecaribbean.org/documents/phase-i-evaluation-report/>

<sup>36</sup> Innovation, science and economic development Canada, 2019: Canada Small business financing program. Cost-benefit analysis. Own calculations. Exchange rate 1 Can\$ = 0,77 USD (source: xe.com, 2019)



The Swiss Agency for Development and Cooperation estimated the cost-benefit of its youth employment project in Bosnia and Herzegovina (Europe) in the mid-2010s with an investment of US\$ 25.752 per job created<sup>37</sup>.

The evaluation analyzes the differences between countries concerning the number of jobs created per 100.000 inhabitants in section 3.3.1.

**Table 2: SBDC inputs and results, 2015 to 2020**

	Number of clients counseled	% of new clients counseled (2020)	Number of client hours	Capital funding gained (US\$)	Average capital funding per client (US\$)	Average capital funding gained vs. client hour spent (US\$)
Bahamas*	1.044	n/a	6.655	1.480.683	1.418	222,49
Barbados	1.656	44,31%	6.292	416.169	251	66,14
Belize	1.694	44,27%	5.670	24.919.337	14.710	4.395,20
Guyana	0	n.a.	n.a.	9.200.000	n.a.	n.a.
Jamaica	12.262	31,43%	29.878	91.516.776	7.463	3.063,03
Saint Kitts & Nevis	130	62,96%	292	56.000	432	191,48
Saint Lucia	996	21,95%	6660	802.292	806	120,46
<b>Total</b>	16.738			128.391.257	7582,18 (average)	2601,06 (average)

Source: OAS project team/ NeoSerra (2020), own analysis, \* 2018/2019

The cost-benefit analysis continues with Table 2 listing the number of clients counseled, including the percentage of new clients and the number of client hours. The capital funding gained per country is put in context with the number of clients and number of client hours spent.

SBDC Saint Kitts and Nevis, established in phase II of the program, recorded the counseling of 62,96% of new clients in 2020. SBDC Saint Lucia reported 21,95% of new clients counseled, followed by SBDC Jamaica (31,43%), both SBDCs established in SBDC phase I.

Figure 3 also presents remarkable differences in the results of SBDC's based on the average capital funding gained by SBDC clients if put in relation to the number of client hours. In the smaller economies of Saint Kitts and Nevis and Saint Lucia, the average capital funding gained by SBDC clients, if put in relation to the average number of client hours, ranges from USD 120,46 in the former country to US\$ 191,46 in the latter one.

In the larger countries of Jamaica (US\$ 3.063,03) and Belize (US\$ 4.395,20) the capital funding gained compared to the client counseling hours invested is significantly higher, up to 37 times comparing Belize with St. Kitts and Nevis and 23 times if comparing Belize with Saint Lucia. While the GDP per capita of St. Kitts and Nevis reaches US\$ 29,098, it reached US\$ 15.225 in Saint Lucia, US\$8,467 in Belize, and US\$ 9.726 in Jamaica (IMF, 2018)<sup>38</sup>. Hence, the evaluation finds that in the larger, less wealthy economies, the SBDC's effect on leveraging capital funding is much higher than in the smaller, wealthier economies.

This pattern also seems to show for Barbados, with the lowest amount of average capital funding gained by SBDC clients when put in relation to the average number of client hours.

<sup>37</sup> Calculation by the evaluator. Based on the 125 jobs expected, exchange rate: 1 CHF = 1.11 USD; <http://deza-pcmi-lernbuch-3.prod2.lernetz.ch/download/1490>

<sup>38</sup> International Monetary Fund (2018). "Report for Selected Countries and Subjects." World Economic Outlook Database, October 2018. Retrieved October 28, 2018.



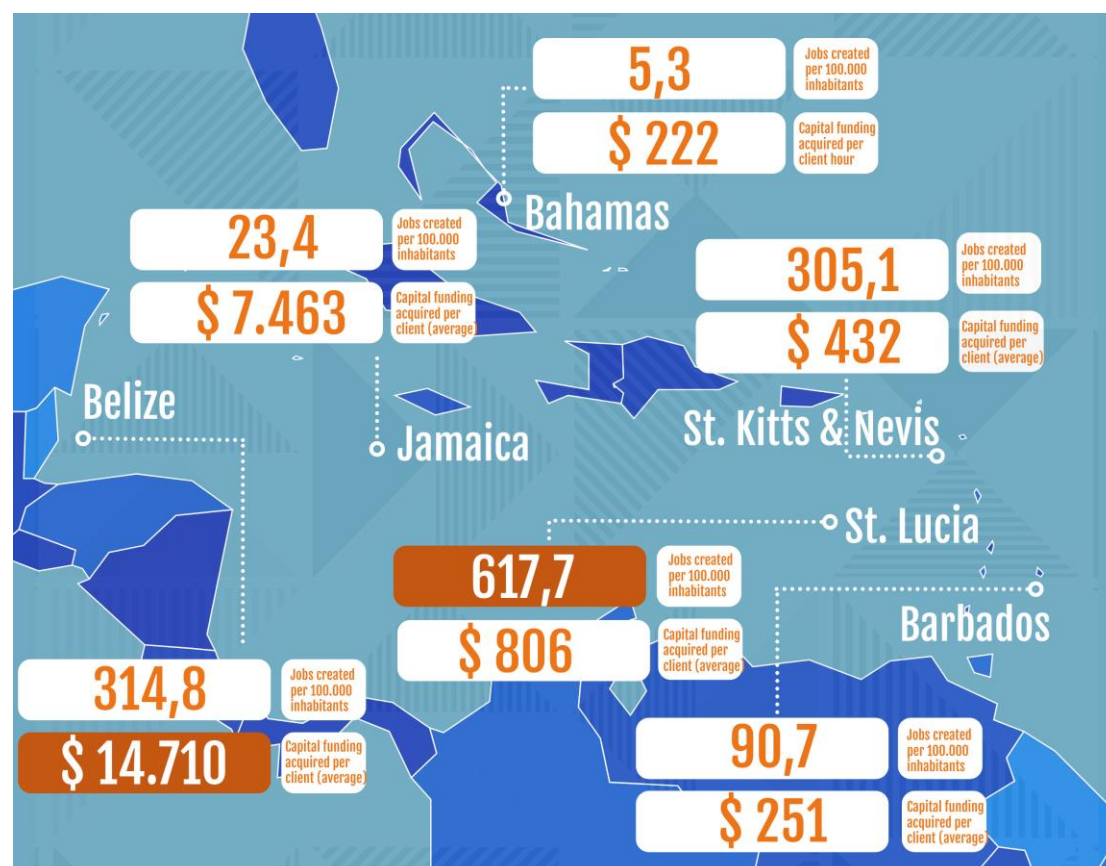




### 3.3.1 Analysis of selected economic impact indicators

As shown in Table 2, a value-added of NeoSerra data is its power in showing economic impact, also by cross-referencing results by indicators. Figure 5 presents the number of MSME jobs created following SBDC support per 100.000 inhabitants, and the average capital funding acquired per SBDC client. Both calculations allow for comparability between SBDC countries.

**Figure 5: Jobs created per 100.000 inhabitants and average capital funding acquired per SBDC client**



Source: OAS project team/ NeoSerra (2020) Analysis and design, A. Engelhardt 11/2020

When comparing the jobs created by SBDC clients per 100.000 inhabitants, results in Saint Lucia are particularly encouraging with 617,7 jobs created, followed by Belize with 314,8 jobs and Saint Kitts and Nevis with 305,1 jobs per 100.000 inhabitants. The significantly lower number of jobs created per 100.000 inhabitants in Jamaica (23,4) can be partly explained by the much larger population, 16 times larger than in Saint Lucia, and far larger geographic distances between potential SBDC clients and the SBDCs, which makes the penetration of SBDC's in the MSME sector more challenging. However, this explanation seems less valid for the lower results Barbados, with 90,7 jobs created per 100.000 inhabitants, with a population only 1.6 times larger than Saint Lucia and both being small island states with the proximity of SBDCs to potential clients.

Concerning the capital funding acquired on average per SBDC client between 2015 and 2020, significant differences emerge between the SBDC countries in the Caribbean. SBDC Belize was particularly successful in this regard, with its clients accessing an average of US\$ 14.710 in

capital funding, either through equity capital, small business loans, or other loans. Clients of SBDC Jamaica accessed an average of US\$ 7.463. Those larger economies with more sizable markets show a clear distinction from the small island states. The average capital funding SBDC clients accessed in Saint Lucia amounted to US\$ 806, US\$ 432 in Saint Kitts and Nevis, and US\$ 251 in Barbados. The latter results are somehow surprising, Barbados being the largest economy in the Eastern Caribbean (U.S. Department of State, 2020)<sup>39</sup> and the country with the lowest level of inequality in the Caribbean (OECD, 2018)<sup>40</sup>.

---

<sup>39</sup> U.S. Department of State, 2020: 2020 Investment Climate Statements: Barbados  
<https://www.state.gov/reports/2020-investment-climate-statements/barbados/>

<sup>40</sup> OECD, 2019: Latin America Outlook 2019. Special feature. The Caribbean small states  
<http://www.oecd.org/dev/americas/LEO-2019-Chapter-6.pdf>

## 4. Effectiveness: were program results achieved, and how?

This section of the evaluation report analyses the achievement of program results under the evaluation criterion of effectiveness. The sub-criteria are based on the agreed evaluation matrix presented in the evaluation work plan. Those sub-criteria comprise i) the results by logframe indicators (goal, outcome, and output level); ii) program contribution to results; iii) internal and external factors influencing program results; and iv) unintended positive and negative results.

This section's data sources are the document review, interviews, and the online survey and provide a robust evidence base.

### Key findings: SBDC – phase III performed well in an economically challenging context due to the COVID-19 pandemic, with satisfactory results even at the goal and outcome level.

- SBDC III exceeded the targets of three out of four goal level (economic impact) indicators. The program exceeded, met, or closely met the targets of three out of five outcome level indicators. Concerning SBDC outputs, the program achieved eight out of 12 targets fully or partly and missed four targets.
- Positive factors influencing program performance included:
  - Growing traction of the MSME sector with governments and the general public;
  - COVID-19 pandemic pushed the technological barriers and increased the demand for digital solutions such as online payment platforms;
  - Consistent leadership of SBDC in program countries; and
  - Consistency in the project management in the OAS in championing SBDC.
- Negative factors affecting program performance included:
  - COVID-19 constraining SBDC teams to reach out to its clients, combined with a low level of digitalization. SBDC clients suffered negative economic impacts;
  - Staff turnover in SBDCs with government staff moving positions;
  - Sub-optimal administrative processes in the OAS/GS slowing down program delivery;
  - OAS GS administrative rules and regulations discourage raising external funding to OAS departments.



The evaluation finds that the efficiency of the program is very high, with a "green" score (79 out of 100)<sup>41</sup>. In eight out of 13 rated sub-criteria, the program shows very strong performance.

<sup>41</sup> Scores by sub-criteria: green: 3, green/amber: 2, amber/red: 1; red: 0 ; 4.1 = 3, 3, 3, n/a (goal), 3, 3, 0, 2, 2, n/a (purpose), 2, 3, 2, 1 (outputs), 4.1 = 3, 4.3 = n/a; 4.4 = 3. Total = 33 out of a maximum of 42. Overall performance = SUM (33/42\*100) (78,57%).

## 4.1 Results of SBDC – phase III

The project team's systematic monitoring in four RPPIs provides a robust evidence base for assessing the achievement of program outputs and outcomes, as targets were specified for all logframe indicators.

### Goal

In response to a previous evaluation recommendation as part of the final evaluation of SBDC – phase II<sup>42</sup>, the project team identified goal level indicators for phase III of the program. Given the available economic impact data which SBDCs regularly collect through NeoSerra reporting, the project team reported on four goal level indicators.


Based on the four goal level indicators, the evaluation finds that the project contributed to the achievement of its goal:

*"Contribute to the sustained improvement of the micro, small and medium enterprises (MSME) sector in the CARICOM region with a view to enhancing the capacity of the sector to contribute to the overall national economic growth, productivity, employment and standards of living, particularly for women, youth and marginalized groups in the CARICOM region."*

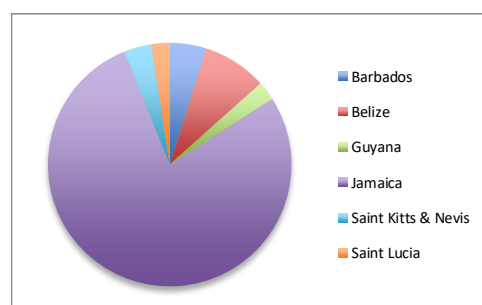
The evaluation finds that the project team was overly cautious in the target setting for the goal level indicators. The program exceeded targets for three out of four goal level indicators by up to 200 times.

The data presented below uses NeoSerra data from five out of the seven SBDC program countries Barbados, Belize, Jamaica, Saint Kitts and Nevis, and Saint Lucia. Where available additional data from SBDC Bahamas complements the analysis, based on a different customer relations database.

#### Goal level indicator 1:

	Fifty (50) new businesses started in all project beneficiary countries by 2020.	Baseline	Planned end of project	Achieved: November 2020
		0	50	740


The final target for goal level indicator 1 is exceeded. The evaluator's analysis of NeoSerra data revealed that between January 2018 and November 2020, 740 new businesses started. Differences by country show, as presented in the adjacent graphic<sup>43</sup>. This timeframe largely overlaps with phase III of the SBDC program, which started in March 2018 and is due to end in March 2021.



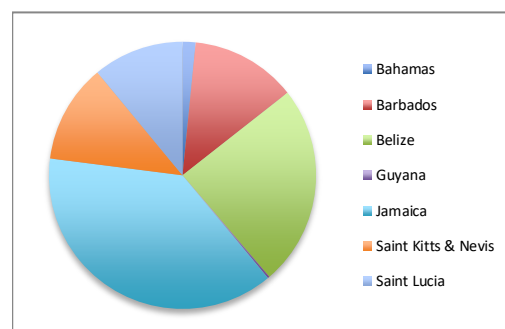
<sup>42</sup> OAS/Engelhardt, A., 2018: Final evaluation of the Small Business Development Centers Program in the Caribbean – phase II. Frankfurt and Geneva.


<sup>43</sup> Barbados: 36, Belize: 63, Guyana: 19, Jamaica: 577, Saint Kitts and Nevis: 27 and Saint Lucia: 18 (740 in total)

**Goal level indicator 2:**

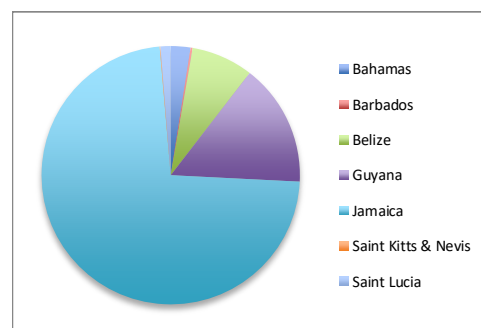
 Fifty (50) jobs created in project beneficiary countries by 2020	Baseline	Planned end of project	Achieved: November 2020
	0	50	1327


For goal level indicator 2, the final target is also exceeded. Between 2018 and 2020, SBDC clients created 1327 jobs. Again, SBDC Jamaica is top of the table with 505 jobs created. SBDC Belize follows with 323 jobs created, SBDC Barbados with 170 jobs created, and SBDC Saint Kitts and Nevis (159 jobs). SBDC Saint Lucia reported the creation of 146 jobs, SBDC Bahamas 21 jobs (in 2018 and 2019), and SBDC Guyana 3 jobs.

**Goal level indicator 3:**

 Three hundred thousand (USD300,000) worth of capital infusions to MSMEs realized through the assistance of the SBDCs by 2020	Baseline	Planned end of project US\$	Achieved November 2020 US \$
	0	300,000	60.045 Million

NeoSerra data reveals that the final target for goal level indicator 3 is exceeded by 200 times. By November 2020, SBDCs reported capital inclusions of US\$ 60,045 m to SBDC clients between 2018 to 2020<sup>44</sup>. In 2019, SBDC registered a peak with US\$ 30,63m, 51% of the total access to finance gained for SBDC III. Those numbers decreased to US\$ 15,25m in 2020, in a challenging business environment following the COVID-19 pandemic.

**Goal level indicator 4:**

Percentage increase in the resources allocated by beneficiary governments towards the support of national SBDC/MSME development programs by 2020	Baseline	Planned end of project	Achieved November 2020 US \$
	0	+ 15% in financial resources	Data collection ongoing

As SBDC III ends in January 2021, the project team was still engaged in collecting data on this indicator at the time of the final evaluation.

<sup>44</sup> Bahamas: US\$ 1,48m, Barbados: US\$ 0,15m (2018-2019), Belize, US\$ 4,66m, Guyana: US\$ 9,2m, Jamaica: US\$ 43,73m, Saint Kitts and Nevis: US\$ 0,06m, Saint Lucia: US\$ 0,77m


## Outcome

The purpose, or outcome, of SBDC III is as follows:

*"To strengthen the institutional frameworks of national MSME support programs utilizing the United States Small Business Development Centres (US SBDC) model for the provision of targeted technical assistance to micro, small and medium enterprises in beneficiary countries."*


SBDC III benefits from five outcome level indicators to assess the medium-term results of the program. The final evaluation assesses the results based on data reported in August 2020, five months prior to the end of the program cycle. As for the goal-level targets, the evaluation finds that the target set were overly cautious.

### Outcome indicator 1:

 Twenty (20) new clients registered for technical assistance from established SBDCs in program beneficiary countries by the end of the first year of the project implementation	Baseline	Planned end of project	Achieved August 2019	Achieved August 2020
	0	20	397	1022


The first outcome indicator sets a target for the program's mid-term only, which was grossly exceeded in August 2019, 17 months after the program's launch. By August 2020, the number of new clients registered for technical assistance had increased from 397 to 1022 within 12 months.

### Outcome indicator 2:

 Fifteen percent (15%) increase in new SBDC clients represented by women, youth, and other marginalized groups receiving assistance from established SBDCs by the end of the project execution period.	Baseline	Planned end of project	Achieved August 2019	Achieved August 2020
	35	50	52	50


NeoSerra data shows that the number of new female clients has increased by 17 percentage points to 52% during the first part of the current program cycle of SBDC – phase III. This positive trend remained at a high level, with 50 % of new clients being female by August 2020.

**Outcome indicator 3:**

 Seventy - five (75) SBDC clients (disaggregated by gender) receiving assistance in value chain programs supported by the project by the end of the project execution period.	Baseline	Planned end of project	Achieved August 2019	Achieved August 2020
	0	75	0	0

The start of the value chain component of SBDC III was delayed due to the coronavirus pandemic. No results were available at the time of the final evaluation.

**Outcome indicator 4:**

 Three (3) new SBDC programs launched in project beneficiary countries by the end of the project, with at least one (1) launched by the end of the first year of project implementation	Baseline	Planned end of project	Achieved August 2019	Achieved August 2020
	4	7	6	6

The program is unlikely to fully meet the target for outcome 4 due to a time-intense re-engagement with the new administration in Guyana following a "snap" election in 2020, which hampers the launch of an SBDC in Guyana before the end of the program cycle.

Following the launch of SBDC in the four pilot countries, during previous phases, two more countries joined the program in phase III: the Bahamas and St. Kitts and Nevis. The Prime Minister of the Bahamas officially launched the Small Business Development Centre on Thursday, September 20, 2018. The official launch of SBDC Saint Kitts took place on November 16, 2018, during the Global Entrepreneurship Week.

While the Government of Guyana has expressed its intent to launch its SBDC program in the first quarter of 2020, the change in government and the effects of the COVID – 19 pandemic make the official launch of an SBDC in Guyana unlikely. The expected much of the SBDC in Antigua and Barbuda did not materialize in March 2020, and the program ceased support, following a time-bound recommendation of the mid-term evaluation.

By December 2020, 29 SBDC existed in the seven program countries.

**Table 3: Number of SBDC Centers in beneficiary countries in November 2020**

SBDC beneficiary country	Number of SBDC Centers, November 2020
Bahamas	3
Barbados	5
Belize	1
Guyana	1
Jamaica	13
Saint Kitts and Nevis	3
Saint Lucia	3

Source: evaluation interviews



**Outcome indicator 5:**

Twenty (20) SBDC clients and stakeholders that believe the SBDC program activities have led to the strengthening of the SBDC institutions and frameworks by the end of the project implementation period.	Baseline	Planned end of project	Achieved August 2019
	0	20	0

The RPPI does not contain information on that indicator, but the evaluator captured institutional strengthening elements in the interviews with SBDCs.

Beyond those quantitative indicators, the evaluation finds that the OAS program contributed to **strengthening the institutional frameworks of national MSME support programs utilizing the US SBDC model**.

Most countries have implemented a significant part of the SBDC model following University of Texas at San Antonio (UTSA) advice and use it. The use of NeoSerra can serve as a proxy, which is used in all SBDC countries but the Bahamas where an alternative customer relations and economic impact reporting systems is in use. For SBDC interviewed, one of the main differences after the introduction of NeoSerra is the ability to report on economic impact, which tends to be unique among government agencies.

SBDC Saint Kitts and Nevis notes an optimization of strategies for business development support services, while SBDC Bahamas benefitted from SBDC structures, templates, and advice, mainly through UTSA.






In Saint Lucia, the SBDC still experienced a silo culture of institutions with overlapping mandates in the MSME support.

SBDC Jamaica experienced a significant strengthening of national MSME support programs due to the use of NeoSerra as the SBDC's central reporting and accountability mechanism.

## Outputs

The table below summarizes the achievements of targets for SBDC III outputs. Annex 5 contains the full output results assessment.

**Figure 6: Accomplishment of SBDC III targets – output level indicators**

	Indicators		
	Targets achieved (85% -100%)	Targets partly achieved (51 % - 84%)	Targets missed (0% - 50%)
 <b>Output 1:</b> Awareness generated and support engendered for the policy development and creation of an SBDC network model in new beneficiary countries with existing key MSME program stakeholders	2	1	0
 <b>Output 2:</b> US SBDC model adapted to suit the individual country context of new project beneficiary countries.	1	0	0
 <b>Output 3:</b> US SBDC model transferred and implementation guided in project beneficiary countries.	1	1	0
 <b>Output 4:</b> Targeted technical assistance provided to SBDC clients to promote participation in local, regional and international value chains. (Implementation ongoing)	0	0	3
 <b>Output 5:</b> Role of the Network of Caribbean SBDCs strengthened	1	1	1

**Output 1:** The implementation of output 1 shows satisfactory results, with the target for one indicator being exceeded and the two targets' close achievement for the remaining indicators. Given the termination of program support to Antigua and Barbuda, the target to develop action plans for all SBDC program countries has been achieved (indicator 1.1). The achievement of the target for indicator 1.2 is likely to fall short by one out of the remaining seven program countries due to the unexpected electoral process and re-engagement with new stakeholders in Guyana.

Independently from the size of SBDC countries, the evaluation finds that SBDC networks are growing and the basis for the effectiveness and sustainability of SBDCs. The evaluation finds good private sector engagement and the growing involvement of academia in SBDC countries.

Learning from the US SBDC model, the SBDC Jamaica created a large and strong partner network with 13 centers meeting bi-weekly. Moving from a silo culture to active cooperation required the building of trust among partners. SBDC Jamaica noted the benefits of reaching out to academia and sector partners (such as agriculture). In this context, the evaluator witnessed the dynamics of the SBDC Jamaica network with ten network members during a virtual group interview.

Concerning the SBDC support for MSME policy development, significant progress shows in Saint Lucia, with a final version going to Cabinet in December 2020.

In Jamaica, a member of the SBDC participates in revising the national SME policy, while in the Bahamas, the OAS shared templates for SME development to inform the updating of the existing SME policy under an IDB project.

**Output 2:** In response to a recommendation of SBDC III’s mid-term evaluation, the project team expanded its pool of technical assistance service providers to complete the Guyana policy document. The diagnostic of the Micro, Small, and Medium Enterprise (MSME) support ecosystem and policy landscape in Guyana was completed by the time of the final evaluation, and the target for indicator 2.1 was met.

Overall, the evaluation finds that the SBDC model is well adapted to the Caribbean. While potential shows to further enhance the "purity" of the model, implemented in the U.S., such as NeoSerra reporting quality, current progress seems appropriate.

**Output 3:** SBDC III exceeded the target set for completing the SBDC Director and Advisor certificate training program (indicator 3.1) while the target set for indicator 3.2 was nearly met.

The evaluation finds that five countries out of the seven program countries use Neo Serra: the original four program countries (Barbados, Belize, Jamaica, and Saint Lucia) and Saint Kitts and Nevis.

Executive Director of SBDC Bahamas made a formal request to implement the Neo Serra software at SBDC Bahamas, and training delivery took place in March 2020. To date, the project team does not have NeoSerra data, and SBDC Bahamas communicated to the evaluator in late November 2020 that the use of NeoSerra will not be planned.

In late 2019, NeoSerra training took place in Guyana, but the establishment of an SBDC got to hold in 2020, as reported earlier.

**Output 4:** The delivery of output 4 has started with SME's applying for support between July and August 2020. Out of the 389 submissions, 75 companies will be selected for technical audits and TES interventions. To date, no results are available.

**Output 5:** SBDC III shows a satisfactory level of results achievement for output 5, with a high likelihood of fully or closely meeting the targets to strengthen the role of the network of Caribbean SBDCs.

Following the formal launch of the network in December 20219 in Belize and the signature of MoUs, SBDC members use the network to varying degrees.

“We signed the MoU for the Network of Caribbean SBDCs. Now we need to organize ourselves better to use the network fully”.

Source: SBDC stakeholders, Jamaica

**Output 6:** Indicators relate to program management, monitoring, and evaluation, with the achievement of the final targets expected by the end of the program cycle.



## 4.2 Degree of contribution of SBDC to changes in MSME environment

SBDCs see a clear contribution of the OAS’ SBDC program to changes in their MSME environment.

NeoSerra is the main "game-changer" for MSME support systems in the Caribbean SBDC countries with its robust results and accountability focus. Besides, the engagement with MSME clients is more structured and reporting more systematic. Advisors and directors benefit from standardized training.

“We had similar plans in our country and would have advanced in the right direction. However, without SBDC, our progress would have been slower”.

Source: SBDC stakeholders, Bahamas



## 4.3 Factors influencing program performance

The evaluator did not rate this sub-criterion, as the negative factors listed below were mainly beyond the control of the OAS project team and SBDC teams in program countries.

**Positive internal factors** show in the growing traction of the MSME sector with governments keen to support SBDCs, for example, in Jamaica and Saint Kitts and Nevis.

In Saint Lucia, positive internal factors comprised the consistent leadership of SBDC in the country and consistency in the project management in the OAS in championing SBDC.

"We have noted a rise in interest in SME from both the public and the private sector. The SME support ecosystem now needs to get better organized – with SBDC at its center.

"Now, we see a higher level of trust. We even engage in partnerships, also with other academic institutions to a degree which has never happened before. Culturally, this is a very big thing.

Source: SBDC stakeholders Jamaica

**Negative internal factors** include staff turnover in SBDC Saint Lucia with the ongoing demand for training new staff. The SBDC still lacks an effective communication strategy and a systematic branding, both in Saint Lucia and Barbados.

In the OAS, administrative issues causing long delays affected the ability to implement SBDC III. Besides, OAS GS administrative rules and regulations discourage raising external funding to the OAS departments, which seems a **major caveat to ensure the OAS's ability to partner with other organizations, create attractive public-private partnerships and ultimately ensure the sustainability of OAS projects.**

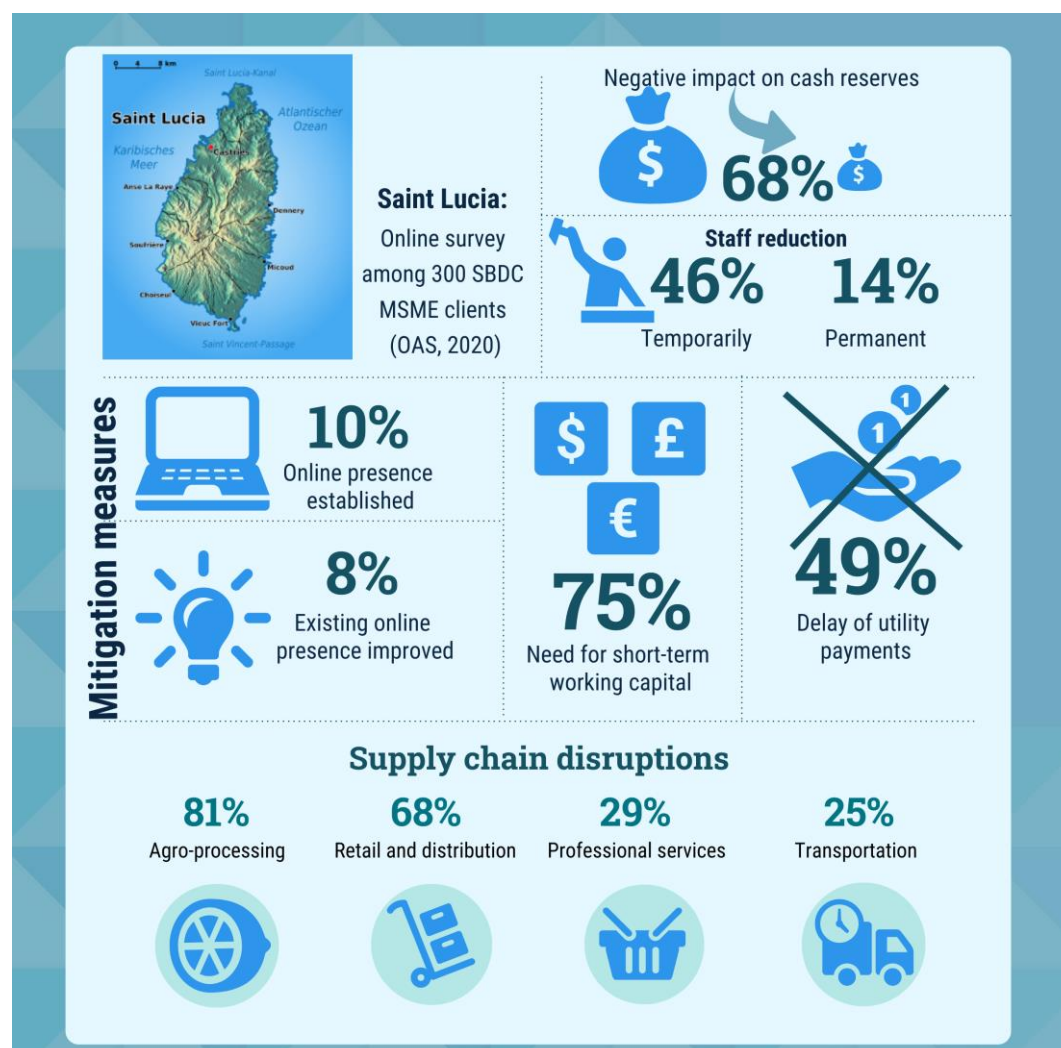
Some of the **positive external factors** surprise. In Jamaica and Saint Kitts and Nevis, the interest in becoming an entrepreneur also increases with more demand for SBDC services due to the COVID-19 pandemic. In the Bahamas, Jamaica, and Saint Kitts and Nevis, the COVID-19

pandemic pushed the technological barriers and increased the demand for digital platforms, online payment systems, and the overall demand for digital solutions to facilitate also export. Another knock-on effect of the COVID-19 pandemic is the expansion of digital business development support, for example, in Jamaica, at levels never seen before. This finding is similar to the experiences of the OAS project team in its training delivery. In both cases, an increase in reach shows while benefiting from cost savings.

The single most **negative external factor** affecting SBDC performance in all countries covered by this evaluation is the coronavirus pandemic. Initially, the pandemic constrained SBDC teams to reach out to its clients, and the low level of digitalization further aggravated this limitation. Besides, in the Bahamas, hurricane Dorian heavily affected two of the most populated islands in 2019, which affected SMEs and the SBDC negatively.

As stated above, the coronavirus pandemic affected the performance of SBDC III. An OAS survey to SBDC clients provides insights into the effects of the pandemic on MSMEs. Due to the high response rates in Saint Lucia, the results presented below focus on the latter country. Figure 7 summarizes the OAS project team's survey results to SBDC clients in Saint Lucia, covering 300 MSMEs in April 2020.

**Figure 7: Effects of the coronavirus pandemic on SBDC clients in Saint Lucia**



**Data source: SBDC project team. Design: A. Engelhardt 11/2020**

68% of SBDC clients reported a negative impact of the pandemic on cash reserves. 46% of SBDC clients stated temporary staff reductions due to the corona pandemic and 14% permanent reductions. As mitigation measures, 10% of SBDC clients established an online presence, and 8% improved their existing online presence. Those results seem to indicate bottlenecks with online commerce in the country. While 49% of SBDC clients delayed utility payment, 35% deferred mortgage or lease payments. Overall, 75% of clients suggested the need for short term working capital. Interestingly, the need for business development services, including assistance with loan and grant proposals and strategic and business planning, reached 63%.

The sectors experiencing the highest level of supply chain disruptions were agro-processing (81%), agri-business (75%), and retail and distribution (68%). The least affected sectors were professional services (29%) and transportation (25%).



#### 4.4 Unforeseen program results

The main unforeseen results relate to the effects of the COVID-19 pandemic on the SBDC project team in Washington D.C. and SBDC teams in program countries in the Caribbean.

The COVID-19-related push for digitalization in the public sector (SBDCs) and SBDC clients was unforeseen and opened new opportunities for SBDCs. For the SBDC project team in Washington D.C., the pandemic created for the first time the opportunity to interface directly with SBDC clients, beyond the SBDCs, and get a real sense of MSME needs.

"It might be tough to say this, but yes: COVID-19, despite all its negative effects on our MSMEs, somehow was a blessing in disguise. It pushed our government and financial institutions to focus much more on e-commerce and online payment platforms. MSME's were forced to expand their horizons.

**Source: SBDC stakeholder in Saint Kitts and Nevis**

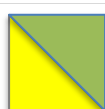
The SBDC project team in Washington, D.C also engaged with the consultancy company DAI in initially unplanned conversations about options for SME participation in international value chains. The discussion addressed supply chain interfaces in the agro-processing sector from a food security perspective in the Caribbean.

## 5. Impact: is change transformational?

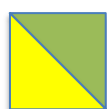
This section assesses the extent of the impact of SBDC – phase III. The sub-criteria used are: i) use and validity of NeoSerra data; ii) results by economic sector; iii) results by gender; iv) enterprise-level change; and v) trends in SBDC economic impact. The evaluation uses the document review, the online survey, and interviews as principal data sources.

### Key findings: The evaluation finds a very high program impact based on trends in economic impact indicators

- Six out of seven program countries use NeoSerra to track SBDC engagement with clients and report on economic impact. However, underreporting is still significant;
- Clusters of SBDC client’s economic activities show across some countries, including food services, construction sector, and agro-processing;
- Saint Lucia is the country with the highest percentage of SBDC clients trading internationally (55,04%) and Jamaica the lowest (12,09%), with a median of 34,5%.
- SBDC’s impact on gender is high. Most SBDC’s have a strong female client base, with a median of 53,44% and Guyana at the top (59,84%), while Saint Kitts and Nevis is at the bottom of the table (4,9%);
- Jamaica shows the highest percentage of women-owned businesses engaged in international trade (43,24%);
- Changes in economic impact between SBDC – phases II and III show robust trends towards increasing SBDC impact;
- The clients’ satisfaction survey shows still business development support needs (particularly in Saint Lucia), showing a low correlation compared to the age of MSMEs and also the length of SBDC support.



The evaluation finds that the impact of the program is very high. The trends in SBDC economic impact are the strongest out of the sub-criteria. The score for likely impact is "amber-green" (67% out of 100%<sup>45</sup>).



### 5.1 Use and validity of NeoSerra software to track program performance

The mid-term evaluation of SBDC III found that “NeoSerra data is the cornerstone of the SBDC's accountability function. Hence, data quality and ultimately validity is paramount for the OAS, the governments in SBDC beneficiary countries, and the donor, the U.S. Department of State”<sup>46</sup>. This finding remains valid.

As reported in previous sections of this report, most SBDCs use NeoSerra software to track SBDC engagement with clients and report on economic impact. One exception is SBDC Bahamas. While at one point, SBDC Bahamas inclined to change its previous client relations management system for NeoSerra, as reported in project RPPIs, the centers are now using the Zoho I software.

<sup>45</sup> Scores by sub-criteria: green: 3, green/amber: 2, amber/red: 1; red: 0 ; 5.1 = 2, 5.2 = n/a; 5.3 = 2; 5.4 = 1; 5.5=3, Total = 8 out of a maximum of 12. Overall performance = SUM (8/12\*100) (66,67%).

<sup>46</sup> OAS/Engelhardt, A., 2019: Mid-term evaluation of the Establishment of the Small Business Development Centers (SBDC) Model in CARICOM, page 32.



Concerning NeoSerra reporting, SBDC staff has been trained in all program countries, including the country joining the program in phase III, Guyana. However, staff turnover in SBDCs required skills updating for new staff. **The most critical issue about the use of NeoSerra is still significant underreporting** mainly due to staff turn over in SBDCs. As such, the economic results and cost-benefit analyzed and presented in this report is only partially reflecting the work of SBDCs.



## 5.2 Change in economic sectors

The evaluator used anonymous NeoSerra data from the project team to analyze the sector focus of SBDC clients and employment by sector, also by SBDC clients. While there is no single common sector across the six diverse SBDC countries using NeoSerra in the Caribbean among the top five sectors, some clusters show, including food services, construction sector, and agro-processing. Annex 3 provides graphics with country-specific details.

The analysis also shows the varying employment effects by sector. For example, in the construction sector, 30% of SBDC clients' employment in Saint Kitts (nine percent) is concentrated. In Saint Lucia, agro-processing accounts for 28% of SBDC clients' employment (three percent). In Belize, the 19% of SBDC clients operating in the food and beverages sector account for five percent of employment, meaning that many of the entrepreneurs in that specific sector are sole operators without any staff.

In the absence of any specific benchmarks or targets, the evaluator did not rate the sub-criterion “results by sector” but opted to neutrally mirror the status reported in NeoSerra to highlight the national particularities of the SDC clients.



## 5.3 Change for women

The analysis of NeoSerra data reveals that most SBDC's have a strong female client base, as presented in Table 4. The majority of clients are women-owned businesses in Guyana (59,84%), Barbados (57,17%), Belize (53,70%), and Jamaica (53,17). The percentage of mal-owned businesses is higher in Saint Lucia, where only 38,26% of SBDC clients are women-owned businesses. Saint Kitts and Nevis show a very different picture, with only 4,9% of SBDC clients being women-owned businesses.

SBDC Belize provided Insights into the work with women-led MSME's:

[https://www.youtube.com/watch?v=qflcZ\\_mOBtc&feature=youtu.be](https://www.youtube.com/watch?v=qflcZ_mOBtc&feature=youtu.be)

NeoSerra data also allows for analyzing clients' participation in international trade (import and export) with data disaggregated by sex. The evaluator's analysis presented in Table 4 exposes that overall, Saint Lucia is the country with the highest percentage of SBDC clients trading internationally (55,04%). Barbados (36,32%) and Belize (34,47%) follow. The lowest import/export levels are shown among SBDC clients in Saint Kitts and Nevis (14,75%) and Jamaica



SBDC clients in Belize: Maya Arts Women's Group  
Photo: SBDC Belize



(12,09%), where the domestic market is most important for SBDC clients.

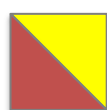
When analyzing the percentage of SBDC clients in international trade, male-owned business dominance appears in all countries. SBDC Jamaica shows the highest percentage of women-owned businesses engaged in international trade (43,24%), followed by Saint Lucia (38,66%). SBDC report significantly lower levels of women-owned businesses engaged in international trade in Barbados (26,03%), Saint Kitts and Nevis (15,56%), and Belize (15,38%).

**Table 4: International trade and gender of SBDC clients 2015 to 2020**

	% of women-owned businesses counseled	% of clients in international trade (male and female)	% of women-owned businesses in international trade	% of capital funding accessed (US\$) by women owned businesses
Barbados	57,17%	36,32%	26,03%	12,44%
Belize	53,70%	34,47%	15,38%	45,41%
Guyana	59,84%	n.a.	n.a.	56,6%
Jamaica	53,17%	12,09%	43,24%	39,3%
Saint Kitts & Nevis	4,9%	14,75%	15,56%	0%
Saint Lucia	38,26%	55,04%	38,66%	0%
Total				

Source: NeoSerra, 2020, own analysis

Table 4 also allows assessing the percentage of capital funding gained by women-owned businesses, showing the largest differences between SBDC countries for the criteria analysis in this section. While in Guyana, women-owned SBDC clients accessed 56,6% of capital funding, this percentage is reduced to 45,41% in Belize and 39,3% in Jamaica. At the other end of the scale are Barbados, where women-owned SBDC clients accessed 12,44% of the total capital funding of all SBDC clients, Saint Lucia and Saint Kitts and Nevis, both reporting no capital funding accessed by women-owned business among its SBDC clients.



## 5.4 Enterprise-level changes

This section benefits from an SBDC clients' satisfaction survey, which the evaluator administered in November 2020. Through the OAS project team, all SBDCs in the seven project countries received a hyperlink to the anonymous online survey for sharing with their clients. A total of 185 SBDC clients responded, 89% from Saint Lucia, 9% from the Bahamas, and 2% from Saint Kitts and Nevis. As such, this section largely reflects enterprise-level changes in Saint Lucia.

Figure 8 presents the enterprise profile of SBDC clients participating in the online survey. 51% of clients were for two years or less in business. In the MSME context, those young enterprises are highly vulnerable, with a high percentage not breaking even. However, 49% of clients were more mature, with a higher likelihood of staying in business. 52% of clients had received SBDC support for up to 12 months, 30% for up to 24 months, and 18% over 24 months. As such, 48%

of clients can be considered as "longer-term clients" benefitting from ongoing business development support.

Figure 8: Results of SBDC clients' satisfaction survey I



Source: evaluator, online clients' satisfaction survey 11/2020

SBDC clients operated in over 15 different sectors, with a relatively even distribution by sector. Most clients worked in food services (16,8%), followed by professional services (15,1%) and retail and distribution (13,5%).

On access to finance, 33,66% of SBDC clients reported a lack of any access to finance. For the 66,34% of clients having access to finance, 55% used personal savings, 20% accessed loans from commercial banks, and 10% benefitted from government loan or grant programs. Worryingly, 7% accessed funding from local money lenders who tend to operate in an unregulated environment.

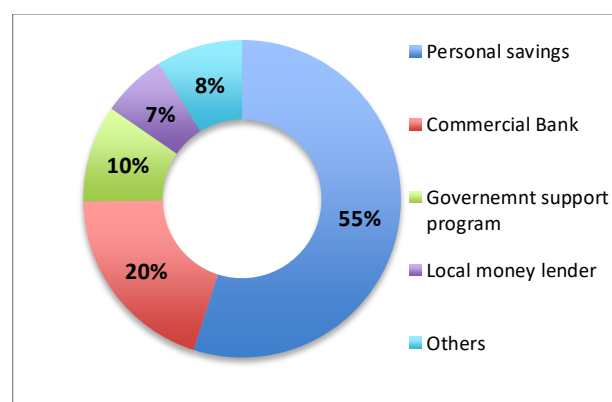
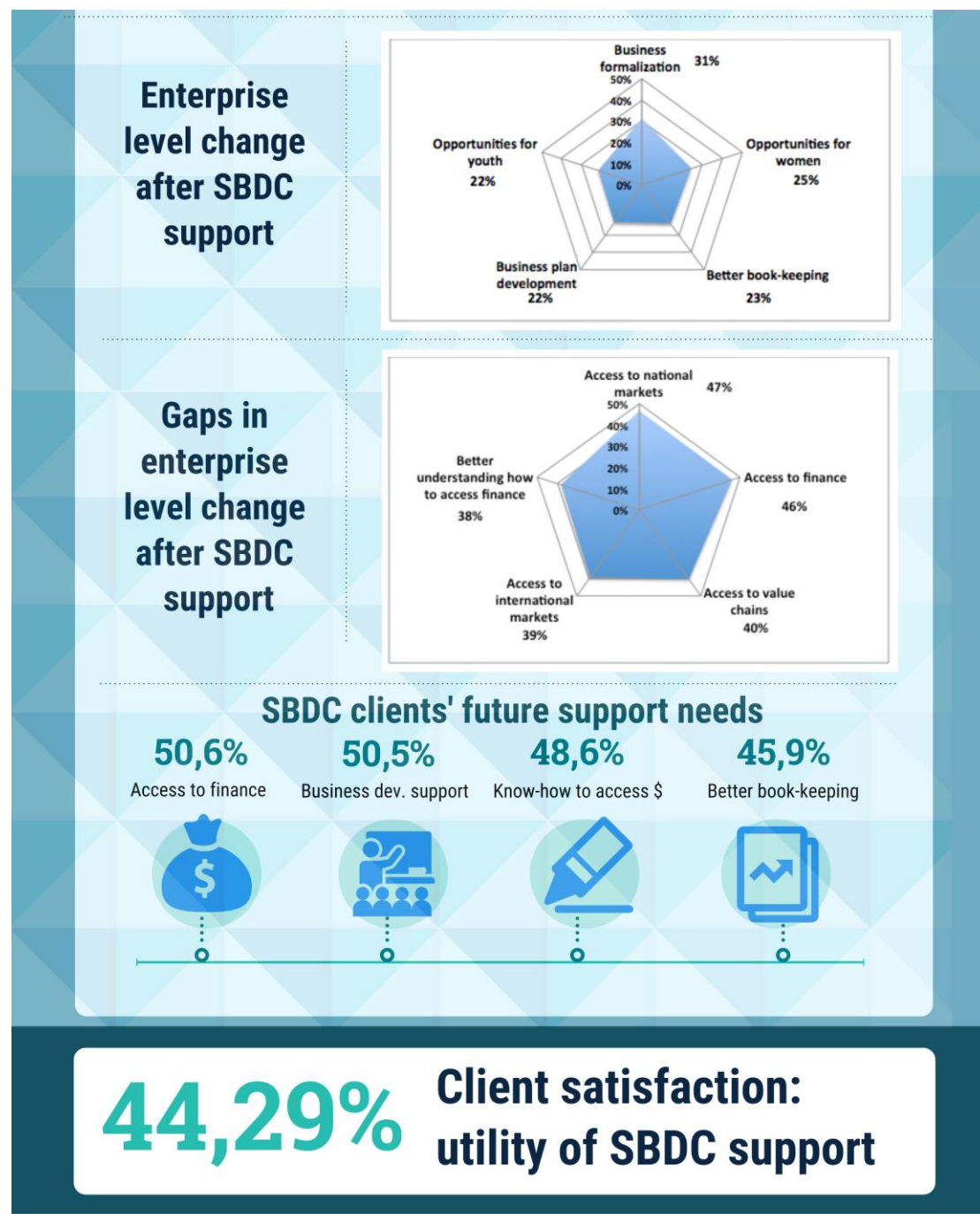


Figure 9 presents insights into both the enterprise change following SBDC support and remaining gaps in enterprise changes. The most successful area of change was the business formalization of previously informal businesses (31%). MSME clients experienced other positive changes in opportunities for women-led enterprises (25%), better book-keeping skills (23%), capacities in developing business plans (22%), and opportunities for youth to become entrepreneurs (22%).

For 47% of surveyed SBDC clients, access to national markets was still unsatisfactory. For 46% of those clients, access to finance is still unsatisfactory, followed by 40% concerning access to value chains and 39% access to international markets. 39% of clients stated unfulfilled needs in the know-how to access finance.

**Figure 9: Results of SBDC clients' satisfaction survey II**



Source: evaluator, online clients' satisfaction survey 11/2020

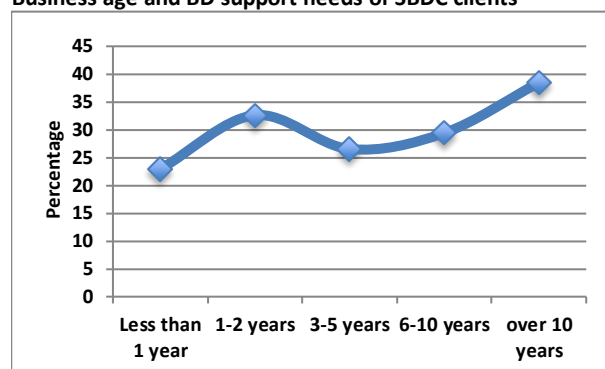
Those gaps are mirrored in the future SBDC support needs, as shown in Figure 9. Interestingly, however, the demand for general business development support still reached 50,5%, including better book-keeping skills (45,9%).

The evaluator’s analysis revealed some, at first sight, surprising trends, which are subsequently justified by the overall lower client satisfaction about the utility of SBDC support. The correlation between the enterprise's age engaging with SBDCs as a client and changes in the demand for ongoing business development (BD) needs is low, reaching 0,55. Those needs excluded access to finance. A strong correlation would be close to 1,0, indicating that with the increasing age of enterprises, business development needs are increasingly being met.

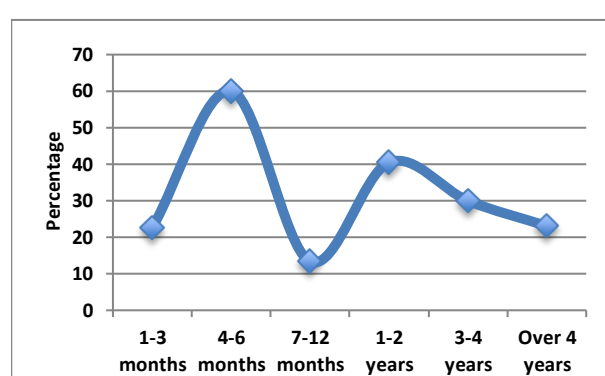
Interestingly, the correlation between the length of SBDC support and the needs for SBDC clients for business development support (excluding access to finance) is even negative (-0,21), i.e., the longer the SBDC, the greater the need for further support. While this finding could be interpreted as clients discovering the value of SBDC and demanding more support, the overall client satisfaction calculated in the survey seems to tell otherwise.

Overall, the satisfaction of SBDC clients participating in the survey concerning SBDC support's utility reached 44,29%, explaining the weak correlations analyzed above. The overall clients' satisfaction rate seems to reflect the ongoing MSME business development support needs, which seems partly unmet by SBDCs.

**Business age and BD support needs of SBDC clients**



**Lengths of SBDC engagement and BD support needs**



## 5.5 Trends in SBDC economic impact

Table 5 analyzes the economic impact changes between SBDC – phases II and III, with some intermediate data for the mid-term of phase III. This analysis allows for deducting some economic impact trends for the OAS' SBDC program. Figure 10 summarizes those trends for the periods 2016-2018 (phase II) and 2018-2020 (phase III).

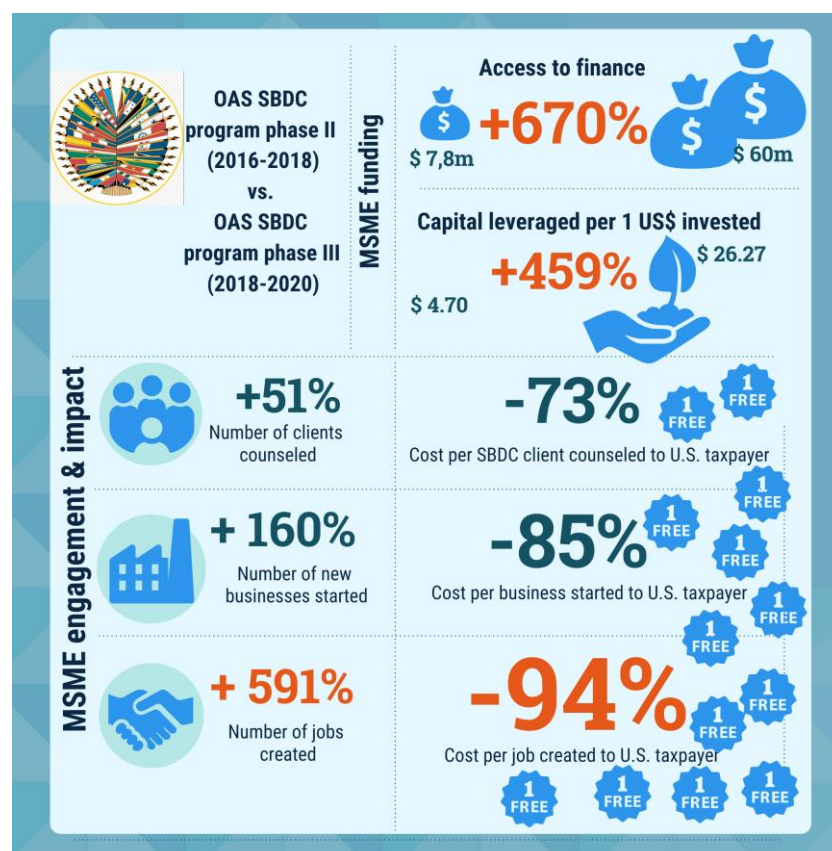
Overall, the economic impact trends for all eight indicators listed below are positive. Comparing SBDC phases II and III, the number of SBDC clients counseled increased by 51% while the cost per client counseled decreased by 73%. The total capital infusion to SBDC clients increased by 670%, and the capital leveraged per dollar investment of the U.S. Department of State increased by 459%.



**Table 5: Comparison of SBDC economic impact indicators: phase II vs. mid-term of phase III and total phase III\***

Criteria	SBDC – phase II, 27 months	SBDC – phase III mid-term, 7-8 months**	SBDC – phase III 23 months***	Changes SBDC phase II vs. phase III
Number of SBDC clients counseled	6,199	1,206	9,369	<b>+ 51%</b>
Cost per SBDC client counseled for the U.S. taxpayer	US\$ 267,58	US\$ 363,48	US\$ 70,94	<b>- 73%</b>
Total capital infusion to SBDC clients	US\$ 7,793,063	US\$ 4,047,057	US\$60,045,619	<b>+ 670%</b>
Capital leveraged per 1 US\$ donor investment	US\$ 4.70	US\$ 9.23	US\$ 26.27	<b>+ 459%</b>
Number of new business started	285	554	740****	<b>+ 160%</b>
Cost per business started for the U.S. taxpayer	US\$ 5,820.08	US\$ 791.25	US\$ 898,.0	<b>-85%</b>
Number of jobs created	192	161	1327	<b>+ 591%</b>
Cost per job created for the U.S. taxpayer	US\$ 8,639.19	US\$ 2,722.68	US\$ 500.82	<b>- 94%</b>

Sources: SBDC NeoSerra, SBDC Bahamas 2018/19, Mid-term evaluation of SBDC III; own calculations<sup>47</sup>

**Figure 10: Summary of comparing economic impact indicators: SBDC phase II vs. SBDC phase III**

<sup>47</sup> \* Calculations based on the 48.24% of donor funding disbursed by August 19, 2020 for SBDC III

\*\* 12 months in the case of Saint Lucia: January 2018 to January 2019

\*\*\* 23 months: January 2018 to November 2020, for SBDC Bahamas: 2018/2019

\*\*\*\*. Excludes SBDC Bahamas

The number of new businesses started increased by 160% while the cost per business started to the U.S. taxpayer decreased by 85%. The number of jobs created grew by 591%, while the cost to the U.S. taxpayer for each job created decreased by a stunning 92%.

While those economic impact trends are valuable in themselves, the indirect impact on geopolitical issues in the Caribbean seems pertinent, particularly concerning crime and migration. Though not part of the ToR for this evaluation, the latter two issues are often connected with limited employment opportunities and constitute a risk for the Western Hemisphere, particularly the United States.

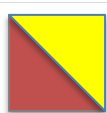
## 6. Sustainability: is change lasting?

This section assesses the sustainability of SBDC – phase III. According to the evaluation matrix, the sub-criteria used are: i) results by the institutional set-up of SBDCs; ii) governments' political ownership of the SBDC model; iii) government funding for SBDCs; and iv) an SBDC exit strategy.

As for the previous section, the evaluation uses the document review and interviews as principal data sources.

### **Key findings: The sustainability of the achievements under SBDC III are mixed, given governments' role in ensuring continued SBDC funding in program countries**

- The main strengths concerning the sustainability of the SBDC program are the continued political commitment by governments, the value of the SBDC structure, and a cultural change moving away from silo cultures in most countries;
- The main weaknesses are uncertainties about continued government funding in a challenging economic environment in most countries and threats of external shocks like hurricanes or pandemics such as COVID-19;
- Institutional set-up and the size of the economies influence the work of SBDCs:
  - Statutory agencies hosting SBDCs such as in Belize, Jamaica or Saint Kitts and Nevis tend to have more autonomy for decision making which enhances SBDC business processes;
  - In smaller economies, less SBDC support staff tends to be available, often fulfilling various roles and less specialized SBDC-related issues.
- SBDC III lacks a formal exit strategy.



The evaluation finds that the impact of the program is medium to low. The robustness of SBDC and their institutional set up are the strongest out of four rated sub-criteria. The score for sustainability of SBDC III is "amber-red" (50% out of 100%<sup>48</sup>).



### **6.1 Robustness of SBDC's seven years after the SBDC launch**

The evaluator undertook a SWOT analysis with the OAS project team and SBDC teams in program countries to assess the SBDC model's robustness in the Caribbean. The opportunities are listed in the previous section. The evaluation finds that in the majority of countries, the robustness of SBDC is satisfactory.

#### **The main strengths of the SBDC program are:**

- Continued political commitment by government in program countries
- Value of SBDC structure by enhancing service delivery and economic impact reporting
- Progress in moving from silo culture to leveraging network partners in most countries

#### **The main weaknesses comprise:**

<sup>48</sup> Scores by sub-criteria: green: 3, green/amber: 2, amber/red: 1; red: 0 ; 6.1 = 2, 6.2 = 2; 6.3 = 1; 6.4 = 1, Total = 6 out of a maximum of 12. Overall performance = SUM (6/12\*100) (50%).



- Uncertainties about continued government funding in a challenging economic environment in most countries, even before the coronavirus pandemic.
- Challenges in keeping network partners on board and avoid getting back to the silo culture in a minority of countries

**The main threats are:**

- External shocks such as hurricanes or pandemics such as COVID-19



## 6.2 Institutional set-up of SBDC's and its influence on SBDC performance

While the SBDC institutional set-up sub-criterion did not figure in the ToR of this evaluation, the evaluator proposed the sub-criterion in the evaluation framework. This decision was due to its bearings on the efficiency and sustainability of SBDCs.

The evaluation interviews revealed that both the institutional set-up and the economies' size influence the efficiency of SBDCs.

Due to the high levels of bureaucracy in the Anglophone Caribbean, SBDCs hosted by statutory agencies, such as Belize, Jamaica, or Saint Kitts and Nevis, tend to have more autonomy for decision-making, enhancing business processes. The insertion of an SBDC directly in a ministry like in Saint Lucia requires more levels of clearing for business processes. Overall, the human resources management in SBDCs attached directly to ministries is affected by civil servants' mobility. When business advisors move to other ministries, SBDCs need to train and motivate new civil servants to become efficient business advisors. This seems particularly pertinent, as the use of NeoSerra requires a shift in the cultural mindset of civil servants. For an SBDC director or other senior staff to continuously train new business advisors and convince them about the necessity of NeoSerra business impact reporting appear like Sisyphus's endeavors.

“In one of the SBDCs, the physical space is really not conducive at all for client counseling. Imagine an open space office where clients have to discuss confidential business information with business advisors, with everybody listening”.

Source: SBDC stakeholder

The evaluation interviews also showed that apart from the institutional set-up, the size of SBDC countries matters. In smaller economies, less SBDC support staff tends to be available, often fulfilling various roles and less specialized SBDC-related issues.

In this context, strong leadership, authority, and incentives are required to dedicate time to the enforcement of NeoSerra reporting. As stated before, the concept of NeoSerra for reporting staff inputs and economic impact on SBDC clients is unfamiliar for wider public administrations in the SBDC countries. Limitations in internet connectivity in some SBDC countries in the Caribbean also undermine the full compliance with NeoSerra reporting.

The processes of institutionalizing SBDCs are commented upon in the box below.

“In Jamaica, JBDC used the SBDC concept and NeoSerra and proved its utility without initially sharing it. Then JBDC allowed other interested institutions to join SBDC. The leading role of JBDC and its former director made the difference”.

“In Barbados, the SBDC approach was implemented using democratic principles. But it soon turned out that the four ministries involved favored four different sets of direction. We witnessed a situation of motivated staff with sufficient resources being transformed to stakeholders talking against each other to the point of complete inertia. There was an unresolved need to decide which ministry had the lead of the program”.

Source: SBDC stakeholder



### 6.3 Governments’ funding of SBDCs

To date, SBDCs benefit from government funding in all program countries. While the predictability and size of government contributions vary by country, some SBDCs have tapped into additional resources over time.

In the Bahamas, for example, SBDC is linked to seven government or privately funded programs, including the disaster recovery program following Hurricane Dorian in 2019 and the COVID-19 recovery program. Besides, the privately-funded "Over the Hill" SME grant program is in its second round now, and the SBDC is engaged in an IDB project.

Overall, the evaluation finds that in the context of shrinking fiscal spaces, the diversification of SBDC funding sources is more important than ever in SBDC countries in the Caribbean.



### 6.4 SBDC exit strategy

The SBDC program does not have a formal exit strategy. However, SBDC countries are implementing plans and work programs regardless of the degree of OAS support. While OAS support is more than welcome, **each SBDC has been solely government-funded since its launch and not depended on OAS funding.**

The OAS project team considers the partnership with Compete Caribbean to deliver its Technology Extension Services (TES) program as the SBDC program's exit strategy. Compete Caribbean was launched in 2012 and is a multi-donor business development program, with funding from IDB, UK Aid, and the government of Canada.

Through the structure of SBDC, TES aims to provide technical assistance to MSMEs, and as such, this approach would not require any OAS funding in the future any longer.

### 6.5 SBDC progression along its results chain and sustainability

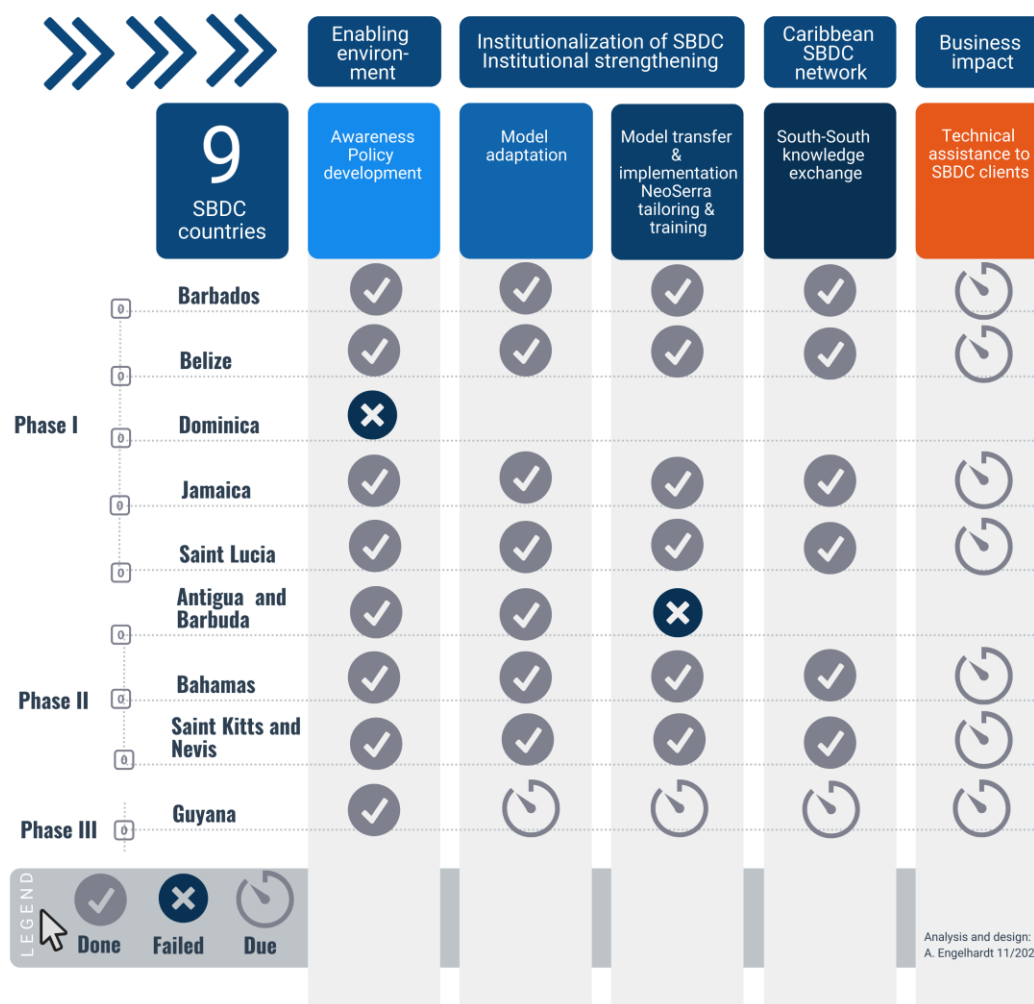
Figure 11 shows the SBDC Caribbean program's progression and its results chain from creating an enabling environment for MSMEs to the SBDC model's institutionalization, connecting the SBDCs through a Caribbean SBDC network, and ultimately, business impact. As this sub-criterion was neither listed in the ToR nor the evaluation matrix, it is not rated.

However, the evaluator addresses the sub-criterion as it emerged during the evaluation process.

The evaluation finds that seven out of nine countries participating in the Caribbean's SBDC program in any of its phases are still engaged but Antigua and Barbuda and Dominica. For all the remaining seven SBDC countries in the Caribbean, the first step of the SBSC model transfer was successful: work on the enabling environment to raise awareness and support SME policy development as needed. The achievements appear sustainable with SME policies being implemented and acted upon, with support from SBDC in at times highly complex processes.

Five out of seven SBDC countries accomplished the SBDC model's institutionalization with its two steps, model adaptation and model transfer, and implementation. The Bahamas (joining the OAS SBDC program in phase II) and Guyana (phase III) still have steps to take.

**Figure 11: Stocktaking of SBDC concept implementation in the Caribbean and outlook**



Guyana still needs to adapt and fully implement the model. While NeoSerra training and NeoSerra reporting started, the OAS now needs to re-engage with the new administration following the "snap" elections in 2020 to ensure the SBDC model's institutionalization fully. The evaluation finds that Guyana could be determined as a priority country of any future phase of SBDC. The reasons for this assessment are manifold:

- The OAS's constructive role in the protracted election processes

- Favorable insights of the SBDC research report into the SME environment in the country,
- High forecasted economic growth due to the exploration of oil and gas,
- To ensure and sustain MSME's participation in the country's growth.
- in 2020 and its high economic potential, for example, in the agriculture sector.

In the Bahamas, following NeoSerra training, the final step of reporting NeoSerra results is outstanding in ensuring the sustainability of institutionalizing the SBDC model in the country. The SBDC leadership committed to starting reporting, but the latest developments show that an alternative software is now being used.

While the perfection of utilizing the SBDC can always be improved, the evaluation finds no major future support needs for institutionalizing the SBDC model in the program countries. However, the UTSA certification of SBDCs could serve as an additional "quality assurance" mechanism, apart from ad-hoc remote NeoSerra support when needed.

### **Models for future south-south knowledge exchange**

The Caribbean SBDC network for south-south knowledge exchange is operational and adds value to SBDCs. Those processes now work independently of the OAS, using, for example, social media and proofing the network's sustainability. Two possible areas of future OAS support could be as follows:

- a) Outreach to other countries and territories in the Caribbean which are using the SBDC model independently of the OAS support such as Gran Cayman Island (where the model was implemented with the support of the former head of SBDC Jamaica), Turks and Caicos, US Virgin Island, and Puerto Rico. Those countries and territories could be invited to participate in the virtual SBDC Caribbean SBDC network for the mutual benefit of knowledge exchange (no budget required but for the time of the OAS project team)
- b) Continued outreach to SBDC countries in Central America for knowledge exchange, for example, through an inter-regional event (budget allowing)
- c) Repetition of a study tour to a county with long term experience in using the SBDC model, as undertaken to Chile in 2019, for Caribbean SBDC countries to benefit from the experience (budget allowing)

### **SBDC sustainability: models for addressing business impact at the end of the results chain**

For any future phase of SBDC, the focus could be on the end of the SBDC results chain, addressing business impact. Here the OAS SBDC program in the Caribbean has a role to play in complementing the work of national SBDCs and eventually exiting its engagement. This sustainability perspective seems particularly important for the donor, the U.S. Department of State, having funded the program over the past seven years.

SBDC's engagement on business impact, and its final stretch of road towards sustainability of the SBDC model in the Caribbean, could benefit from the following entry points:

- Continued partnering with Compete Caribbean to deliver its Technology Extension Services (TES) program for customized technical assistance to SMEs in the agro-processing and tourism sectors.
  - Those sectors were highlighted as priorities in the Value Chain component of Phase II of the SBDC project. Examples of TES from international models

include: lean operations, management information system, sourcing and matching of technology, supplier and vendor, quality improvement (certification standards such as ISO 9000), product development, energy audit, and efficiency<sup>49</sup>

- Towards the end of phase III, the SBDC program and Compete Caribbean aim to implement a pilot, with some uncertainty as to what extent delivery is feasible within the current SBDC program cycle. The objectives of the pilot are highly relevant and include:

1. Encourage the demand for specialized technical assistance from SMEs to support the identification and selection of productive and value-added solutions
  2. Stimulate the acquisition and effective use of productive technologies to improve management efficiency and operations
  3. Promote the adoption of climate change practices and green technologies to improve environmental management and energy efficiency
  4. Support women-owned firms (WOF) in pursuing productive business modernization
  5. Facilitate access to finance for the acquisition of new technologies, knowledge, and continuous improvements
- Cooperation with Ten Habitat to complement national SBDCs through online training of MSMEs in specific sectors combined with virtual support through the “OAS SBDC SME Academy”;
  - Remote and in-person support to SBDC clients on information about access to finance and insurance;
  - Support of national SBDC's in engaging specific SBDC clients for value chain support, as planned for the final months of phase III, but including linkages to international value chains. Target sectors could remain tourism and creative industries for all SBDC countries in the Caribbean. Besides, agro-processing seems particularly important for larger Caribbean countries like Belize, Jamaica, and Guyana, with a high agriculture potential.

### **Budget requirements for SBDC follow-on phase, geographic expansion, and implementation timeframe**

Based on this structured analysis of the sustainability of the OAS SBDC program along its results chain, the evaluation finds that with a similar budget for a new phase, SBDC could finalize the remaining work in the existing SBDC countries and would have the capacities to engage in up to two new countries for the entire program cycle, **if 36 months were available for implementation.**

Evaluation interviews with business support experts in the Americas and the donor confirmed a window of opportunity for supporting the SBDC model in countries like Ecuador, Paraguay, or Uruguay.

<sup>49</sup> OAS, 2020: Report on project progress and implementation. SBDC III

## Section III: Conclusions, recommendations and lessons learned

Based on the key findings presented for each evaluation criterion in section 5 of this report, the evaluation draws the following conclusions. Figure 12, following section 8, underscores the logical flow between the key findings and conclusions.

### 7. Conclusions

#### Relevance

Program design: SBDC III missed out to fully benefit from the holistic approach taken in phase II. The geographic scope was extended at the expense of programmatic components on access to finance and insurance, MSME resilience building, and more diverse technical support

Administrative inefficiencies in the OAS/GS jeopardize the OAS's relevance as a partner to implement development programs.

The donor's preferred option for short program cycles is non-conducive for establishing the required predictability and continuity for business development programming.

#### Efficiency

The project team applies result-based management practices and makes good use of monitoring and evaluation for steering the program.

With a budget 20 to 40 times smaller than comparable business development support programs by other donors, the OAS outperforms most comparators concerning the costs per job created and the benefit-cost ratio of SBDC.

#### Effectiveness

SBDC III shows satisfactory performance and achievement of results along its entire results chain, including the economic impact level, in the context of often under ambitious targets.

The SBDC program benefitted from consistency in program implementation in the OAS and the program countries, while the turn-over of business development advisors at the technical level affects program delivery.

Again, the effects of institutional inefficiencies show in the OAS GS administration impact the program delivery negatively.

On the one hand, the low degree of digitalization in the Caribbean magnifies the impact of COVID-19 on SMEs but also SBDCs. On the other hand, COVID-19 is an opportunity to boost digitalization in the Caribbean.

#### Impact:

SBDC's economic impact is on a strongly rising trajectory in the Caribbean, despite significant on-going MSME support needs in a growing MSME sector.

Notwithstanding on-going underreporting, the use of NeoSerra enables the analysis of sex-disaggregated economic impact data and allows for comparability among SBDCs. As such, SBDC serves as a beacon for gender mainstreaming in the OAS.

SBDC clients mainly serve national markets rather than international ones. For market diversification, opportunities show for linkages to international supply chains and access to public procurement contracts.

**Sustainability:**

Despite strong government ownership of the SBDC model in at least six program countries, the sustainability of SBDC results is mixed. The coronavirus pandemic further reduced the already limited fiscal space for most governments.

The institutional set-up of SBDCs directly affects their performance and, ultimately, sustainability.

While the OAS SBDC program design inherently puts the sustainability of SBDC at its heart due to the funding of centers by governments rather than the OAS, SBDC partners would benefit from a clear OAS exit strategy.



## 8. Recommendations

Based on the key findings presented for each evaluation criterion in section 5 of this report and the conclusions drawn in section 7 conclusions, this section lists the evaluation's recommendations. The actionable recommendations are targeted and prioritized.

Figure 12 underscores the logical flow between the key findings, conclusions, and recommendations.

R 1: SBDC team in the OAS: Include the programmatic components on i) access to finance and insurance, ii) MSME resilience building, and iii) more diverse technical support for the design of any future phase of the SBDC program.

**Prioritization: very high: next month**

R 2: Donor: Engage the OAS/GS in a dialogue about administrative reform to significantly enhance administrative processes.

**Prioritization: medium: next 6 to 9 months**

R 3: Donor: Reconsider two-year project cycles to fund OAS projects and programs and opt for longer implementation cycles.

**Prioritization: very high: next month**

R 4: Donor: Consider funding at least one other phase of the SBDC program and showcase the cost-efficiency of SBDC in the US administration as an example of successful multilateral engagement, which is value for money to the U.S. taxpayer.

**Prioritization: very high: next month**

For the design of any future phase of the SBDC program:

R 5: SBDC team in the OAS: Revise targets in the SBDC logframe and adapt them to the realities in SBDCs to better balance the program's level of ambition.

**Prioritization: very high: next month**

For the design of any future phase of the SBDC program:

R 6: SBDC team in the OAS: Consider addressing the issue of advancing the “digital frontier” in the Caribbean, including issues around online payment platforms through partnerships with relevant stakeholders.

**Prioritization: very high: next month**

For the design of any future phase of the SBDC program:

R 7a: SBDC team in the OAS: Continue offering NeoSerra support, but on a declining scale and preferably through virtual engagement to existing SBDC countries as and where needed to strengthen the quality of NeoSerra reporting further.

R 7b: SBDC team in the OAS: Consider phasing out support on the SBDC model implementation in existing SBDC countries through the UTSA certification of SBDCs as an additional and final "quality assurance" mechanism.

R 7c: SBDC team in the OAS: Consider engaging with SBDCs to assess opportunities for the diversification of SME markets and how to engage in those complementary markets.

**Prioritization: very high: next month**

R 8: SBDC team in the OAS: Share lessons about the choices and effects for the institutional set-up of SBDCs with other countries and territories in the Caribbean which are currently outside the OAS SBDC program.

**Prioritization: medium: next 6 to 9 months**

R 9: SBDC team in the OAS: Include an explicit exit strategy in the design of any future phase of the SBDC program.

**Prioritization: very high: next month**

## 9. Lessons learned

### **Length of programming cycles**

A central lesson learned from this evaluation, which is underscored by findings from the document review, is that the length of programming cycles in SME support programs affects the predictability of program support. For business support organizations such as the SBDCs in the program countries, this predictability affects an SME support program's initial ownership and commitment. Eventually, the SME clients experience the business support organizations' degree of commitment.

The OAS's SBDC project team managed to mitigate this risk by hands-on project management and personal rapport with SBDC counterparts. Ultimately, the project team's personal reputation played a vital role in keeping counterparts engaged.

### **Market diversification**

The SBDC model, like many other SME support programs, is export-oriented. A lesson from Saint Kitts shows that diaspora populations overseas are a specific market segment that is worth targeting for SME exporters. Brand or product recognition is exceptionally high among the diaspora populations. The systematic inclusion of SME's in national and international supply chains is an option for market diversification. One example is the service industry being linked to international hotel chains operating in the tourism sector.

The evaluation also learned that national markets' importance could be similarly interesting for SMEs, where SME products can serve as an alternative to imported goods. Finally, other options show for SMEs accessing public procurement opportunities. One example includes catering for the canteens of public institutions or the servicing of government vehicles.

Figure 12: Key findings, conclusions and recommendations

	Key findings of SBDC III	Conclusions	Recommendations
Relevance	The program logic largely holds, but suffered from downsizing the initial SBDC III budget, which affected the holistic approach of SBDC taken during phase II.	Program design: SBDC III missed out to fully benefit from the holistic approach taken in phase II. The geographic scope was extended at the expense of programmatic components on access to finance and insurance, MSME resilience building and more diverse technical support	R 1: SBDC team in the OAS: Include the programmatic components on i) access to finance and insurance, ii) MSME resilience building, and iii) more diverse technical support for the design of any future phase of the SBDC program.  <b>Prioritization: very high: next month</b>
	Gender: effects of the COVID-19 pandemic increased the demand for access to finance and non-traditional forms of funding, particularly for women-led MSMEs.		
	One caveat in program assumptions: Administrative bottlenecks in the OAS/GS affect the program implementation.	The relevance of the OAS as a partner to implement development programs is jeopardized by administrative inefficiencies in the OAS/GS.	R 2: Donor: Engage the OAS/GS in a dialogue about administrative reform to significantly enhance administrative processes.  <b>Prioritization: medium: next 6 to 9 months</b>
	Five-years program cycles are the standard in SME development support, well beyond the donor's short program cycles of SBDC I, II, and III.	The donor's preferred option for short program cycles is non-conducive for establishing the required predictability and continuity for business development programming.	R 3: Donor: Reconsider two-year project cycles for the funding of OAS projects and programs and opt for longer implementation cycles.  <b>Prioritization: very high: next month</b>
Efficiency	The project team applied results-based management principles, complying with the OAS/GS standard reporting format and producing high-quality monitoring. The OAS acted upon six out of seven mid-term evaluation recommendations targeted at the project team.	The project team applies result-based management practices and makes good use of monitoring and evaluation for steering the program.	No recommendation
	The total benefit-cost-ratio using the direct capital funding leveraged, but excluding indirect benefits, based on NeoSerra data: US\$ 26,27 for each US \$ invested by the donor and compares favorably with the benefit-cost ratio of similar programs but with much larger budgets (US\$ 105m to US\$ 205m).	With a budget 20 to 40 times smaller than comparable business development support programs by other donors, the OAS outperforms most of comparators concerning the costs per job created and the benefit-cost ratio of SBDC.	R 4: Donor: Consider funding at least one other phase of the SBDC program and showcase the cost-efficiency of SBDC in the US administration as an example of successful multilateral engagement which is value for money to the U.S. taxpayer.  <b>Prioritization: very high: next month</b>
	The cost per job created (US\$ 1.360) compares favorably with the costs incurred for employment-related programs in the United States, Canada, or the Swiss Development Cooperation (US\$ 4661 to US\$ 56.000).		
Effectiveness	SBDC III exceeded the targets of three out of four goal level (economic impact) indicators. The program exceeded, met, or closely met the targets of three out of five outcome level indicators. Concerning SBDC outputs, the program achieved eight out of 12 targets fully or partly and missed four targets, at times exceeding targets by 200 times.	SBDC III shows satisfactory performance and achievement of results along its entire results chain, including the economic impact level, in the context of often under ambitious targets.	For the design of any future phase of the SBDC program:  R 5: SBDC team in the OAS: Revise targets in the SBDC logframe and adapt them to the realities in SBDCs to better balance the program's level of ambition.  <b>Prioritization: very high: next month</b>
	Positive internal factors influencing SBDC performance: <ul style="list-style-type: none"> <li>Consistent leadership of SBDC in program countries; and</li> <li>Consistency in the project management in the OAS in championing SBDC.</li> </ul> Negative internal factors influencing SBDC performance:	The SBDC program benefitted from consistency in program implementation in the OAS and in the program countries while the turn-over of business development advisors at the technical level affects program delivery.	See R2 on the need for administrative reform of the OAS/GS

Impact	<ul style="list-style-type: none"> <li>COVID-19 constraining SBDC teams to reach out to its clients, combined with a low level of digitalization.</li> <li>Staff turnover in SBDCs with government staff moving positions;</li> <li>Sub-optimal administrative processes in the OAS/GS slowing down program delivery;</li> <li>OAS GS administrative rules and regulations discourage raising external funding to OAS departments.</li> </ul>	<p>Again, the effects of institutional inefficiencies show in the OAS GS administration impact the program delivery negatively.</p> <p>On the one hand, the low degree of digitalization in the Caribbean magnifies the impact of COVID-19 on SMEs but also SBDCs. On the other hand COVID-19 is an opportunity to boost digitalization in the Caribbean.</p>	<p>For the design of any future phase of the SBDC program:</p> <p>R 6: SBDC team in the OAS: Consider addressing the issue of advancing the “digital frontier” in the Caribbean, including issues around online payment platforms through partnerships with relevant stakeholders.</p> <p><b>Prioritization: very high: next month</b></p>
	<p>Positive external factors influencing SBDC performance:</p> <ul style="list-style-type: none"> <li>Growing traction of the MSME sector with governments and the general public;</li> <li>COVID-19 pandemic pushed the technological barriers and increased the demand for digital solutions such as online payment platforms;</li> </ul> <p>Negative external factors influencing SBDC performance</p> <ul style="list-style-type: none"> <li>SBDC clients suffered negative economic impacts.</li> </ul>		
	<p>Saint Lucia is the country with the highest percentage of SBDC clients trading internationally (55,04%), while the median reaches 34,47%;</p> <p>The majority of SBDC clients are women-owned businesses in Guyana (59,84%), Barbados (57,17%), Belize (53,70%) and Jamaica (53,17) but only with 4,9% of SBDC clients being women-owned businesses in St. Kitts and Nevis. Jamaica shows the highest percentage of women-owned businesses engaged in international trade (43,24%). Saint Lucia is the country with the highest percentage of SBDC clients trading internationally (55,04%) and Jamaica the lowest (12,09%), with a median of 34,5%.</p>	<p>Despite on-going underreporting, the use of NeoSerra enables the analysis of sex-disaggregated economic impact data and allows for comparability among SBDCs. As such, SBDC serves as a beacon for gender mainstreaming in the OAS.</p> <p>SBDC clients mainly serve national markets rather than international ones. For market diversification, opportunities show for linkages to international supply chain and access to public procurement contracts.</p>	<p>For the design of any future phase of the SBDC program:</p> <p>R 7a: SBDC team in the OAS: Continue offering NeoSerra support, but on a declining scale and preferably through virtual engagement to existing SBDC countries as and where needed to further strengthen the quality of NeoSerra reporting.</p> <p>R 7b: SBDC team in the OAS: Consider phasing out support on the SBDC model implementation in existing SBDC countries through the UTSA certification of SBDCs as an additional and final “quality assurance” mechanism.</p> <p>R 7c: SBDC team in the OAS: Consider engaging with SBDCs to assess opportunities for the diversification of SME markets and to how to engage in those complementary markets.</p> <p><b>Prioritization: very high: next month</b></p>
	<p>Changes in economic impact between SBDC – phases II and III show robust trends towards increasing SBDC impact</p> <p>The clients’ satisfaction survey shows still business development support needs (particularly in Saint Lucia), showing a low correlation compared to the age of MSMEs and also the length of SBDC support</p>	<p>SBDC’s economic impact is on a strongly rising trajectory in the Caribbean, despite significant on-going MSME support needs in a growing MSME sector</p>	<p>For the design of any future phase of the SBDC program:</p> <p>See recommendation 7b to systematize the strengthening of SBDCs across the Caribbean based on UTSA standards</p> <p><b>Prioritization: very high: next month</b></p>

Sustainability	The main strengths concerning the sustainability of the SBDC program are the continued political commitment by government, the value of the SBDC structure, and a cultural change moving away from silo cultures in most countries.	Despite strong government ownership of the SBDC model in at least six program countries, the sustainability of SBDC results are mixed. The coronavirus pandemic further reduced the already limited fiscal space for most governments.	No recommendation
	The main weaknesses are uncertainties about continued government funding in a challenging economic environment in most countries and threats of external shocks like hurricanes or pandemics such as COVID-19.		
	<p>Institutional set-up and the size of the economies influence the efficiency of SBDCs:</p> <ul style="list-style-type: none"> <li>Statutory agencies hosting SBDCs such as in Belize, Jamaica or Saint Kitts and Nevis tend to have more autonomy for decision making which enhances SBDC business processes;</li> <li>In smaller economies, less SBDC support staff tends to be available, often fulfilling various roles and less specialized SBDC-related issues.</li> </ul>	The institutional set-up of SBDCs directly affects their performance and ultimately sustainability.	<p>R 8: SBDC team in the OAS: Share lessons about the choices and effects for the institutional set-up of SBDCs with other countries and territories in the Caribbean which are currently outside the OAS SBDC program.</p> <p><b>Prioritization: medium: next 6 to 9 months</b></p>
	SBDC III lacks a formal exit strategy.	While the OAS SBDC program design inherently puts the sustainability of SBDC at its heart due to the funding of centres by governments rather than the OAS, SBDC partners would benefit from a clear OAS exist strategy.	<p>R 9: SBDC team in the OAS: Include an explicit exit strategy in the design of any future phase of the SBDC program.</p> <p><b>Prioritization: very high: next month</b></p>

## **Annex 1: Terms of reference**



## Annex 2: Detailed evaluation approach and processes

1. **Document review**, including on literature of models and approaches to determine the impact of SME programs and related data requirements (for example the European Investment Bank, Inter-American Development Bank (IDB), International Labour Organization (ILO), Organization for Economic Co-operation and Development (OECD), United States Agency for International Development (USAID) and the World Bank).
2. **Scoping calls** with the Department of Planning and Evaluation, the Department of Economic and Social Development implementing the program in the OAS in Washington DC and the representative of the US Permanent Mission to the OAS;
3. **Theory of Change validation call** with the Department of Economic and Social Development implementing the program;
4. **Comprehensive cost-benefit analysis** using Neoserra data from all project countries to assess the social and economic benefits of SBDC III. Program benefits were put in relation to the overall costs of the program;
  - Variables are determined by the project’s Neoserra database used by SBDCs in beneficiary countries in CARICOM to track SBDC client performance;
  - For estimates of net-present value and return on investment of SBDC III ROI, the following variables were used, for example: NeoSerra data on job creation, export performance, size of the enterprise (micro, small or medium), gender (female or male-led enterprises) and specific sectors such as the service sector, manufacturing or agriculture;
  - The evaluation aimed to monetize NeoSerra data at SBDC III’s purpose and goal level;
5. **Institutional analysis of SBDC set-up in beneficiary countries:** To address the important aspects of up-scaling the SBDC model in beneficiary countries and the replication of SBDC in other countries in the Caribbean, the evaluation undertook an institutional assessment of the different models of SBDC set-up. While this aspect is not explicitly addressed in the ToR, it seems highly relevant concerning the sustainability of SBDC;
6. **Online customer satisfaction survey of SBDC clients** in all project countries;
7. **Online group interviews/zoom meetings** with SBDC teams in all project countries to assess the performance of SBDCs and undertake a SWOT analysis focusing on the sustainability of the SBDC model in beneficiary countries. The evaluator also engaged with SBDC teams to identify companies that could be suited for “company cases” to document the effects of SBDC on selected MSMEs;
8. **“MSME company cases.”**: Use of existing company cases presented by SBDC country teams and follow-up telephone interviews as possible;
9. Draft evaluation report (“mid-term report”) for feedback to OAS;
10. Finalization of evaluation report and presentation via Skype conference to DPE, the SBDC project team in the OAS, and SBDC teams in beneficiary countries and the U.S. Department of State.

**Key documents used for the document review included:**

European Investment Bank. Evaluation Cooperation Group, 2014: Evaluating support to SMEs: Rationale, challenges, and opportunities.  
[https://www.ecgnet.org/sites/default/files/ECG%20Paper%20%23%206%20Evaluating\\_support\\_to\\_SMEs%20final.pdf](https://www.ecgnet.org/sites/default/files/ECG%20Paper%20%23%206%20Evaluating_support_to_SMEs%20final.pdf)

IDB/Cravo, Túlio A, 2016: The impact of business support services for small and medium enterprises on firm performance in low- and middle-income countries: a meta-analysis. Inter-American Development Bank Working Paper Series; 709

ILO, 2015: Small and medium-sized enterprises and decent and productive employment creation  
[https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/--relconf/documents/meetingdocument/wcms\\_358294.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/--relconf/documents/meetingdocument/wcms_358294.pdf)

ILO, undated: What works in SME development  
[https://www.ilo.org/empent/units/boosting-employment-through-small-enterprise-development/WCMS\\_547155/lang--en/index.htm](https://www.ilo.org/empent/units/boosting-employment-through-small-enterprise-development/WCMS_547155/lang--en/index.htm)

ITC/WTO, 2014: SME Competitiveness and Aid for Trade: Connecting Developing Country SMEs to Global Value Chains  
<https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/SME%20Competitiveness%20and%20Aid%20for%20Trade-connecting%20developing%20country%20low-res.pdf>

OECD, 2019: Participation and benefits of SMEs in GVCs in Southeast Asia  
[https://www.oecd-ilibrary.org/trade/participation-and-benefits-of-smes-in-gvcs-in-southeast-asia\\_3f5f2618-en](https://www.oecd-ilibrary.org/trade/participation-and-benefits-of-smes-in-gvcs-in-southeast-asia_3f5f2618-en)

OECD, 2018: Monitoring and evaluation of SME and entrepreneurship programs. SME Ministerial Conference. Mexico City. 22-23 February 2018  
<https://www.oecd.org/cfe/smes/ministerial/documents/2018-SME-Ministerial-Conference-Parallel-Session-6.pdf>

OECD, undated: SMALL BUSINESSES, JOB CREATION AND GROWTH: FACTS, OBSTACLES AND BEST PRACTICES  
<https://www.oecd.org/cfe/smes/2090740.pdf>

World Bank/Lopez-Acevedo, G.; Tan, Hong W., 2011: *Impact evaluation of SME programs in Latin America and the Caribbean (English)*. Washington, DC.

World Bank, 2019: World Bank Group support for small and medium enterprises. A synthesis of evaluative findings  
[https://ieg.worldbankgroup.org/sites/default/files/Data/Evaluation/files/SME\\_Synthesis.pdf](https://ieg.worldbankgroup.org/sites/default/files/Data/Evaluation/files/SME_Synthesis.pdf)

University of Innsbruck/Srhoy, S et al., 2019: “Size matters? Impact evaluation of business development grants on SME performance”. Working papers 2019-14. Faculty of Economics and Statistics.

USAID, 2017: East Africa: Cost-Benefit Analysis of Off-Grid Solar Investments.  
<https://www.usaid.gov/energy/resources/cost-benefit-analysis-grid-solar-investments-east-africa>

USAID, 2015: ECONOMIC ANALYSIS OF FEED THE FUTURE INVESTMENTS – GUATEMALA. Rural Value Chain Projects - Anacafe  
<https://www.usaid.gov/documents/1865/economic-analysis-feed-future-investments-guatemala>

USAID, 2015: ECONOMIC ANALYSIS OF FEED THE FUTURE INVESTMENTS – GUATEMALA. Rural Value Chain Projects - AGEXPORT  
<https://www.usaid.gov/documents/1865/economic-analysis-feed-future-investments-guatemala>

## Annex 3: Relevance of SBDC program

### Overall intervention logic

In late 2019, the World Bank reported in a synthesis study for its support to SMEs<sup>50</sup> that “small and medium enterprises (SMEs) play a substantial role in developing economies, generating employment and growth. As income levels increase, formal SMEs tend to comprise a larger share of the economy, while the micro and informal sectors recede. Economic growth creates opportunities often filled by SMEs entering or sometimes “graduating” from microenterprise status”.

Due to the importance of SME’s for economic development, the World Bank, for example, invested US \$3 billion per year in SME support. Areas of support include financing through loans, leasing, investments, or guarantees but also involving advisory services to governments and financial institutions; business development, training and advisory services targeting SMEs; and activities to support SMEs through value chains, networks and clusters (World Bank, 2019<sup>51</sup>).

### Scope of SBDC III

Besides, research of the International Labour Organization (2018)<sup>52</sup> on entrepreneurship development interventions for women entrepreneurs showed there is “little rigorous evidence that either access to finance or business training alone lead to sustained business growth among women’s microenterprises” However, the research found “early evidence that business training combined with follow-up technical assistance, and business grants together with business training, albeit more expensive, may be effective”. The ILO reiterated the significance of a comprehensive ‘suite’ of services for SMEs, for example in the agriculture sector in Africa, building on previous work by Beaman et al. 2013<sup>53</sup>, Van Campenhout 2013<sup>54</sup>, Karamba and Winters 2014<sup>55</sup>, Mendola and Sitomwe 2015<sup>56</sup> and Aker 2016<sup>57</sup>.

The World Bank (2019) mirrors the value of a holistic approach to SME development.

In this context, one evaluation interview showed that from a methodological viewpoint, a much narrower approach focusing on the “purity” of implementing the SBDC approach could have been favored for SBDC - phase III. An even better quality of NeoSerra implementation and use for example would have further enhanced the quality of economic impact reporting.

However, this narrower approach would not have addresses the multi-faceted needs of SMEs.

<sup>50</sup> World Bank, 2019: World Bank Group support for small and medium enterprises. A synthesis of evaluative findings, page 2.

<sup>51</sup> Ibid., page 3

<sup>52</sup> ILO, 2018: Entrepreneurship Development Interventions for Women Entrepreneurs: An update on what works, page 2

<sup>53</sup> Beaman, L., Karlan, D., Thuysbaert, B., and Udry, C. “Pro tability of fertilizer: Experimental evidence from female rice farmers in Mali.” *The American Economic Review* 103, no. 3 (2013): 381-386.

<sup>54</sup> Van Campenhout, B. (2013). “Is there an App for that? The impact of community knowledge workers in Uganda.”

<sup>55</sup> Karamba, W.R., and Winters, P.C. (2015). “Gender and agricultural productivity: Implications of the farm input subsidy program in Malawi.” *Agricultural Economics* 46, no. 3: 357-374.

<sup>56</sup> Mendola, M., and Simtowe, F. (2015). “The welfare impact of land redistribution: Evidence from a quasi-experimental initiative in Malawi.” *World Development* 72 (2015): 53-69.

<sup>57</sup> Aker, J.C., and Ksoll, C. (2016) “Can mobile phones improve agricultural outcomes? Evidence from a randomized experiment in Niger.” *Food Policy* 60: 44-51.

In fact, this evaluation repeats a finding of the mid-term evaluation concerning the scope of SBDC III **which could have been even broader**, which is also reflected in the box below<sup>58</sup>.

The ILO wrote in a report to the International Labour Conference in 2015, that globally, access to finance, access to electricity and competition from informal enterprises are the main limitations for SME development and productive employment creation.

In response to the ILO’s analysis, this final evaluation finds that in the Caribbean, SBDC supports the formalization of informal enterprises. Access to electricity is not a constraining factor for program countries but for parts of Guyana. Only the access to finance component, part of SBDC II, is missing in the design of SBDC III to fully address the constraints identified by the ILO.

### Market access

IDB INVEST<sup>59</sup> finds the international trade produces a reallocation of resources from less productive companies and sectors to more productive ones. Also, exporting companies benefit through “*learning-by-exporting*” and innovate, which is reflected in significant efficiency gains, according to the IDB. Finally, international trade affects the incentives for investment in activities that promote technological dissemination and generates spillover effects in international knowledge.

**Business linkages:** While supply chains represent business opportunities, national supply chain linkages could even become a necessity in the context of the COVID-19 pandemic where international imports are getting disrupted. A situation which also threatens the Caribbean due to increasingly impactful hurricane seasons.

But how can national supply chain linkages work in the Caribbean where farm operations are often be too small and the market too decentralized?

A recent DAI study found that **supply chain visibility** are key to a coordination between food and beverage producers and domestic farms. Digital platform solutions can “help producers find, transact with, and aggregate inputs across many small-scale farms can ensure greater resiliency in the food system in times of disruption. Moreover, supply chain visibility not only encourages MSME resilience, but has broader economic and social implications in strengthening food security”<sup>60</sup>.

Key agriculture products suitable for national supply chains in SBDC countries include hot pepper, papaya, sweet potatoes, sheep and goats and more country specific products such as sugar cane (Belize, Guyana, Jamaica) or Bananas (Belize, Jamaica, Saint Lucia) (Caribbean Agribusiness, 2020, DAI, 2020).

<sup>58</sup> ILO, 2015: Small and medium-sized enterprises and decent and productive employment creation

<sup>59</sup> IDB INVEST, undated: SMEs and the challenge to export

<https://idbinvest.org/en/blog/development-impact/smes-and-challenge-export>

<sup>60</sup> DAI, 2020: Supply Chain Visibility to promote Food Security and MSME resiliency in Caribbean Markets

## Annex 3: Efficiency of SBDC program

**Table 6: Implementation of recommendations of the final evaluation SBDC – phase II**

Recommendation of the mid-term evaluation: SBDC- phase III	Comments on progress made	
R 1: SBDC team in the OAS: Engage the donor, whether work on disaster risk management strategies in MSME business planning can be re-started in the current phase of SBDC or any future phase.	The 4 <sup>th</sup> RPPI reported under output 5 about an SBDC training program to mitigate the effects of the Covid-19 Pandemic and Other Natural Disasters containing 5 course elements	<input type="checkbox"/>
R 2: SBDC team in the OAS: Review the targets in the project document of SBDC – phase III and ensure that the level of ambition is raised where final targets are exceeded at mid-term.	The comparison between the first RPPI, dated March 2019 and the forth RPPI, dated August 2020 shows that following the mid-term evaluations, the logframe targets remained unchanged.	<input type="checkbox"/>
R 3: DPE: Consider including field visits in the Terms of Reference for the final evaluation of SBDC – phase III for on-site validation of program effects.	In the light of COVID-19-related travel restrictions, no field visits were possible for the final evaluation of SBDC III. This decision was beyond the control of DPE.	<input type="checkbox"/>
R 4: SBDC team in the OAS: Engage with the donor to get approval for contracting technical expertise from the best available sources.	The project team is actively seeking the services of an external consultant to complete activities under output 2, to complete the Guyana policy document. As a result DAI Global LLC conducted a diagnostic of the Guyana MSME support ecosystem	<input type="checkbox"/>
R 5: SBDC team in the OAS: Engage the donor about whether work on value chains, access to finance and insurance can be re-started to some extent in the current phase of SBDC or any future phase.	The project team successfully engaged the donor and brought value chain elements back in SBDC, as well as access to finance and insurance. For the former, SBDC Belize identified a local cocoa producer association for value chain support in the south of Belize. For work on access to finance project team received donor approval to host the session entitled " Bridging the Financing Gap: Financial Literacy and Management Strategies for MSMEs" during the period 16th - 18th March 2020. However, work on access to insurance seems less visible in the final part of the SBDC III program cycle.	<input type="checkbox"/>
R 6a: SBDC team in the OAS: Mandate all beneficiary countries to use NeoSerra at the end of SBDC – phase III. Cease OAS support otherwise.	The SBDCs in five program countries use NeoSerra: Barbados, Belize, Jamaica, Saint Kitts & Nevis and Saint Lucia. In the Bahamas, the full deployment of NeoSerra is ongoing while the engagement with the Government of Guyana was delayed due to the electoral process. In Antigua and Barbuda, following training and customization of NeoSerra, the system remained unused. "At mid -term, Antigua and Barbuda has not yet launched a centre or indicated an intention to continue implementation of the programme activities. As such, programme assistance has been suspended." (RPPI 4, page 18). Hence, this critical recommendation has been acted upon.	<input type="checkbox"/>
R 6b: SBDC team in the OAS: As a precondition to recommendation 6a) at least one SBDC must be launched by the end of SBDC – phase III in each beneficiary country. Cease OAS support otherwise.	SBDC's were established in the Bahamas (4), Barbados (3), Jamaica (5), Saint Kitts and Nevis (1) and Saint Lucia (3). The SBDC in Antigua and Barbuda was not established according to plan by March 2020, due to the lack of senior government engagement. SBDC support was ceased subsequently. The launch of the SBDC fell within the period of "snap" elections in Guyana, following a non confident vote in Parliament in December 2019 and subsequent complex court proceedings.	<input type="checkbox"/>
R 7: SBDC team in the OAS: Start preparing cumulative SBDC results, based on NeoSerra data for beneficiary countries, complementing the annual results reporting.	The project team keeps reporting NeoSerra data for five program countries in the RPPIs while at the goal level, the project team undertakes cumulative reporting on i) the number of new business start-ups, ii) number of jobs created, iii) monetary amount of capital infusions to MSMEs; and iv) the percentage increase in the resources allocated by beneficiary governments towards the support of national SBDC/MSME development programmes.	<input type="checkbox"/>
Lesson learned 1 Careful extension of the country coverage during phases II and III of SBDC was essential to grant the project team sufficient time to identify and select the most suitable institutions to host SBDC in new beneficiary countries.	As no extension of the SBDC program was due in the remaining part of phase III, this valid lessons learned is only relevant for any future phase of the SBDC program or similar regional OAS projects.	Not applicable

### Results by economic sector

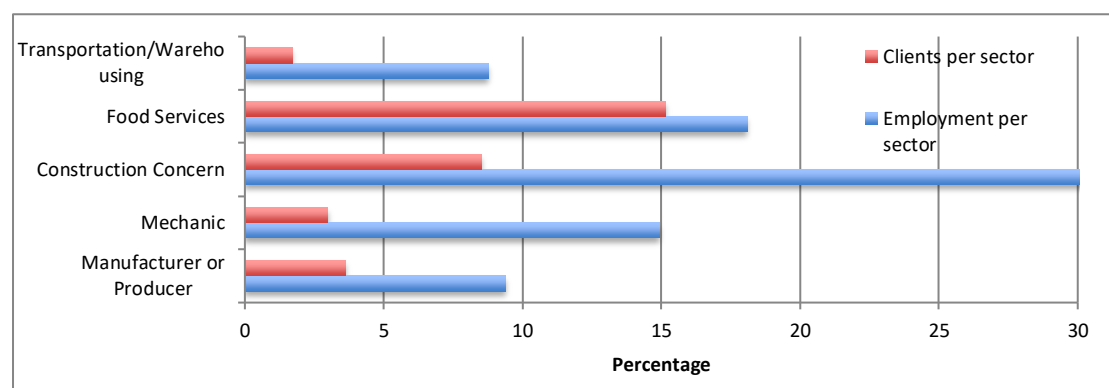
The figures below specify the results by economic sector in the six SBDC countries using NeoSerra.

Food services figure among the top five sector for SBDC clients in Belize (19%), Guyana (17%), Saint Kitts and Nevis (15%) and Jamaica (seven percent).

Nine percent of SBDC clients in Saint Kitts and Nevis operate in the construction sector, followed by five percent both in Guyana and Saint Lucia.

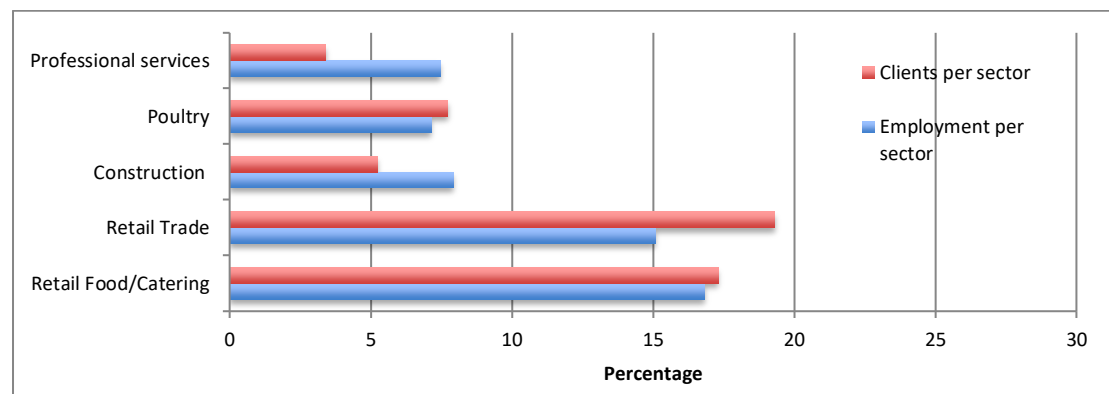
Agro-processing figures among 15% of SBDC clients in Jamaica, six percent in Belize and three percent in Saint Lucia, the top five sectors in those SBDC countries.

**Figure 13: SBDC Saint Kitts and Nevis - clients and employment per sector 2015-2020**



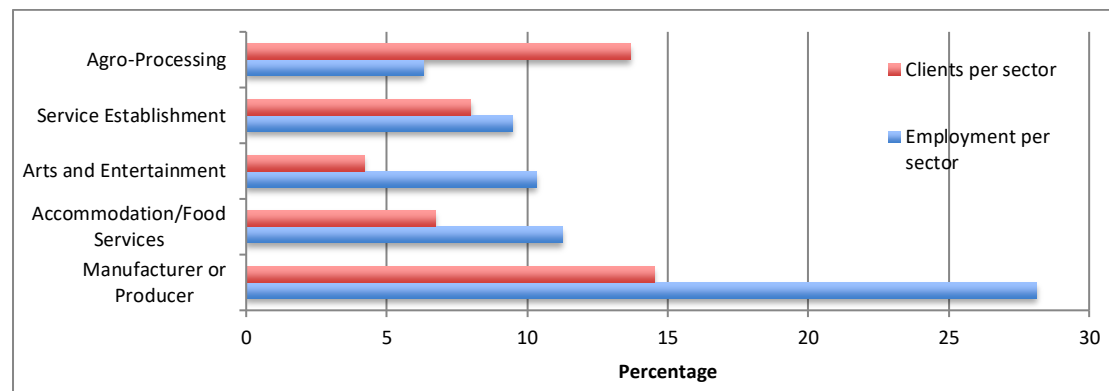
Source: NeoSerra, own analysis

**Figure 14: SBDC Guyana - clients and employment per sector 2015-2020**



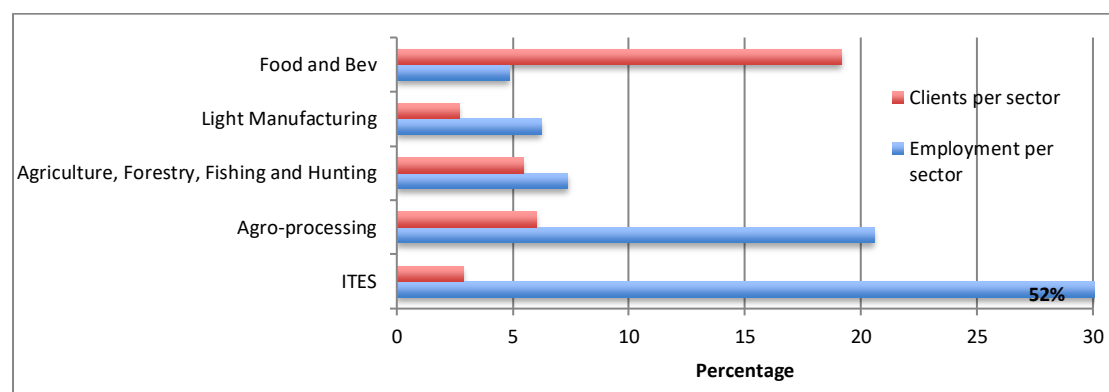
Source: NeoSerra, own analysis

**Figure 15: SBDC Jamaica - clients and employment per sector 2015-2020**



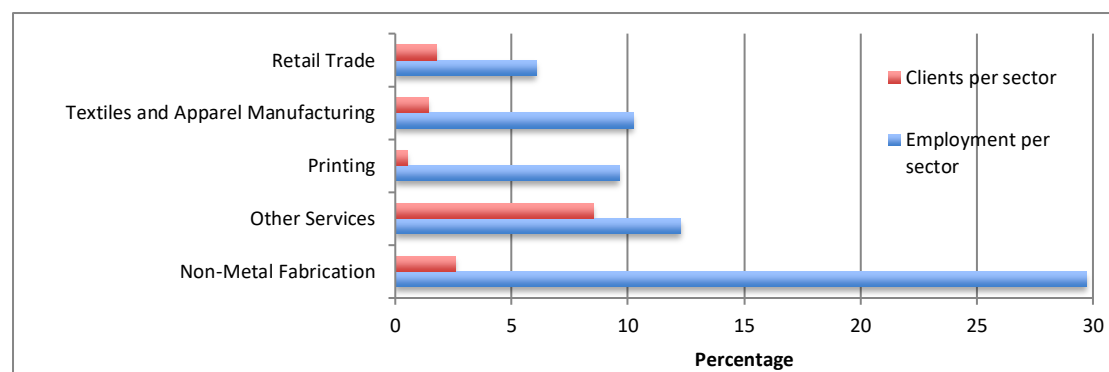
Source: NeoSerra, own analysis

**Figure 16: SBDC Belize - clients and employment per sector 2015-2020**



Source: NeoSerra, own analysis

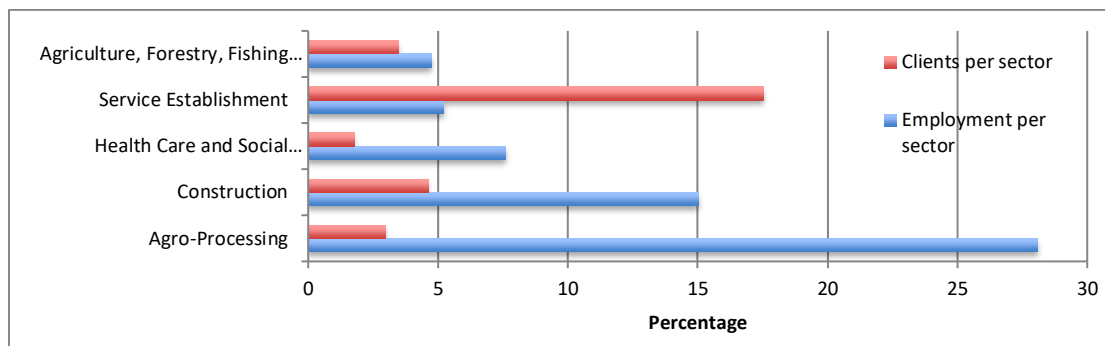
**Figure 17: SBDC Barbados - clients and employment per sector 2015-2020**



Source: NeoSerra, own analysis




**Figure 18: SBDC Saint Lucia - clients and employment per sector 2015-2020**




Source: NeoSerra, own analysis


## Annex 4: Effectiveness of SBDC program – results for outputs

Outputs and indicators	Baseline	Target	Results: August 2019	Results: August 2020
 <b>Output 1:</b> Awareness generated and support engendered for the policy development and creation of an SBDC network model in new beneficiary countries with existing key MSME program stakeholders including government, private sector and academia.				
<b>Indicator 1.1</b> Eight (8) action plans developed and approved by the project beneficiary countries within the first six (6) months of project implementation.	0	8	7	7
<b>Indicator 1.2</b> Memoranda of Understanding (MoUs) executed with all project beneficiary countries within the first six (6) months of project implementation to formalize government commitments in the adaptation of the SBDC model in country.	3	8	3	6
<b>Indicator 1.3</b> Thirty (30) new key stakeholders from government and non - governmental organizations, private sector and academia participating in SBDC model consultations and support its implementation in new project countries by the end of the first year of project implementation.	150	180	185	185

**Output 1:** The implementation of output 1 shows satisfactory results, with the target for one indicator being exceeded and close achievement of the two targets for the remaining indicators. Given the termination of program support to Antigua and Barbuda, the target to develop action plans for all SBDC program countries has been achieved (indicator 1.1). The achievement of the target for indicator 1.2 is likely to fall short by one out of the remaining seven program countries due to the unexpected electoral process and reengagement with new stakeholders in Guyana.

Outputs and indicators	Baseline	Target	Results: August 2019	Results: August 2020
 <b>Output 2:</b> US SBDC model adapted to suit the individual country context of new project beneficiary countries.				
<b>Indicator 2.1</b> One (1) new policy document drafted and approved by new beneficiary countries adapting and implementing the SBDC model by the end of the first year of project implementation.	5	6	5	6

**Output 2:** In response to a recommendation of the mid-term evaluation of SBDC III, the project team expanded its pool of technical assistance service providers to complete the Guyana policy document. The diagnostic of the Micro, Small, and Medium Enterprise (MSME) support ecosystem and policy landscape in Guyana was completed by the time of the final evaluation and the target for indicator 2.1 met.

Outputs and indicators	Baseline	Target	Results: August 2019	Results: August 2020
 <b>Output 3:</b> US SBDC model transferred and implementation guided in project beneficiary countries.				


<b>Indicator 3.1</b> Ten (10) SBDC officials (disaggregated by gender) from new beneficiary countries completing the SBDC Director and Advisor certificate training programme by the end of the first year of project implementation	0	10	21	21
<b>Indicator 3.2</b> Two (2) new beneficiary countries adopting the economic impact model and customizing and effectively utilizing Neo Serra for the collection of economic impact data and reporting by the end of project implementation.	6	8	n.a.	5

**Output 3:** SBDC III exceeded the target set for the completion of the SBDC Director and Advisor certificate training programme (indicator 3.1) while the target set for indicator 3.2 was nearly met.

The evaluations finds that five countries out of the seven program countries use Neo Serra: the original four program countries (Barbados, Belize, Jamaica and Saint Lucia) and Saint Kitts and Nevis.

Executive Director of SBDC Bahamas made a formal request for the implementation of the Neo Serra software at SBDC Bahamas and training delivery took place in March 2020. To date, the project team is not in the possession of NeoSerra data.

In late 2019, NeoSerra training took place in Guyana but the establishment of a SBDC got to a hold in 2020, as reported earlier.

Outputs and indicators	Baseline	Target	Results: August 2019	Results: August 2020
 <b>Output 4:</b> Targeted technical assistance provided to SBDC clients to promote participation in local, regional and international value chains.				
<b>Indicator 4.1</b> At least twenty (20) MSMEs (disaggregated by gender) consider the knowledge received from technical support activities to be useful in improving their participation and/or upgrading in local, regional and international value chains	0	50	0	0
<b>Indicator 4.2</b> Fifty (50) MSMEs receiving technical support to facilitate participation and/or upgrading in goods and services sectors in project beneficiary countries by the end of the project implementation period.	0	10	0	0
<b>Indicator 4.3</b> Ten (10) women and youth led MSMEs receiving technical support to facilitate participation and/or upgrading in goods and services sectors in project beneficiary countries by the end of the project implementation period.	0	20	0	0


**Output 4:** The delivery of output 4 has started with SME’s applying for support between July and August 2020. Out of the 389 submissions, 75 companies are due to be selected for technical audits and TES interventions. To date, no results are available.

The project team partners with Compete Caribbean in the delivery of its Technology Extension Services (TES) programme for the delivery of output 4. The TES pilot project proposes to provide SMEs with technical assistance that leads to growth and increased productivity through adoption of technical knowledge and technologies. The target sectors are agro-processing and tourism which were highlighted as priorities in the value chain component of Phase II of the SBDC project.

As stated in the mid-term evaluation of SBDC III, the between the OAS and Compete Caribbean partnership is of significant importance as it leverages existing resources and diversifies the funding for SBDC support costs.

To advance with output 4, the program started to develop the OAS SBDC SME "Academy", with Deloitte. The Academy is designed to provide readily accessible online content for quality business development support services as a supplement to the one - on - one training and other interventions performed by SBDCs. In the context of the COVID – 19 pandemic and its severe economic aftermath, a SBDC survey showed the needs for the provision of widely accessible digital resources.

Besides, the SBDC programme plans to utilize a cluster approach to assisting the Toledo Cacao growers in Belize to leverage opportunities in the cacao industry, following demand transmitted through SBDC Belize. This cluster approach aims to promote support in the integration and upgrading in specific value chains.

Outputs and indicators	Baseline	Target	Results: August 2019	Results: August 2020
 <b>Output 5: Role of the Network of Caribbean SBDCs strengthened</b>				
<b>Indicator 5.1</b> Draft accreditation programme including standards for service delivery and regional economic impact measures to be adopted by all SBDC project beneficiary countries developed by the end of the project implementation period.	0	1	0	0
<b>Indicator 5.2</b> Ten (10) Caribbean SBDC Advisors and Directors (disaggregated by gender) achieving the Certified Business Advisor Designation by the end of the project implementation period.	0	10	9	9
<b>Indicator 5.3</b> Ten (10) SBDC directors and advisors connected to and exchanging best practices with US, Central, and South American SBDC Networks by the end of the project implementation period.	0	10	0	7

**Output 5:** SBDC III shows a satisfactory level of results achievement for output 5, with a high likelihood of fully or closely meeting the targets to strengthen the role of the network of Caribbean SBDCs.

Indicator 5.1: Work on this indicator is still on-going.

SBDC III is planning to deliver jointly with the University of Texas at San Antonio (UTSA) a training programme designed to assist the existing Caribbean SBDCs in guiding their clients through the survival and recovery process in response to the COVID – 19 pandemic. It is planned to offer the training series via Go - To Meeting and would include 2- hour online workshop sessions followed by home - work assignments.

Indicator 5.2:

Nine (9) SBDC representatives completed the Mastering Strategy for SBDC Consultants offered during the SBDC conference in September of 2019. The evaluation notes that the tenth representative, from the Bahamas could not attend due to the devastating effects of Hurricane Dorian in September 2019.

Indicator 5.3

Seven senior representatives of the Caribbean SBDC programme participated for a week - long residency and observational visit with Sercotec the statutory agency, under the Ministry of Economy, Development and Tourism, dedicated to supporting micro and small businesses and

entrepreneurs in the country. The visit took place in December 2019 and yielded the following main lessons learned:

- 1) The importance of maintaining a 80/ 20 government to private sector funding ratio for successful and effective SBDC/ MSME programmes.
- 2) The importance of academia's role as a distinct part of the MSME support landscape and the need for Caribbean programmes to seek to integrate academia more meaningfully into the existing SBDC networks.
- 3) Greater efforts need to be made towards the implementation of mechanisms for alternative financing for MSMEs
- 4) The need for improved reporting of economic impact data and implementing mechanisms for data sharing across Caribbean SBDC programme beneficiary countries.
- 5) The importance of institutionalizing networking and partnerships in the context of the SBDC programme at the governmental/ ministerial level.

Besides, a CARICOM/ SICA SBDC “colloquium” was planned for a SBDC exchange between the Caribbean and the Central American region with support from the Caribbean Export Development Agency. However, due to scheduling conflicts the planned event was postponed to a later date in 2020. At the time of the evaluation, no date had been fixed, yet.

**Output 6:** Indicators relate to program management, monitoring, and evaluation, with achievement of the final targets expected by the end of the program cycle.

## Annex 5: Evaluation matrix

	Evaluation questions	Proposed evaluation tools	Data source
Relevance: Is SBDC III doing the right thing?			
	Is the project's implicit Theory of Change valid? <ul style="list-style-type: none"> <li>Do the main assumptions still hold, <i>particularly in the context of the COVID-19 pandemic</i>?</li> </ul>	ToC validation meeting with OAS project team Document review	Project profile and other documents; project stakeholders; commented by expert opinion
	To what extent did the intervention address issues of exclusion of vulnerable groups, including women and youth? How?		
Efficiency: Were resources used appropriately to achieve results?			
	Did the project team apply results-based management principles from its inception? <ul style="list-style-type: none"> <li>Was the monitoring mechanism used as an efficient and effective tool to follow-up on the progress of the project's actions?</li> </ul>	Document review	Project profile, monitoring reports, and other documents; SBDC clients; commented by expert opinion
	Have the lessons learned and recommendations drawn from the evaluation of the mid-term evaluation of SBDC Phase III been acted upon?	Document review	
	What is the cost-benefit of the SBDC since its inception? Are there specific patterns by: <ul style="list-style-type: none"> <li>Type of country (small island states vs. continental countries such as Belize or Guyana)?</li> <li>Size of the economy</li> <li>Sector focus of SBDC clients (e.g., tourism, service industries, agriculture, or light manufacturing)?</li> <li>Size of enterprises (micro, small, or medium)?</li> <li>Female or male-led enterprises?</li> <li>Institutional-set up of SBDC?</li> </ul>	Review of Neoserra data Online survey Follow-up telephone interviews with SBDC clients	

	Evaluation questions	Proposed evaluation tools	Data source
Effectiveness: were project results achieved, and how?			
	To what extent were program outputs and outcomes achieved?	Document review, Online survey, telephone interviews	Monitoring reports; SBDC teams, project team SBDC clients; logframe, RPPI, NeoSerra, commented by expert opinion
	Are the results achieved to date attributable to the actions of the operation?		
	What are the major internal and external factors that influenced the project's implementation to date, including SBDC beneficiaries' economic performance?		
	Were there any unforeseeable/not planned results or outcomes?		
Impact: Transformational change?			
	To what extent are partners systematically using NeoSerra to track SBDCs and SBDC beneficiaries' economic performance? How reliable is the data?	Review of Neoserra data, Interviews “MSME company cases”	Project team, SBDC teams, SBDC clients, commented by expert opinion
	What is the economic performance of SBDC clients, disaggregated by micro, small and medium-sized enterprises, enterprises led by women and youth?		
	What percentage of micro-enterprises, small enterprises, or medium enterprises is exporting, disaggregated by economic sectors and women and youth-led enterprises? Where are the export markets located?		
Sustainability: is change lasting?			
	To what extent does the institutional set-up of the SBDC influence the performance and sustainability of the centers?	Telephone interviews	Project team, SBDC teams, commented by expert opinion
	To what extent is the political buy-in and future funding of SBDC's ensured in beneficiary countries?		
	Is the OAS implementing an exit strategy for the SBDC program? If yes, how?		

## Annex 6: Documents reviewed

Bartik, Timothy J. 2010. "Estimating the Costs per Job Created of Employer Subsidy Programs." Presented at Upjohn Institute conference on "Labor Markets in Recession and Recovery," October 22-23, Kalamazoo, MI.

Beck, T., Demircuc-Kunt, A., Levine, R., 2005. SMEs, growth, and poverty: Cross-country evidence. *Journal of Economic Growth* 10, 197–227

DAI, 2020: Supply Chain Visibility to promote Food Security and MSME resiliency in Caribbean Markets

Engelhardt, A. et al, 2005: Mid-term evaluation of the DFID Business Linkages Challenge Fund

European Investment Bank. Evaluation Cooperation Group, 2014: Evaluating support to SMEs: Rationale, challenges, and opportunities.  
[https://www.ecgnet.org/sites/default/files/ECG%20Paper%20%23%206%20Evaluating\\_support\\_to\\_SMEs%20final.pdf](https://www.ecgnet.org/sites/default/files/ECG%20Paper%20%23%206%20Evaluating_support_to_SMEs%20final.pdf)

European Investment Bank, 2013: The economic appraisal of the investment projects at the EIB.

IDB/Cravo, Túlio A, 2016: <sup>[1]</sup><sup>[2]</sup>the impact of business support services for small and medium enterprises on firm performance in low- and middle-income countries: a meta-analysis. Inter-American Development Bank <sup>[1]</sup><sup>[2]</sup>Working Paper Series; 709 <sup>[1]</sup><sup>[2]</sup><sub>SEP</sub>

IDB INVEST, undated: SMEs and the challenge to export

ILO, 2015: Small and medium-sized enterprises and decent and productive employment creation  
[https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/--relconf/documents/meetingdocument/wcms\\_358294.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/--relconf/documents/meetingdocument/wcms_358294.pdf)

ILO, undated: What works in SME development  
[https://www.ilo.org/empent/units/boosting-employment-through-small-enterprise-development/WCMS\\_547155/lang--en/index.htm](https://www.ilo.org/empent/units/boosting-employment-through-small-enterprise-development/WCMS_547155/lang--en/index.htm)

Innovation, science, and economic development Canada, 2019: Canada Small business financing program. Cost-benefit analysis

International Monetary Fund (2018). "Report for Selected Countries and Subjects." *World Economic Outlook Database*, October 2018. Retrieved October 28, 2018.

ITC/WTO, 2014: SME Competitiveness and Aid for Trade: Connecting Developing Country SMEs to Global Value Chains  
<https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/SME%20Competitiveness%20and%20Aid%20for%20Trade-connecting%20developing%20country%20low-res.pdf>

Library of Congress – Federal Research Division, 2017: Measuring the Role of the SBIC Program in Small Business Job Creation

London School of Economics, 2017: <https://london-economics.co.uk/wp-content/uploads/2017/11/Economic-impact-evaluation-of-the-Enterprise-Finance-Guarantee-scheme-November-2017-s.pdf>

OAS, 2020: 4<sup>th</sup> Report on project progress and implementation. SBDC III

OAS, 2019: 2<sup>nd</sup> Report on project progress and implementation. SBDC III

OAS/Engelhardt, A., 2019: Mid-term evaluation of the Establishment of the Small Business Development Centers (SBDC) Model in CARICOM



OAS/Engelhardt, A., 2018: Final evaluation of the Small Business Development Centers Program in the Caribbean – Phase II. Frankfurt and Geneva, May 2018.

OAS Secretary-General of the Organization of American States: Project evaluation. Terms of Reference. Evaluation of the Small Businesses Development Centers Program in the Caribbean, pages 1 to 3

OAS General Secretariat, 2018: Establishment of Small Business Development Centers (SBDCs) Model in CARICOM Phase III. SID 1802. Project document, page 19.

OECD, 2019: Participation and benefits of SMEs in GVCs in Southeast Asia  
[https://www.oecd-ilibrary.org/trade/participation-and-benefits-of-smes-in-gvcs-in-southeast-asia\\_3f5f2618-en](https://www.oecd-ilibrary.org/trade/participation-and-benefits-of-smes-in-gvcs-in-southeast-asia_3f5f2618-en)

OECD, 2019: Latin America Outlook 2019. Special feature. The Caribbean small states  
<http://www.oecd.org/dev/americas/LEO-2019-Chapter-6.pdf>

OECD, 2018: Monitoring and evaluation of SME and entrepreneurship programs. SME Ministerial Conference. Mexico City. 22-23 February 2018  
<https://www.oecd.org/cfe/smes/ministerial/documents/2018-SME-Ministerial-Conference-Parallel-Session-6.pdf>

OECD, undated: SMALL BUSINESSES, JOB CREATION AND GROWTH: FACTS, OBSTACLES AND BEST PRACTICES  
<https://www.oecd.org/cfe/smes/2090740.pdf>

University of Innsbruck/Srhoy, S et al., 2019: “Size matters? Impact evaluation of business development grants on SME performance”. Working papers 2019-14. Faculty of Economics and Statistics.

USAID, 2017: East Africa: Cost-Benefit Analysis of Off-Grid Solar Investments.  
<https://www.usaid.gov/energy/resources/cost-benefit-analysis-grid-solar-investments-east-africa>

USAID, 2015: ECONOMIC ANALYSIS OF FEED THE FUTURE INVESTMENTS – GUATEMALA.  
Rural Value Chain Projects - Anacafe  
<https://www.usaid.gov/documents/1865/economic-analysis-feed-future-investments-guatemala>

USAID, 2015: ECONOMIC ANALYSIS OF FEED THE FUTURE INVESTMENTS – GUATEMALA.  
Rural Value Chain Projects - AGEXPORT  
<https://www.usaid.gov/documents/1865/economic-analysis-feed-future-investments-guatemala>

U.S. Department of State, 2020: 2020 Investment Climate Statements: Barbados  
<https://www.state.gov/reports/2020-investment-climate-statements/barbados/>

World Bank/Lopez-Acevedo, G.; Tan, Hong W., 2011: *Impact evaluation of SME programs in Latin America and the Caribbean (English)*. Washington, DC.

World Bank, 2019: World Bank Group support for small and medium enterprises. A synthesis of evaluative findings  
[https://ieg.worldbankgroup.org/sites/default/files/Data/Evaluation/files/SME\\_Synthesis.pdf](https://ieg.worldbankgroup.org/sites/default/files/Data/Evaluation/files/SME_Synthesis.pdf)

World Bank Independent Evaluation Group (2018): Implementation Completion Report Review. MA-MSME Development (P129326). <http://documents1.worldbank.org/curated/en/342831537371685408/pdf/Morocco-MA-MSME-Development.pdf>

World Bank. 2008. Organization of Eastern Caribbean States - Increasing Linkages of Tourism with the Agriculture, Manufacturing, and Service Sectors. Washington, DC.

World Bank, undated  
<https://data.worldbank.org/indicator/SP.POP.TOTL>

## Annex 7: Background data for cost benefit analysis

Figure 19: Number of SBDC clients counseled by country and year

	2015	2016	2017	2018	2019	2020	2015 to 2020
<b>Barbados</b>	16	45	346	363	385	501	1 656
<b>Belize</b>	381	277	320	224	230	262	1 694
<b>Guyana</b>	0	0	0	0	0	0	0
<b>Jamaica</b>	2 566	2 207	1 722	1 055	1 584	3 128	12 262
<b>Saint Kitts &amp; Nevis</b>	0	0	7	41	55	27	130
<b>Saint Lucia</b>	90	132	304	272	157	41	996
<b>Total</b>	3 053	2 661	2 699	1 955	2 411	3 959	16 738

Figure 20: Capital levered by SBDC clients, listed by year and country

	2015	2016	2017	2018	2019	2020	2015 to 2020
<b>Bahamas</b>	n/a	n/a	n/a	n/a	1480682	n/a	1480682
<b>Barbados</b>	\$120 000,00	\$0,00	\$141 655,00	\$71 002,00	\$80 191,22	\$3 321,10	\$416 169,32
<b>Belize</b>	\$3 097 742,75	\$5 806 280,83	\$11 359 960,65	\$3 442 305,00	\$725 682,00	\$487 366,00	\$24 919 337,23
<b>Guyana</b>	n/a	n/a	n/a	n/a	\$2 800 000,00	\$6 400 000,00	\$9 200 000,00
<b>Jamaica</b>	\$250 000,00	\$41 300 000,00	\$6 235 000,00	\$9 091 850,00	\$26 284 926,66	\$8 355 000,00	\$91 516 776,66
<b>Saint Kitts &amp; Nevis</b>	n/a	n/a	n/a	n/a	\$56 000,00	\$0,00	\$56 000,00
<b>Saint Lucia</b>	\$15 000,00	\$20 000,00	\$0,00	\$71 992,76	\$688 686,79	\$6 612,34	\$802 291,89
<b>Total</b>	\$3 482 742,75	\$47 126 280,83	\$17 736 615,65	\$12 677 149,76	\$30 635 486,67	\$15 252 299,44	\$128 391 257,10

Sources: NeoSerra and SBDC Bahamas, 2020

## Annex 7: Stakeholders interviewed

This evaluation report does not contain a list of stakeholders interviewed, as agreed with DPE.

185 SBDC clients participated anonymously in an on-line survey. Besides, the evaluator interviewed 15 SBDC stakeholders representing five out of the seven program countries and the project team. Due to the small number of stakeholders per program country, sharing the names of interviewees would allow to trace back respondents by country. Hence the decision was taken not to publish the list of stakeholders interviewed. This approach is in line with United Nation Evaluation Group’s evaluation ethics concerning the anonymity of evaluation stakeholders.