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Mid-term evaluation of the project titled “Establishment of the Small Business Development Centers (SBDC) Model in CARICOM – phase III”

Final report

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List of acronyms and abbreviations

CARICOM	Caribbean Community
D.C.	District of Colombia
DPE	Department of Planning and Evaluation (OAS)
ibid.	“Ibidem” (Latin for: “the same”)
ICAI	Independent Commission for Aid Impact (of the United Kingdom)
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
MoV	Means of Verification
MSME	Micro, Small and Medium Enterprise
OAS	Organization of American States
RPPI	Report on Progress of Project Implementation (OAS)
SME	Small and Medium Enterprise
SBDC	Small Business Development Centers
UK	United Kingdom
U.S.	United States
USAID	United States Agency for International Development
USD\$	United States Dollar
UTSA	The University of Texas at San Antonio

Figure 1: Dashboard of key findings by evaluation criteria and main evaluation questions

Criteria	Assessment	Rationale
Relevance		<p>The program was doing the right thing with a relevance score of 100%</p> <ul style="list-style-type: none"> • The theory of change of SBDC – phase III is valid. The assumptions hold, and the program is logically designed. • The assumption concerning the necessary systems and capacities in place to withstand exogenous shocks seems to be of increasing importance, given the growing frequency and strengths of climate phenomena in the Caribbean hitting three out of the eight current SBDC countries since 2017. • The design of SBDC – phase II was putting more weight to contribute to the mitigation of natural risks through training on incorporating disaster risk management strategies in MSME business planning than SBDC – phase III. • The project team emphasizes the inclusive nature of SBDCs, which SBDC directors widely share concerning the inclusion of women and youth.
Efficiency		<p>Efficiency: SBDC- phase III is very well managed. The project team used resources appropriately for the program design and implementation, showing value for money to the U.S. taxpayer. The program's efficiency reaches 94%.</p> <ul style="list-style-type: none"> • The project team uses the OAS' progress reporting format, the "Report on Progress of Project Implementation" (RPPI) systematically. Good quality reporting proves the use of results-based monitoring and management principles in the program. • The evaluation finds good progress in the implementation of the recommendations and lessons learned of the final evaluation of SBDC – phase II, with seven out of nine recommendations acted upon. • The logframe indicators of SBDC – phase III are specific, measurable, achievable, relevant, and time-bound and of overall sound quality. However, some targets set seem under ambitious, particularly at the purpose level concerning the registration of new SBDC clients across the participating CARICOM Member States. • Goal level indicators are missing in the OAS project document template. It is understood that the OAS has adjusted its project document in the meantime, and the project team reports impact results in its RPPIs regardless of the absence of goal level indicators. • Unexpected efficiency gains: The project team managed to partner with the “Compete Caribbean” development program to leverage resources for the delivery of technical support to SMEs to facilitate participation in two economic sectors.





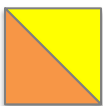

Effectiveness		<p>Effectiveness: SBDC – phase III achieved the planned results at mid-term and showed overall good effectiveness with a score of 88%.</p> <ul style="list-style-type: none"> • The program is making progress to the achievement of its goal • Final targets for three out of the five outcome indicators are either exceeded or close to be met at mid-term. For two targets, it is too early to assess results. • At the output level, four final targets are either met or exceeded at mid-term. For seven indicators, it is too early to evaluate results, including three targets for output 4, where work has not started yet. • SBDC directors show a high satisfaction rate with the progress made, reaching 72%. • The program's contribution to medium-term results for phase III but also longer-term results concerning the economic impact on MSMEs is high, varying, of course, depending on the size of the beneficiary countries' economies. • SBDC directors perceive a need to strengthen the program's focus on four components previously included in SBDC – phase II, including value chains, access to finance and insurance, as well as more diverse technical support from the OAS beyond UTSA support. • Five unexpected results emerge, including leveraging partners for the implementation of a program output or additional functions of SBDC. • The main strengths of SBDC – phase III include well known and long-standing institutions adopting the SBDC model, as experienced in three countries. • The main weaknesses of the program comprise insufficient government funding to run the SBDCs in three countries optimally. • The opportunities identified are more related to the specific national environment of each SBDC, and no cluster of issues emerges. • The main threats to SBDCs are increasingly devastating climate events, as expressed by all SBDCs in the Eastern Caribbean.
Likely impact		<p>Likely impact: The evaluation finds that the likelihood of program impact is very high, reaching a score of 88%.</p> <ul style="list-style-type: none"> • SBDCs in five out of eight beneficiary countries use NeoSerra data to track the economic results of SBDC clients and performance of SBDCs; • Data availability for cost-benefit analysis is good for Barbados, Belize, Jamaica, Saint Kitts, and Nevis and Saint Lucia; • The assessment of the quality of NeoSerra data requires on-site validation in SBDC beneficiary countries; • SBDCs report that 1206 clients were counseled for a period of five to seven months during phase III compared to 6199 clients counselled during the 27 months of SBDC – phase II.; • The cost-benefit of SBDC – phase III is very high, with US\$ 4,047,057 of capital leveraged by SBDC clients, US\$ 9,23 for each US\$ invested by the U.S. at mid-term; • The 675 jobs created cost the U.S. taxpayer US\$ 2722,68 per job, compared to US\$ 8639,19 for each job created in phase II of SBDC and US\$ 16,340 per U.S. job created in the U.S. Small Business Investment Company Program (2017); • The highest share of exporting SBDC clients can be found in Saint Lucia (37%) and the lowest one in Saint Kitts and Nevis (3%).

Figure 2: Legend for color-coding used for results assessment

	Green: Strong achievement across the board. Stands out as an area of good practice where OAS is making a significant positive contribution. Score 76 to 100 out of 100
	Green/amber: Satisfactory achievement in most areas, but partial achievement in others. An area where OAS is making a positive contribution but could do more. Score 51 to 75 out of 100
	Amber/red: Unsatisfactory achievement in most areas, with some positive elements. An area where improvements are required for OAS to make a positive contribution. Score 26-50 out of 100
	Red: Poor achievement across most areas, with urgent remedial action required in some. An area where OAS is failing to make a positive contribution. Score: 0-25 out of 100

Executive summary

Introduction: This document comprises the final evaluation report of the mid-term evaluation of the program titled “Establishment of the Small Business Development Centers (SBDCs) Model in CARICOM Phase III.” The Organization of American States (OAS) implements phase III of SBDC (“the program”), with funding from the United States Department of State. The 24-month implementation of phase III of the program started on 13 August 2018 and is scheduled to end on 12 August 2020.

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 Member States.

Program background: The Caribbean SBDC project, seeks to improve the access of MSMEs in the CARICOM region, to sustainable and effective assistance services based on the US Small Business Development Centre (SBDC) model. Phase three of the Project will continue to advance the adaptation and consolidation of the SBDC model in Antigua and Barbuda, Barbados, Belize, Jamaica, Saint Kitts and Nevis, Saint Lucia and The Commonwealth of the Bahamas while expanding the model to one new beneficiary country, Guyana.

Evaluation background: The purpose of the midterm evaluation is twofold: i) to assess the performance to date of the SBDC model Phase III in the beneficiary countries in the context of Phase I and II, by reviewing its advances to date and comparing them to those established in the program objectives; and ii) to determine to what extent the recommendations and lessons learned from the evaluation of Phases I and II were taken into account in the execution of Phase III. In particular, this evaluation should focus on identifying a methodology and collecting data to conduct a robust cost-benefit analysis in the final program evaluation.

Evaluation methodology: For the midterm evaluation of the SBDC program – phase III, a theory-based evaluation approach was applied using a mixed-methods. 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 theory of change of SBDC – phase III. Field visits were not foreseen in the Terms of Reference of this evaluation. The evaluation did not encounter any significant limitations.

Evaluation findings

Relevance: SBDC – phase III is doing the right thing, reaching a relevance score of 100%. The theory of change of SBDC – phase III is valid. The assumptions hold, and the program is logically designed. The evaluation finds that the design of SBDC – phase II was putting more weight to contribute to the mitigation of natural risks through training on incorporating disaster risk management strategies in MSME business planning than SBDC – phase III. The project team emphasizes the inclusive nature of SBDCs concerning women and youth, an issue raised in the final evaluation of SBDC – phase II.

Efficiency: The program is very well managed, reaching an efficiency score of 94%. The project team used resources appropriately for the program design and implementation, showing value for money to the U.S. taxpayer.

The project team uses the OAS' progress reporting format systematically. Good quality reporting proves the use of results-based monitoring and management principles in the program.

The evaluation finds good progress in the implementation of the recommendations and lessons learned of the final evaluation of SBDC – phase II, with seven out of nine recommendations acted upon.

The logframe indicators of SBDC – phase III are of overall sound quality. However, some targets set seem under ambitious. Goal level indicators are missing in the OAS project document template. The evaluator understands that the OAS has adjusted its project document in the meantime, and the project team reports impact results in its RPPIs regardless of the absence of goal level indicators.

The project team managed to partner with the “Compete Caribbean” development program to leverage resources for the delivery of technical support to SMEs to facilitate participation in two economic sectors. This fact constitutes an unexpected efficiency gain.

Effectiveness: SBDC – phase III achieved the planned results at mid-term and showed overall good effectiveness, with a score of 88%.

The program is making progress to the achievement of its goal (long-term results), purpose (medium-term results) and outputs (short-term results). SBDC directors in seven out of eight beneficiary countries show a high satisfaction rate with the progress made, reaching 72%.

SBDC directors perceive a need to strengthen the program's focus on four components previously included in SBDC – phase II, including value chains, access to finance and insurance, as well as more diverse technical support from the OAS beyond UTSA support.

Five unexpected results emerge, including leveraging partners for the implementation of a program output or additional functions of SBDC in beneficiary countries such as coordinators for national MSME support and coordination of international donors interventions.

Analysis of strengths, weaknesses, opportunities and threats (SWOT) of SBDC – phase III:

- **S:** well known and long-standing institutions were adopting the SBDC model, as experienced in three countries.
- **W:** insufficient government funding to run the SBDCs in three countries optimally.
- **O:** The opportunities identified are more related to the specific national environment of each SBDC, and no cluster of issues emerges.
- **T:** increasingly devastating climate events, as expressed by all SBDCs in the Eastern Caribbean.

Likely impact: The evaluation finds that the likelihood of program impact is very high, reaching a score of 88%.

SBDCs in five out of eight beneficiary countries use NeoSerra data to track the economic results of SBDC clients and performance of SBDCs. As such, data availability for cost-benefit analysis is good for Barbados, Belize, Jamaica, Saint Kitts, and Nevis and Saint Lucia. However, the quality assessment of NeoSerra data requires on-site validation in SBDC beneficiary countries.

SBDCs report that 1206 clients were counseled for a period of five to seven months during phase III, compared to 6199 clients counselled during the 27 months of SBDC – phase II.

The cost-benefit of SBDC – phase III is very high, with US\$ 4,047,057 of capital leveraged by SBDC clients, US\$ 9,23 for each US\$ invested by the U.S. at mid-term compared to US\$ 4,70 leveraged for each US\$ during SBDC – phase I.

The 675 jobs created cost the U.S. taxpayer US\$ 2722,68 per job, compared to US\$ 8639,19 for each job created in phase II of SBDC and US\$ 16,340 per U.S. job created in the U.S. Small Business Investment Company Program (2017).

The highest share of exporting SBDC clients can be found in Saint Lucia (37%) and the lowest one in Saint Kitts and Nevis (3%).

Recommendations

Based on the key findings listed above a range of conclusions are drawn, as presented in detail in the main report. Those key findings and conclusions lead to the following recommendations:

Relevance:

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.

Prioritization: very high: next month

Efficiency:

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.

Prioritization: very high: next month

Effectiveness:

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.

Prioritization medium: next 6 to 9 months

R 4: SBDC team in the OAS: Engage with the donor to get approval for contracting technical expertise from the best available sources.

Prioritization: very high: next month

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.

Prioritization: very high: next month

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.

Prioritization medium: next 6 to 9 months

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.

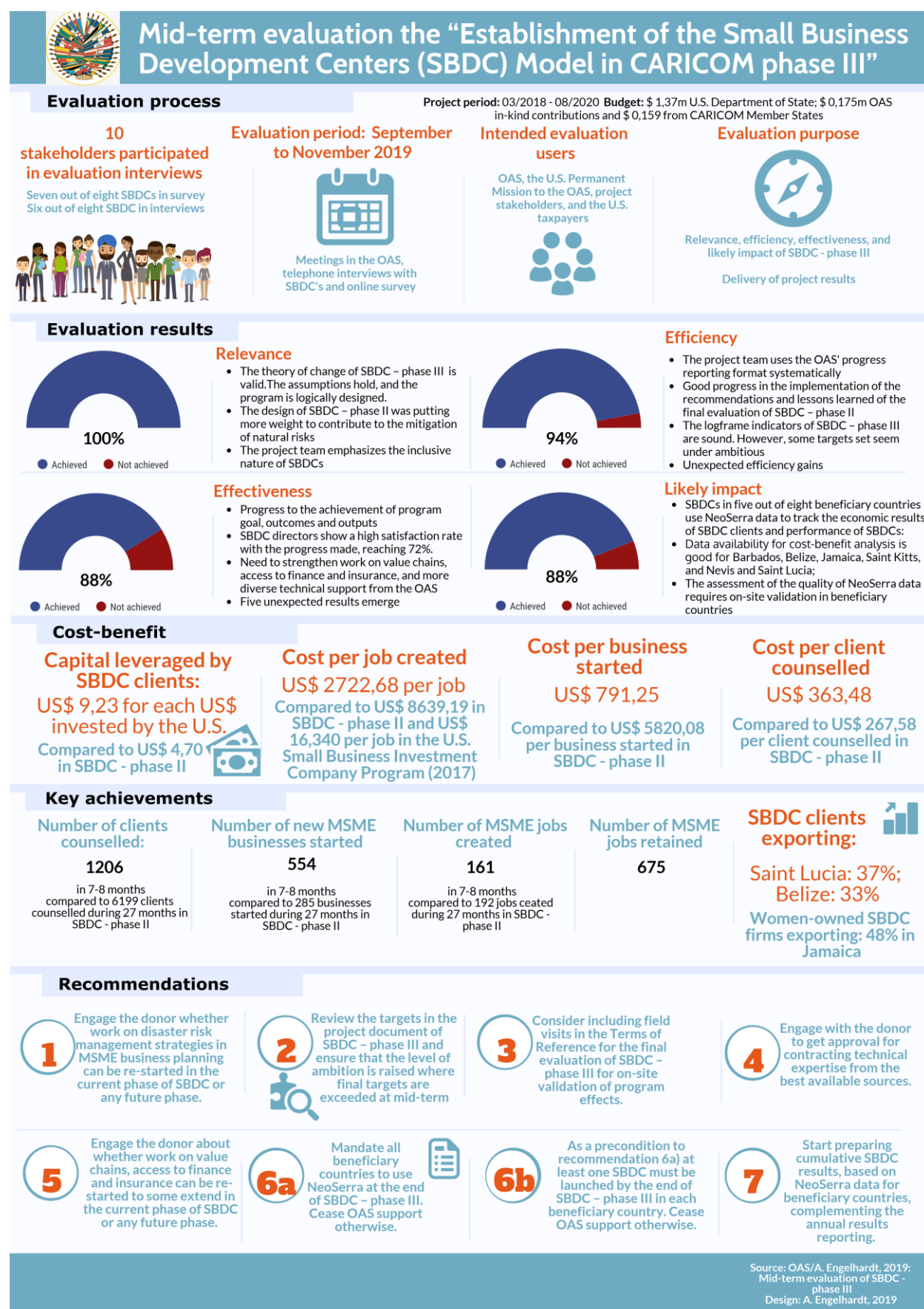
Prioritization medium: next 6 to 9 months

Likely impact:

R 7: SBDC team in the OAS: Start preparing cumulative SBDC results, based on NeoSerra data for beneficiary countries, complementing the annual results reporting.

Prioritization: medium: next 6 to 9 months

Figure 3: Info graphic summarizing the mid-term evaluation and main evaluation results



Section I: Introduction

This document comprises the final evaluation report of the mid-term evaluation of the program titled “Establishment of the Small Business Development Centers (SBDCs) Model in CARICOM Phase III.” The Organization of American States (OAS) implements phase III of SBDC (“the program”), with funding from the United States Department of State.

Phase III of the program started on 13 August 2018 and is scheduled to end on 12 August 2020, after 24 months. 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 Member States.

1.1 Program background

The project document outlines the program background as follows¹:

“The Caribbean SBDC project, seeks to improve the access of MSMEs in the CARICOM region, to sustainable and effective assistance services based on the US Small Business Development Centre (SBDC) model. The SBDC model focuses on enhancing the cooperation among public and private sector entities and academia to maximize resources, synergies, and complementarities to benefit a range of actors in the MSME sector. Further, the program seeks to promote and sustain private sector development through an improved administrative and policy environment, including support to MSMEs that will lead to increased employment, economic inclusion, and reduced poverty.

By providing support to start-ups, micro, small, and medium enterprises to opportunities in value chains and by establishing the enabling business support infrastructure, the SBDC program ultimately hopes to promote inclusive development to decrease unemployment, vulnerability and provide options for poverty alleviation. The program will also support the strengthening of the capacity of public agencies to ensure a coordinated, harmonized, synergized delivery of services to MSMEs, focusing on the capture and creation of economic impact.

Since the MSME sector in the Caribbean region is recognized as integral to steady economic growth and increased national competitiveness, the Caribbean SBDC program aims to address six major priority areas: i) adjusting the regulatory framework to more efficiently address the needs of MSMEs, ii) developing human capital, iii) fostering MSME competitiveness and entrepreneurial spirit, iv) developing regional MSME support structures, and vi) developing public/private partnerships to support the development of the sector. Phase three of the Project “Establishment of the Small Business Development Centers (SBDCs) Model in CARICOM Member States” will therefore continue to advance the adaptation and consolidation of the SBDC model in Antigua and Barbuda, Barbados, Belize, Jamaica, Saint Kitts and Nevis, Saint Lucia and The Commonwealth of the Bahamas while expanding the model to one new beneficiary country.

Consolidation activities of the project will focus primarily on assisting participating beneficiary countries in ensuring the long-term sustainability of their SBDC programs which would also include offering professional development opportunities for SBDC advisory staff that ensures that centers have high-quality, trained personnel who can offer comprehensive business information and counsel to MSMEs. The project will also support the advancement

¹ OAS General Secretariat, 2018: Establishment of the Small Business Development Centers Model in CARICOM–Phase III. SID 1802. Project document. Page 9.

of the Network of Caribbean SBDCs in strengthening its role in promoting the development of all SBDC programs, with special emphasis on advocacy, quality assurance, professional development, and outreach to key program stakeholders”.

Figure 4: Map of SBDCs in the Caribbean



1.2 Evaluation background and objective

The evaluation Terms of Reference (ToRs) provide the following concise summary of the evaluation background and objective:

“The purpose of the midterm evaluation is twofold:

- i) to assess the performance to date of the SBDC model Phase III in the beneficiary countries in the context of Phase I and II, by reviewing its advances to date and comparing them to those established in the program objectives; and
- ii) to determine to what extent the recommendations and lessons learned from the evaluation of Phases I and II were taken into account in the execution of Phase III.

In particular, this evaluation should focus on identifying a methodology and collecting data to conduct a robust cost-benefit analysis in the final program evaluation using hard data emanated from 7 years of program execution”².

The ToRs defined the scope of the general assessment of the performance to date within the Caribbean SBDC Phase III program as follows³:

² OAS Secretary-General, 2019: Terms of Reference. Midterm evaluation of the Small Business Development Centers Program in the Caribbean – Phase III. Page 5.

³ Ibid.

- i) Conduct a formative assessment in order to determine the program’s progress in achieving its objectives.
- ii) Lay down the groundwork to conduct a robust cost-benefit analysis in the final program evaluation using hard data emanated from 7 years of program execution.
- iii) Critically analyze the formulation, design, implementation, and management of the program and make recommendations as needed.
- iv) Determine if and how the recommendations made in past evaluations were taken into account in the design and execution of Phase III of the SBDC program.
- 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.

This evaluation aims to answer the following evaluation questions specified in the ToRs:⁴

- Are the results achieved to date attributable to the actions of the operation?
- Did the program team apply results-based management principles from its inception to its conclusion?
- Were lessons learned and recommendations included in the final evaluation of phase II taken into account in the implementation of phase III?
- Was the monitoring mechanism used as an efficient and effective tool to follow-up on the progress of the program’s actions?
- Were there any unforeseeable/not planned results or outcomes?

Annex 2 systematically presents the evaluation questions in the evaluation matrix.

Intended users for this evaluation are the OAS, the U.S. Permanent Mission to the OAS, program stakeholders, and the U.S. taxpayers. The evaluation takes place between September and November 2019.

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 evaluations’ work plan and evaluation framework constituted the first deliverables of the mid-term evaluation and outlined the evaluation methodology and approach agreed

⁴ Ibid pages 5 -6

with the OAS. Annexes 4 and 5 contain the evaluation matrix and the evaluation questionnaire.

For the midterm evaluation of the SBDC program – phase III, a theory-based evaluation approach was applied. 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. 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.

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 theory of change of SBDC – 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 for March 2019 and August 2019.

The assessment of progress against those logframe indicators served as the basis for evaluating the effectiveness of the SBDC program – phase III at midterm.

The evaluator used the following evaluation tools and processes for this midterm evaluation:

1. Document review, including on literature of models and approaches to determine the impact of SME programs and related data requirements (for example OECD⁵, World Bank⁶, Inter-American Development Bank⁷, European Investment Bank⁸);

Key documents used for the document review included:

OECD, 2018: Monitoring and evaluation of SME and entrepreneurship programmes. SME Ministerial Conference. Mexico City. 22-23 February 2018

Lopez-Acevedo, G., Tan, H. W., 2010: *Impact evaluation of SME programs in Latin America and Caribbean (English)* Washington, D.C. World Bank.

Cravo, Túlio A. ^[13]^[13] 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 ^[13]^[13] Working Paper Series; 709 ^[13]^[13]

European Investment Bank. Evaluation Cooperation Group, 2014: Evaluating support to SMEs: Rationale, challenges, and opportunities.

2. Personal meetings with the Department of Planning and Evaluation, the Department of Economic and Social Development implementing the program in the OAS in

⁵ <https://www.oecd.org/cfe/smes/ministerial/documents/2018-SME-Ministerial-Conference-Parallel-Session-6.pdf>

⁶ <http://documents.worldbank.org/curated/en/319161468337915156/Impact-evaluation-of-SME-programs-in-Latin-America-and-Caribbean>

⁷ Cravo, Túlio A. ^[13]^[13] 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 ^[13]^[13] Working Paper Series; 709 ^[13]^[13]

⁸ https://www.ecgnet.org/sites/default/files/ECG%20Paper%20%23%206%20Evaluating_support_to_SMEs%20final.pdf

- Washington DC and scoping call with the representative of the US Permanent Mission to the OAS;
3. Theory of Change validation meeting in the OAS in Washington DC with the Department of Economic and Social Development implementing the program;
 4. Midterm evaluation survey to SBDC teams in all eight program countries;
 5. Telephone interviews with stakeholders in selected program countries to:
 - Collect any missing NeoSerra data and enquire about future data collection for the use of the final evaluation of SBDC III;
 - Validate the robustness of NeoSerra data on SBDC beneficiaries’ economic performance;
 - Test the availability of data for a robust cost-benefit analysis for the final evaluation of SBDC III;
 - Assess issues of the contribution of SBDC III to SBDC beneficiaries’ economic performance vs. other external influences such as changes in the broader business climate.
 - Review the availability of a critical mass of MSMEs in program countries for spot checks concerning the validity of NeoSerra data as part of the final evaluation of SBDC III.
 6. Presentation of the midterm report to OAS via Skype conference call, following data analysis;
 7. Draft evaluation report for feedback to OAS;
 8. Finalization of evaluation report and presentation via Skype conference to OAS in Washington DC.

In total, 10 stakeholders were interviewed: the project team(1), the donor (1), the Department of Planning and Evaluation (1) and seven SBDC directors/staff in six SBDC beneficiary countries: Antigua and Barbuda, Barbados, Jamaica, Saint Kitts and Nevis, Saint Lucia and The Commonwealth of the Bahamas. Seven out of the eight SBDC’s participated anonymously in the online survey, all beneficiary countries but Guyana.

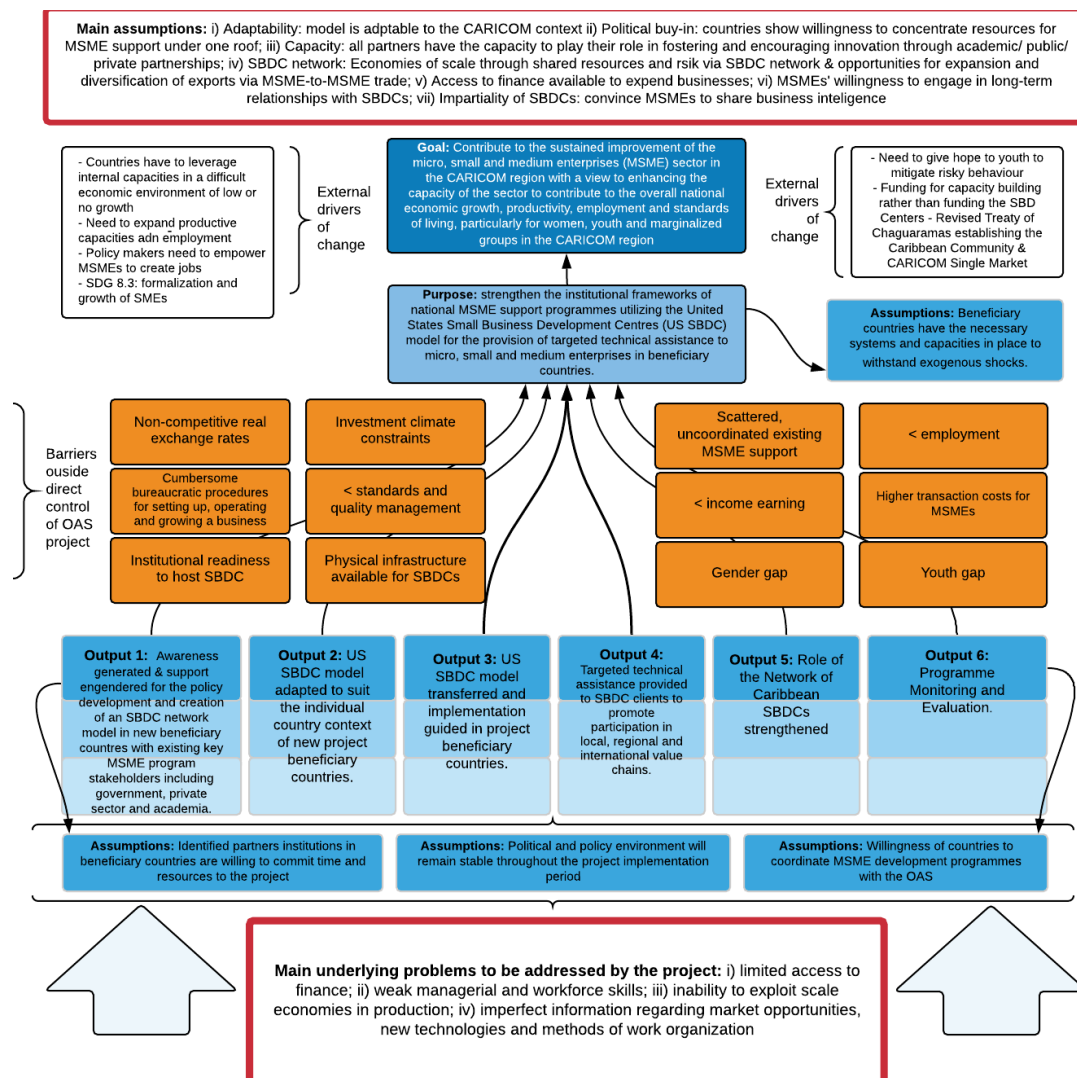
1.4 Limitations

This mid-term evaluation did not encounter any significant limitations. Readily available results data and a proactive project team hugely supported the evaluation. All SBDCs in beneficiary countries took the opportunity to contribute to the mid-term evaluation, except for Guyana, despite the project team's efforts to facilitate the engagement.

1.5 Reconstructed Theory of Change of SBDC III

Figure 5 presents the reconstructed theory of change of SBDC III using the project documents and its logframe as the primary data sources. The evaluator validated the theory of change with the project team.

Figure 5: 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 and conclusions

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, two sub-criteria are used: i) the validity of the program’s reconstructed Theory of Change; and ii) the relevance of the program in addressing issues of exclusion of vulnerable groups, including women and youth.

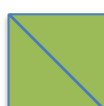
The principal sources of evidence for this section are the document review, telephone interviews, the online survey, and the validation of the Theory of Change.



Key findings: The program is doing the right thing

- The theory of change of SBDC – phase III is valid. The assumptions hold, and the program is logically designed.
- The assumption concerning the necessary systems and capacities in place to withstand exogenous shocks seems to be of increasing importance, given the growing frequency and strengths of climate phenomena in the Caribbean hitting three out of the eight current SBDC countries since 2017.
- The design of SBDC – phase II was putting more weight to contribute to the mitigation of natural risks through training on incorporating disaster risk management strategies in MSME business planning than SBDC – phase III.
- The project team emphasizes the inclusive nature of SBDCs, which SBDC directors widely share concerning the inclusion of women and youth.

The evaluation finds that the relevance of SBDC – phase III is very high. Based on the evaluations’ scoring methodology⁹, the relevance score of SBDC - phase III is “green” (100 out of 100¹⁰). For both sub-criteria, the validity of the theory of change, and the inclusive nature of the program, ratings are very high.



2.1 The validity of the Theory of Change

This section assesses the validity of all main components of the program’s reconstructed theory of change. The project document served as the primary data source for the reconstruction, followed by a validation call with the project team.

The evaluation finds that the theory of change for SBDC III is valid. No significant conceptual or design shortcomings emerge.

Main problems

As for the theory of change for SBDC II, the main underlying problems addressed by the program remain unchanged but are now more succinctly summarized:

- i) Limited access to finance for MSMEs;

⁹ applied by the UK’s Independent Commission for Aid Impact, see for example <http://icai.independent.gov.uk/wp-content/uploads/ICAI-Review-UK-aids-contribution-to-tackling-tax-avoidance-and-evasion.pdf>

¹⁰ Scores by sub-criteria: green: 4, green/amber: 3, amber/red: 2; red: 1

- ii) Weak managerial and workforce skills;
- iii) Inability to exploit scale economies in production; and
- iv) Imperfect information regarding market opportunities, new technologies, and methods of work organization.

Main assumptions

The main assumptions of SBDC – phase III are similar to the ones of previous phases. The evaluation finds that the assumptions hold.

i) Adaptability: model is adaptable to the CARICOM context ii) Political buy-in: countries show willingness to concentrate resources for MSME support under one roof; iii) Capacity: all partners have the capacity to play their role in fostering and encouraging innovation through academic/ public/ private partnerships; iv) SBDC network: Economies of scale through shared resources and risk via SBDC network & opportunities for expansion and diversification of exports via MSME-to-MSME trade; v) Access to finance available to expand businesses; vi) MSMEs' willingness to engage in long-term relationships with SBDCs; vii) Impartiality of SBDCs: convince MSMEs to share business intelligence.

Intervention logic from outputs to goal

The flow from the program outputs (short-term results) to the program purpose (medium-term results) and goal (long-term results) is logical.

The strengthening of institutional frameworks of national MSME support programs using the US SBDC model, the program purpose, is supported by the program outputs. The latter include awareness-raising and policy development, the adaptation and transference of the US SBDC model, technical assistance, and a strengthened regional SBDC network.

At the same time, the program's purpose is related to the program goal: the contribution to the sustained improvement of the MSME sector in the CARICOM region.

Assumptions at output and outcome level

Based on the following three **assumptions**, the program outputs (short-term results) are achievable through its activities:

- i) Identified partner institutions in beneficiary countries are willing to commit time and resources to the project;
- ii) Political and policy environment will remain stable throughout the project implementation period; and
- iii) The willingness of countries to coordinate MSME development programs with the OAS.

The mid-term evaluation finds that based on telephone interviews and survey responses¹¹ of SBDC beneficiary countries in CARICOM¹², the assumptions i) and iii) hold for the following countries:

- Antigua and Barbuda
- Barbados

¹¹ Telephone interviews: n = 6; survey responses; n = 7

¹² No responses were obtained from Guyana.

- Belize
- Commonwealth of the Bahamas
- Jamaica
- Saint Kitts and Nevis
- Saint Lucia

This fact is also reflected in Figure 6. The importance of a stable political environment showed during phase III of SBDC in Antigua and Barbuda. Following general elections, both the program counterpart at the technical level in the Ministry of Trade and the OAS project team had to deal with a total of four Permanent Secretaries. Re-establishing relationships, creating understanding for the program, and ultimately winning buy-in had to be restarted four times, which slowed down the program, including the launch of the first SBD Center in the country.

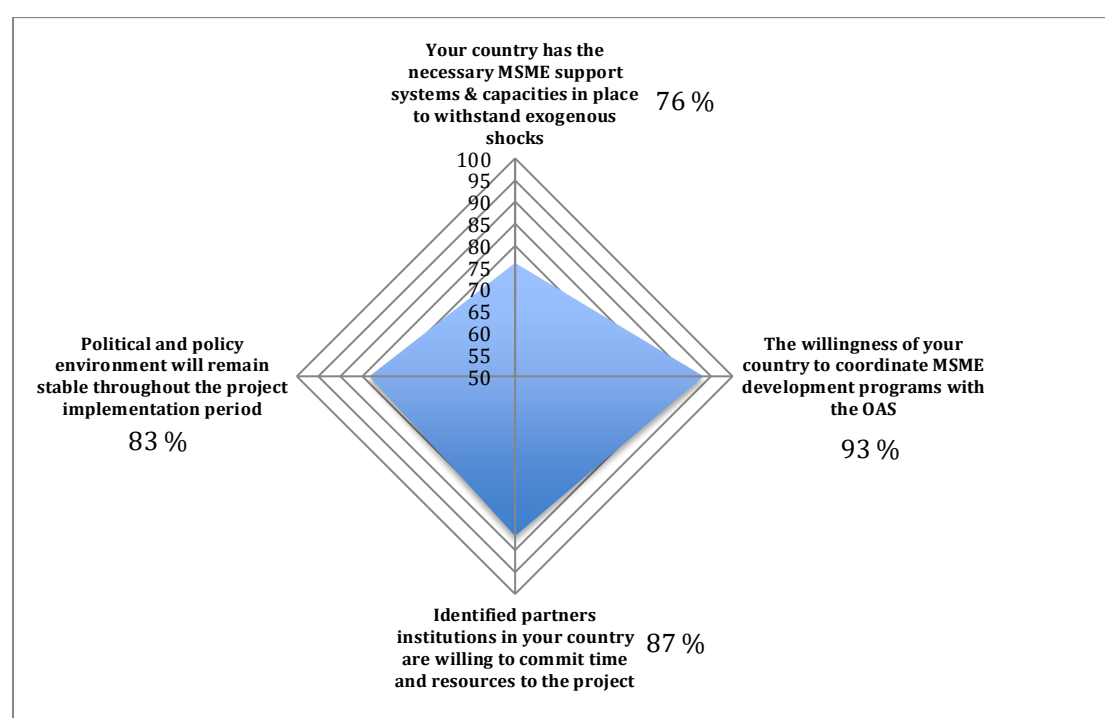
However, the evaluation finds that at the technical level, the commitment to the SBDC program is high in the country.

To achieve the project purpose or medium-term result, the strengthening of institutional frameworks of national MSME support programs using the US SBDC model, the assumption specified in the project document holds: Beneficiary countries have the necessary systems and capacities in place to withstand exogenous shocks.

This assumption seems to be of increasing importance, given the growing frequency and strengths of climate phenomena in the Caribbean.

The mid-term evaluation’s online survey reveals that SBDC directors in six out of the eight beneficiary countries are indeed concerned about the extent to which program countries have the required systems and capacities in place for MSMEs to withstand exogenous shocks. Those views are reflected in Figure 6. Follow-up interviews unanimously pointed to the recent hurricanes in the Caribbean.

Figure 6: SBDC beneficiary perception of the validity of program assumptions



Source: SBDC –phase III Mid-term evaluation, 2019; n=6

In those cases, government priorities necessarily have to shift in small island states, exposing their vulnerability to natural disasters¹³. The evaluation finds that the design of SBDC – phase II was putting more effort into contributing to the mitigation of such natural risks. The previous phase of the SBDC program contained a specific output on training SBDC advisors on incorporating disaster risk management strategies in MSME business planning.

Barriers

Some of the barriers identified for SBDC – phase III are identical to the ones observed in phase II of the program, while for phase III, additional barriers emerged. The barriers are beyond the scope of the program but require attention in achieving the program's purpose and goal.

Barriers included in the theory of change for SBDC – phase II and which are still valid comprise:

- Gender gap
- Youth gap
- Scattered uncoordinated existing MSME support
- Limited employment opportunities
- Low-income earnings
- Low standards and insufficient quality management

New barriers that have emerged are as follows:

- Institutional readiness to a host SBDC
- Physical infrastructure available for SBDCs
- Cumbersome bureaucratic procedures for setting up, operating and growing a business
- Higher transaction costs for MSMEs
- Investment climate constraints
- Non-competitive exchange rates

External drivers of change:

The external drivers of change identified in the theory of change are valid and include the Sustainable Development Goal 8.3 concerning the formalization and growth of SMEs, adopted by all UN Member States as part of the 2030 Agenda for Sustainable Development in 2015.

¹³ One SBDC beneficiary country, The Commonwealth of the Bahamas is currently tested in this regard, following the devastating effects of Hurricane Dorian in September 2019. “The hurricane hit the Northern Bahamas with winds of up to 298 km/h reaching Category 5. Hurricane Dorian surpassed known meteorological records as the strongest Atlantic hurricane documented to directly impact a landmass since records began” (International Federation of the Red Cross, 2019). Thousands of houses were destroyed, and infrastructure damaged. The exact number of lives lost was unknown at the time of producing this evaluation report.

The SBDC countries of Saint Kitts and Nevis and Antigua and Barbuda experienced a similar fate in September 2017, with the island of Nevis being devastated by Hurricane Irma, as well as the island of Barbuda. At that time, Hurricane Irma was the most powerful hurricane ever recorded in the Atlantic (International Federation of the Red Cross and Red Crescent Societies, 2018).

In September 2017, the former SBDC beneficiary country of Dominica was devastated by Hurricane Maria, causing US\$ 930,9 million damages¹³ and bringing the SBDC efforts to a hold. (Assessment Capacities project, 2018).



2.2 Inclusion of vulnerable groups, including women and youth

The project team emphasizes the inclusive nature of SBDC's, which SBDC directors widely share.

For SBDC directors of six out of eight SBDC countries, the relevance of women and youth both reach 80%, followed by 77% for rural populations.

The box below summarizes some of the testimonials of SBDC directors for a range of beneficiary countries.

“With regard to women, we have a strong membership, almost 50% of clients are women. They are highly represented in our training, exhibitions, and other interventions. Concerning the rural populations, we do try to deliver our services in some of these communities. We also partner with the Ministry of Equity (Social Transformation) and other Community Development Organisations to reach this grouping.”

“The SBDC has a strong working alliance with the Department of Youth and works very closely with this Ministry in the design and implementation of programs for youths/at-risk youths, women/teen mothers and the unemployed.”

“SBDC sees a high number of women-owned businesses, and we look forward to confirming more data on women-owned businesses in the future. (...) there is a need to reach out to other rural populations, and this is planned to be accomplished by implementing digital and on-line training.”

“While the SBDC participates in programs that benefit/are designed for women and youth, there is no particular strategy that targets them. (...) Currently, the SBDCs serve slightly more female entrepreneurs than male (approximately 52:48) (...) The SBDC works with the (National) Council for Disabled Persons and the National Council for Senior Citizens.”

Sources: SBDC directors

The project team now tracks the SBDC effects on women and other vulnerable groups with purpose level indicators, acting upon a recommendation made in the final evaluation of SBDC – phase II.

Besides, under output 4, the program's cooperation with Compet Caribbean also contains a women focus, as explained in section 3.5 on "unexpected efficiency gains."


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

This section analyses the efficiency of SBDC – phase III based on the following set of sub-criteria: i) quality of logframe performance indicators, ii) the use of results-based management principles; iii) use of lessons learned and recommendation of the evaluations of phases I and II of SBDC in the design of phase III; and iv) quality of program monitoring.

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

Key findings: SBDC- phase III is very well managed. The project team used resources appropriately for the program design and implementation, showing value for money.

- The project team uses the OAS' progress reporting format, the "Report on Progress of Project Implementation" (RPPI) systematically. Good quality reporting proves the use of results-based monitoring and management principles in the program.
- The evaluation finds good progress in the implementation of the recommendations and lessons learned of the final evaluation of SBDC – phase II, with seven out of nine recommendations acted upon.
- The logframe indicators of SBDC – phase III are specific, measurable, achievable, relevant, and time-bound and of overall sound quality. However, some targets set seem under ambitious, particularly at the purpose level concerning the registration of new SBDC clients across the participating CARICOM Member States.
- Goal level indicators are missing in the OAS project document template. It is understood that the OAS has adjusted its project document in the meantime, and the project team reports impact results in its RPPIs regardless of the absence of goal level indicators.
- Unexpected efficiency gains: The project team managed to partner with the “Compete Caribbean” development program to leverage resources for the delivery of technical support to SMEs to facilitate participation in two economic sectors.



The evaluation finds that the efficiency of the program is very high, with a "green" score (94 out of 100¹⁴). In three out of four sub-criteria, the program shows very strong performance with one criterion showing a strong performance. By July 3rd, 2019, 31.82% of the donor's project budget was disbursed for the payments of goods and services.



3.1 Quality and appropriateness of logframe performance indicators

¹⁴ i) quality of logframe performance indicators: high (3), ii) the use of results-based management principles: very high (4); iii) use of lessons learned and recommendation of the evaluations of phases I and II of SBDC in the design of phase III: very high (4); and iv) quality of program monitoring.: very high (4). Score: 15 out of 16 (93,75%)

The logframe indicators of SBDC – phase III are specific, measurable, achievable, relevant, and time-bound. Overall, the quality is good, and the indicators are appropriate to track the performance of SBDC – phase III. Before analyzing each indicator, the evaluation summarizes the following main findings:

- As observed in previous evaluations of SBDC and other technical assistance programs of the OAS, goal level indicators are missing in the OAS project document template, resulting in systematic underreporting about the impact of the OAS’ work. It is understood that the OAS has adjusted its project document in the meantime;
- While the indicators are appropriate, some targets set seem under ambitious, particularly at the purpose level concerning the registration of new SBDC clients across the participating CARICOM Member States.

Program output (short-term results)

Output indicators 1.1 to 3.1¹⁵ contain targets that are set before the end of the program implementation, either at mid-term or even before. This approach constitutes good practice and allows for monitoring and corrective action taking if required, even within the first year of program implementation. As such, those time-bound mid-term or pre-mid-term targets enable the project team's program management based on results.

Indicators 4.1 to 4.3¹⁶ focus on the service delivery of SBDCs and are useful to assess the targeting of clients, as well as clients' satisfaction. However, given the significantly higher number of new SBDC clients, the target for indicator 4.1 could be reformulated as a percentage rather than a whole number. This change would make this indicator more meaningful. Besides, it seems that for indicator 4.1, the time-bound element was omitted.

Indicators 5.1 to 5.3¹⁷ are linked to strengthening the role of the network of Caribbean SBDCs. The indicators are appropriate to track concrete steps to support the network. Indicators 6.1 to 6.4¹⁸ serve to track the management, monitoring, and evaluation of SBDC – phase III. The implementation of previous evaluation recommendations stands out as an

¹⁵ **Indicator 1.1** Eight (8) action plans developed and approved by the project beneficiary countries within the first six (6) months of project implementation.

Indicator 1.2 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.

Indicator 1.3 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.

Indicator 2.1 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.

Indicator 3.1 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

¹⁶ **Indicator 4.1** 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

Indicator 4.2 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.

Indicator 4.3 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.

¹⁷ **Indicator 5.1** 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.

Indicator 5.2 Ten (10) Caribbean SBDC Advisors and Directors (disaggregated by gender) achieving the Certified Business Advisor Designation by the end of the project implementation period.

Indicator 5.3 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.

¹⁸ **Indicator 6.1** Approved bi-annual and final progress reports for the activities of Phase three of the project "Establishment of Caribbean Small Business Development Centres in CARICOM Member States

innovative indicator, rarely to be found in project or program logframes. It shows the project team’s commitment to learn from evaluative evidence and to improve the program accordingly.

Program purpose (medium-term results)

As stated above, the targets set for indicator 1¹⁹ seems under ambitious. The second RPPI shows significant over achievement of the target for both indicators. By mid-August 2019, one year before the end of the program, 397 rather than the target of 20 new clients got registered.

The % increase in new SBDC clients represented by women, youth, and other marginalized groups had also been archived at mid-term. However, the target of 50% seems appropriate for a gender balance, with SBDC's serving women and men in the Caribbean equally.

An inconsistency emerges for indicator 4. While the indicator specifies three new SBDC programs launched in program beneficiary countries by the end of the program, the target set in the RPPI is seven.

In line with the finding on output indicator 4.1, the purpose level indicator 5 would benefit from reformulating as a percentage rather than a whole number, given the significantly higher number of new SBDC clients.

Project goal (long-term results)

While the project document template did not foresee the use of logframe indicators at the goal level at the time of the design of SBDC – phase III, the evaluator understands that this institutional shortcoming in the OAS has been addressed in the meantime.

The project is well placed to report on its long-term results, given the availability of results on economic indicators concerning, for example, job creation, business financing, revenue, or profits.

Indicator 6.2 At least six (6) recommendations from the Phase II final evaluation, (with three (3) deliverable at midterm) implemented by the end of Phase III of the project

Indicator 6.3 Final External Evaluation Report

Indicator 6.4 Mid -term External Evaluation Report approved by the Department of Planning and Evaluation (DPE)

¹⁹ **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.

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

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.

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.

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.



3.2 Use of lessons learned and recommendations for SBDC – phase III

The evaluation finds good progress in the implementation of the recommendations and lessons learned of the final evaluation of SBDC – phase II, with seven out of nine recommendations acted upon at mid-term.

Table 1: Implementation of recommendations of the final evaluation SBDC – phase II

Recommendation of the final evaluation: SBDC- phase II	Comments on progress made	
R 1: SBDC team in the OAS: Consult the donor about an additional phase of the SBDC program over a period of three years	The project team acted upon the recommendation. The donor-funded, however, only a phase of 24 months rather than 36 months.	<input type="checkbox"/>
R 2: SBDC team in the OAS: Keep working with current program countries with the aim to i) work towards a launch of at least one center per country in all current program countries by mid-term of phase III (as a cut off point for any future program assistance), and ii) consolidate SBDCs with NeoSerra reporting showing institutional performance and economic impact.	The project team kept working with seven out of the eight program countries, ceasing support to one country where no center had been established. To date, the launch of at least one SBDC is only outstanding in two countries: Antigua and Barbuda and Guyana. NeoSerra reporting is also being consolidated. The recommendation is in the process of implementation.	<input type="checkbox"/>
R 3: SBDC team in the OAS: Consult up to three out of the five of the remaining CARICOM Member States that are OAS members and not part of a special U.S. support mechanisms about their interest to participate in the program.	It is the understanding of the evaluator that the donor proposed a new program country. As such, the recommendation was not implemented, being beyond the control of the project team.	<input type="checkbox"/>
R 4: SBDC team in the OAS: Revise the output indicators for phase III of the program and include indicators at the goal level. Consider suggestions made in this evaluation report about sharpening further their results focus.	The project team reports on goal level achievements using NeoSerra data on the economic performance of SBDCs and its clients despite the absence of goal level indicators in the OAS RPPI format. The output indicators show an enhanced results focus. The project team acted upon the recommendation.	<input type="checkbox"/>
R 5: The SBDC team in the OAS should review the recommendations of the mid-term evaluation of SBDC – phase II again and consider to what extent recommendations are implementable in phase III	The project team acted upon at least four recommendations of the mid-term evaluation of SBDC – phase II. The project team: <ul style="list-style-type: none"> Kept the “country-by-country” rather than taking a regional approach. Embarked upon signing MoUs with all relevant line ministries in beneficiary countries. This is a logframe indicator of SBDC – phase III. Explored the best-suited role for Caribbean Export to play in the remaining implementation period with joint programming activities showing in phase III. Engage with SBDC teams in beneficiary countries to discuss the departure process of the OAS from SBDC. Exit strategies were officially discussed during a regional event in the Dominican Republic and ad-hoc with individual SBDC countries. 	<input type="checkbox"/>
R 6: SBDC team in the OAS: Fully align outcome level indicators with available data sources such as NeoSerra to avoid underreporting in phase III.	The project team systematically reports NeoSerra results in the RPPIs. As such, under-reporting is addressed and avoided.	<input type="checkbox"/>
R 7: OAS Secretariat: Given the recommended expansion of the SBDC program to additional CARICOM Member States, the human resource capacities of the project team require strengthening with up to two additional posts for administrative or technical purposes.	The human resource capacities of the project team remained unchanged despite the expansion of the SBDC program to an additional CARICOM Member State.	<input type="checkbox"/>
R 8: The SBDC team in the OAS should consider whether south-south “on-the-job-learning” across SBDCs would be an option to complement the technical assistance element of the program.	The project team acted upon this recommendation, with planned observational visits to Chile and Belize scheduled for November and December 2019.	<input type="checkbox"/>
R 9: The SBDC team in the OAS should create a dedicated output focusing on women and other vulnerable groups, rather than treating this aspect as an add on to another output.	SBDC effects on women and other vulnerable groups are now tracked with purpose level indicators. The project team acted upon the recommendation.	<input type="checkbox"/>

The SBDC team and the donor also embraced the lesson learned about the careful consideration required for the continued expansion of the SBDC country coverage. Faced with the option to expand the program to all CARICOM Member States, the OAS and the donor assessed the risk of overburdening and potentially breaking the SBDC program.



3.3 Use of results-based management principles

The project team uses the OAS's progress reporting format, the "Report on Progress of Project Implementation" (RPPI) systematically.

At mid-term, the project team has produced two RPPIs, with the latest one becoming available at the time of the mid-term evaluation. The evaluation finds that both RPPIs are of good quality. Results reporting is backed up on evidence contained in annexes. The NeoSerra data produced by the SBDCs in the beneficiary countries serves as a sound basis for reporting on the activities of SBDCs and its economic results on clients, despite room for improvement to use NeoSerra more comprehensively across SBDC beneficiary countries.



3.4 Project monitoring

In compliance with DPE's standardized RPPI template, the project team has produced to date two monitoring reports of high quality.

As stated above, the project team monitored using systematically SMART logframe indicators. The project team also tracked the assumptions listed in the project document and any changes over time. Issues identified in the RPPI are transparently presented.

3.5 Unexpected efficiency gains

Though not part of the evaluation matrix, the evaluator revealed unexpected efficiency gains that are worth reporting to the donor as an example of the program's value for money²⁰. The project team managed to partner with “Compete Caribbean”²¹ to leverage resources for the delivery of technical support to facilitate participation in the goods and services sectors. Activities contribute to output 4 of SBDC – phase III. Results are expected at the end of phase III.

Due to the OAS project team's participation in a donor coordination platform, contacts to Compete Caribbean were established, and the complementarity of both initiatives discussed.

Subsequently, SBDC – phase III and Compete Caribbean agreed to partner in the delivery of a pilot project under the Technology Extension Services (TEP) program of Compete Caribbean. The focus of TEP's pilot project is on specialized and tailored technical assistance to SMEs in the agro-processing and tourism sector. Both sectors were identified as priorities in the value chain component of SBDC – phase II.

SBDCs in seven beneficiary countries (except Guyana) are responsible for executing the pilot project, including a total of 50 technical interventions. Overall, the partnership aims to increase the understanding of costs and benefits of technical assistance for SMEs.

²⁰ This sub-criterion is not rated, as it was not included in the evaluation matrix

²¹ The project document identifies the Compete Caribbean Partnership Facility, a continuation of the successful Compete Caribbean Program as a complementary development program to SBDC. Compete Caribbean is funded by the Inter-American Development Bank, UK Aid, and Canada in partnership with the Caribbean Development Bank.

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

This section of the evaluation report analyses the achievement of program results at mid-term 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; ii) stakeholder satisfaction with results; iii) level of program contribution to results; iv) internal and external factors influencing program results; and v) unintended positive and negative results.

The data sources used for this section are the document review, interviews, and the online survey and provide a robust evidence base.

Key findings: SBDC – phase III achieved the planned results at mid-term and shows overall good effectiveness.

- The program is making progress to the achievement of its goal
- Final targets for three out of the five outcome indicators are either exceeded or close to be met at mid-term. For two targets, it is too early to assess results.
- At the output level, four final targets are either met or exceeded at mid-term. For seven indicators, it is too early to evaluate results, including three targets for output 4, where work has not started yet.
- SBDC directors show a high satisfaction rate with the progress made, reaching 72%.
- The program's contribution to medium-term results for phase III but also longer-term results concerning the economic impact on MSMEs is high, varying, of course, depending on the size of the beneficiary countries' economies.
- SBDC directors perceive a need to strengthen the program's focus on four components previously included in SBDC – phase II, including value chains, access to finance and insurance, as well as more diverse technical support from the OAS beyond UTSA support.
- Five unexpected results emerge, including leveraging partners for the implementation of a program output or additional functions of SBDC.
- The main strengths of SBDC – phase III include well known and long-standing institutions adopting the SBDC model, as experienced in three countries.
- The main weaknesses of the program comprise insufficient government funding to run the SBDCs in three countries optimally.
- The opportunities identified are more related to the specific national environment of each SBDC, and no cluster of issues emerges.
- The main threat to SBDCs are increasingly devastating climate events, as expressed by all SBDCs in the Eastern Caribbean.



The evaluation finds that SBDC – phase III shows very satisfactory achievement in most areas, while in other areas, it is too early to assess results at mid-term. The score for effectiveness is "green," and with 88% out of 100%²².

²² i) the results by logframe indicators: outcome indicator 1: very high (4); outcome indicator 2: very high (4); outcome indicator 3: too early to assess; outcome indicator 4: very high (4); outcome indicator 5: too early to assess; output indicators: high (3) ii) stakeholder satisfaction with results: high (3); iii) level of program contribution to results: high (3); iv) internal and external factors influencing program results: high (3); and v) unintended results: very high (4). Score 28 out of 32 (87,5%)

4.1 Results of SBDC – phase III at mid-term

The project team's systematic monitoring in four RPPIs provides a robust evidence base for assessing the achievement of program outputs and outcomes (purpose), given that targets were specified for all output and outcome indicators. The lack of goal level indicators is commented on in section 3.

GOAL

The evaluation finds that the program is making progress 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”.

Proxy indicators emerge to show the cost-benefit of SBDCs and its contribution to the program’s goal, as shown in section 5.

Statistically, the direct contribution of the program to the economic development of SBDC beneficiary countries seems challenging to show. In Jamaica, for example, between January 2018 and March 2019, the SBDCs counseled 659 clients. This data compares to 32,213 taxpaying MSMEs in the country in 2017 and a total of 617,700 MSMEs²³. As such, the SBDCs reached between 0,1% and 2,0% of MSMEs on the island, making the calculation of its economic contributions to the overall economy challenging.

In the absence of field visits during the mid-term evaluation, concrete "real-life" case studies of SBDC clients are still missing. However, the final evaluation could address this shortcoming.

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	Final target	Results: August 2019
	0	20	397

The evaluation finds that the project team is underreporting results on outcome indicator 1. According to NeoSerra data available from five SBDC beneficiary countries, under “new contacts served” and “Number of new clients counseled,” 465 new clients show for the current financial year. New clients include 109 MSMEs in Barbados, 23 in Belize, 228 in Jamaica, ten in Saint Kitts and Nevis, and 95 in Saint Lucia.

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	Final target	Results: August 2019
	35	50	52

²³ <http://www.sela.org/media/3200099/jamaica-msme-overview-and-strategy-to-promote-entrepreneurship-informality.pdf>

NeoSerra data shows that the number of new female clients has increased by 52% during the first part of the current program cycle of SBDC – phase III.

Outcome indicator 3:

Seventy - five (75) SBDC clients (disaggregated by gender) receiving assistance in value chain programmes supported by the project by the end of the project execution period.	Baseline	Final target	Results: August 2019
	0	75	0

At mid-term, this program component has not started yet.

Outcome indicator 4:

Three (3) new SBDC programmes 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	Final target	Results: August 2019
	4	7	6

The program is making good progress in achieving its target for this indicator.

At the end of SBDC – phase II, centers existed in Barbados, Belize, Jamaica, and Saint Lucia, representing the baseline for this indicator. Since the launch of phase III in March 2018, an SBDC was launched in the Commonwealth of the Bahamas (September 2018) and in Saint Kitts and Nevis (November 2018). The launch of the first SBDC in Antigua and Barbuda is scheduled for the last quarter of 2020. In Guyana, the launch of the first SBDC is due in the first quarter of 2020.

The table below summarizes the number of SBDC’s per country at mid-term of phase III.

Table 2: Number of SBD Centers in beneficiary countries

SBDC beneficiary country	Number of SBDC Centers, September 2019
Antigua and Barbuda	0
Barbados	3*
Belize	1
Commonwealth of the Bahamas	4
Guyana	0
Jamaica	5**
Saint Kitts and Nevis	1
Saint Lucia	3

* The launch of two additional centers in planned for October 2019 ; ** MoUs signed with 2 more centers

Outcome indicator 5:

Twenty (20) SBDC clients and stakeholders that believe the SBDC programme activities have led to the strengthening of the SBDC institutions and frameworks by the end of the project implementation period.	Baseline	Final target	Results: August 2019
	0	20	0

This program component has not started yet at mid-term.

The assessment of progress made in achieving the program outputs is presented below.



Table 3: SBDC – phase III. Progress in achieving program outputs at mid-term

Outputs and indicators	Baseline	Target	Results: August 2019
Indicator 1.1 Eight (8) action plans developed and approved by the project beneficiary countries within the first six (6) months of project implementation.	0	8	7
Indicator 1.2 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
Indicator 1.3 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
Comments on output 1: The implementation of output 1 advances well. Only the execution of MoUs with beneficiary countries has not progressed beyond the baseline. While the MoUs have been negotiated and are ready for signature, a decision was taken to have a “signing ceremony” at the final SBDC steering committee meeting scheduled for December 4 th – 6 th 2019.			
Indicator 2.1 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
Comments on output 2: Given the constraints of the project team to only work with UTSA as the sole service provider of technical assistance in phase III and UTSA's subsequent decline to work on this output, the program coordinator now works on this deliverable. This solution seems suboptimal, given the program team's workload and the program's good experience with complementary service providers in the region.			
Indicator 3.1 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
Comments on output 3: The target of trained SBDC Directors and Advisors has been exceeded. 13 out of the 21 trainees were women (62%).			
Indicator 4.1 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
Indicator 4.2 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
Indicator 4.3 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
Comments on output 4: The SBDC project team managed to partner with the Compete Caribbean private sector development program funded by the Inter-American Development Bank, UK Aid, and Canada in the delivery of its Technology Extension Program (TEP) for the accomplishment of SBDC 's output 4. This partnership is of significant importance as it leverages existing resources and diversifies the funding for SBDC support costs.			
Indicator 5.1 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
Indicator 5.2 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	10
Indicator 5.3 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
Comments on output 5: Ten SBDC senior representatives participated in a Master Class as part of the ASBDC conference in September 2019. Feedback received about the training was appreciative and very positive. Exchanges with SBDCs in Central America are scheduled for December 2019, co-financed by the Caribbean Export Development Agency. An exchange with SBDC Chile is due in November 2019.			
Comments on output 6: Indicators relate to program management, monitoring, and evaluation, with adequate progress made.			

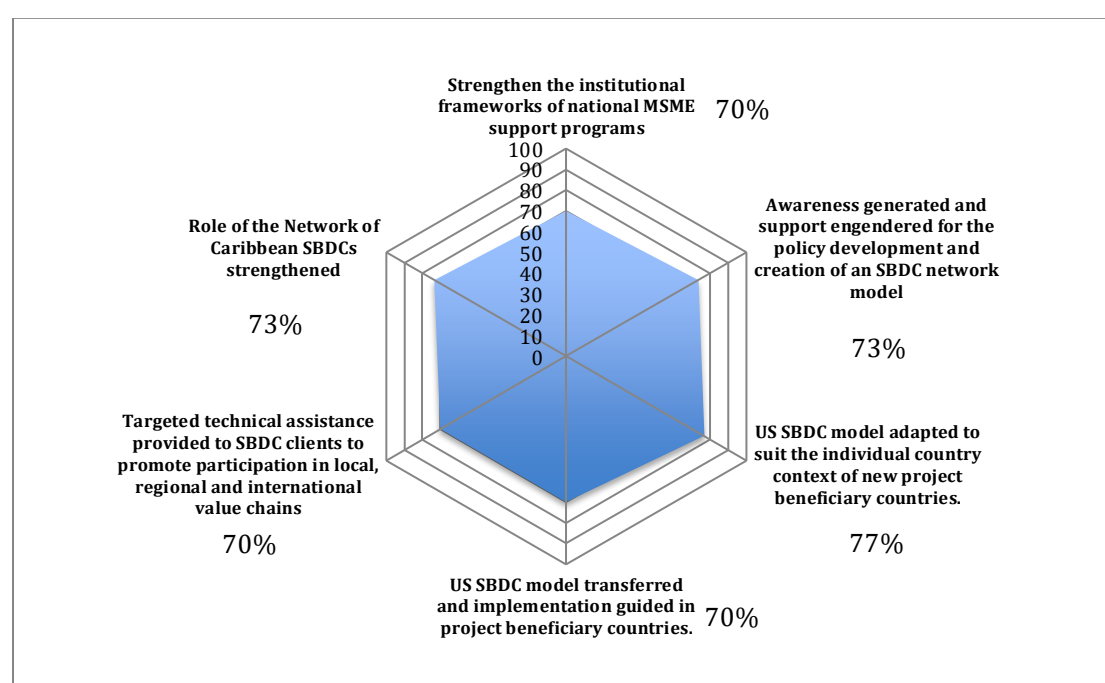


4.2 Stakeholder satisfaction with progress towards program objectives

Figure 7 shows the stakeholder satisfaction with the progress made in SBDCs at mid-term of phase III, more specifically, the satisfaction of SBDC directors. The online survey captured those views. Despite a rather self-critical assessment from SBDC directors in the online survey, the overall satisfaction rate is high, reaching 72%.

Using the objectives listed under the purpose of SBDC – phase III as proxy indicators, the satisfaction rate varies between 70% and 77%. The satisfaction rate reached 70% for the strengthening of institutional frameworks and the transfer and implementation of the US SBDC model. The adaptation of the US SBDC model to the specific country context reaches 77% of satisfaction ratings.

Figure 7: Satisfaction of SBDC directors with the progress made at mid-term of SBDC – phase III



Source: SBDC –phase III Mid-term evaluation, 2019; n=6

The evaluation identified differences in the satisfaction of SBDC directors, mainly depending on the progress made in setting up a center or rolling out SBDC activities. However, those variations are not further publically showcased to safeguard the anonymity of respondents and to comply with ethical evaluation standards of the United Nations Evaluation Group.



4.3 Contribution of the program to results

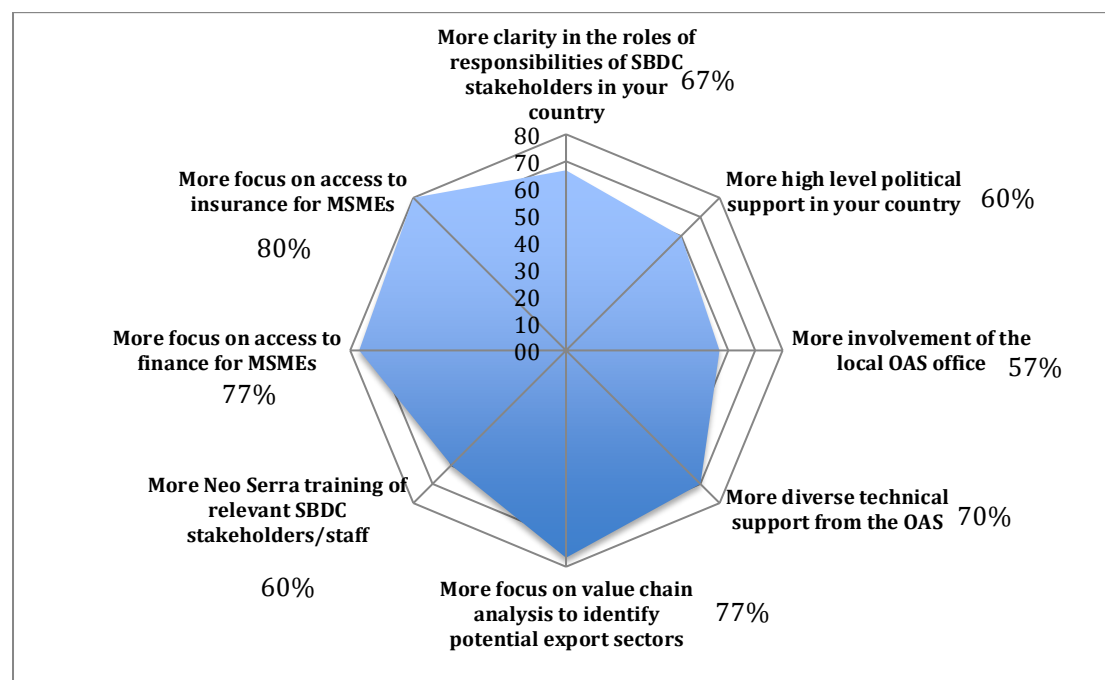
In the program beneficiary countries, SBDC was not the only donor-funded MSME initiative when countries joined the program. However, SBDC's now have central coordination functions for national MSME support institutional in countries like Barbados, Belize, Jamaica, and Saint Lucia. This fact shows the indirect reach of the SBDC model in those countries, with potential contributions well beyond the clients that are directly served by an SBDC. Hence, the evaluation finds that the program's potential contribution to medium-term results for phase III but also longer-term results concerning the economic impact on MSMEs is high, varying, of course, depending on the size of the beneficiary countries' economies.



4.4 Factors influencing program performance

Figure 8 shows some of the factors affecting the performance of SBDCs in six out of the eight beneficiary countries. Respondents indicated in which areas more support was required.

Figure 8: Internal factors affecting program performance



Source: SBDC –phase III Mid-term evaluation, 2019; n=6

SBDC directors perceive a need to strengthen the program’s focus on four issues to enhance its performance, with ratings ranging from 70% to 80%:

- More focus on access to insurance for MSME's, particularly insurance against natural disasters, except for one country;
- More focus on access to finance, except for two countries;
- More focus on value chain analysis to identify potential export sectors for MSMEs; and
- More diverse technical support from the OAS beyond UTSA support, except for one country.

The above four components were included in SBDC – phase II but no longer included in SBDC – phase III due to budget revisions during the design stage.

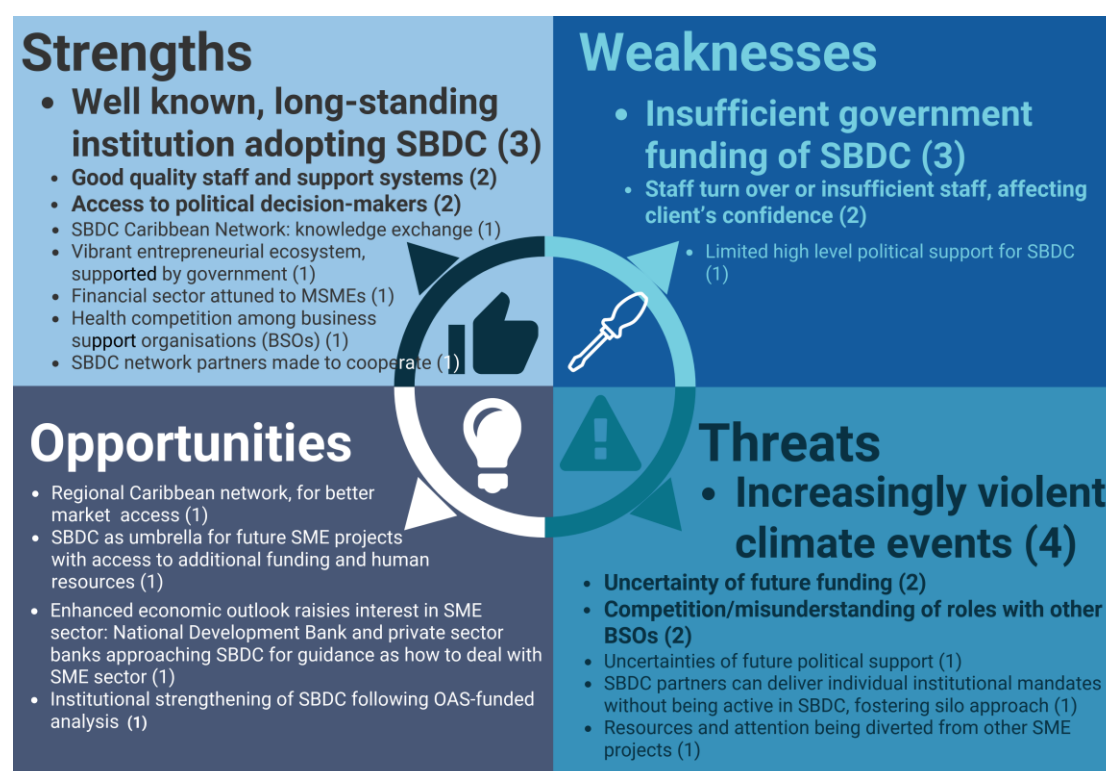
Interestingly, the clarification of roles and responsibilities of SBDC stakeholders seems still required in some cases based on the 67% ratings from SBDC directors, despite all directors responding to the survey belonging to countries joining the program in phases I and II.

Figure 9 summarizes other, mainly external factors influencing program performance. The evaluator analyzed strengths, weaknesses, opportunities, and threats (SWOT) individually

with six out of the eight SBDC directors for this purpose. The results which influence program performance are presented below²⁴.

²⁴. The varying letter size and numbers behind the headings in brackets show how many SBDC's share views on SBDC's SWOT.

Figure 9: Strengths, weaknesses, opportunities, and threats for SBDC at mid-term of phase III



Source: SBDC –phase III Mid-term evaluation, 2019; n=6

The main strengths include well known and long-standing institutions adopting the SBDC model, as experienced in three beneficiary countries. The main weaknesses comprise insufficient government funding to run the SBDCs optimally. This shortcoming limits three beneficiary countries. The main threat to SBDCs are increasingly violent climate events, as expressed by all SBDC's in the Eastern Caribbean. The opportunities identified are more related to the specific national environment of each SBDC, and no cluster of issues emerges.

One opportunity of relevance to the OAS project team are plans in the Commonwealth of the Bahamas to incorporate a data and resource center to support small MSMEs. This process calls for technical support concerning data and information resources and constitutes an opportunity for the OAS to further push for the use of NeoSerra in the SBDC. Currently, more than one data management system is used, and the SBDC in the Commonwealth of the Bahamas is aware of this shortcoming.

Interestingly, the Commonwealth of the Bahamas uses the SBDC model as an umbrella to coordinate future donor projects to use additional project resources for complementing the SBDC's current human resource base. Besides, the SBDC's “core funding” can be strengthened. The implementation of those plans is still on-going, and results are expected in early 2020. However, this approach could serve as a model for other SBDC countries to address issues of limitations in staffing and SBDC core funding.

In Jamaica, unlike some other SBDC countries, access to finance is a decreasing bottleneck for SMEs. In the context of a generally more positive economic outlook, private banks and the Jamaica Development Bank are less risk-averse and more interested in SMEs loans. In this process, the SBDCs are playing an essential role in advising and guiding the lenders on how to deal with the SME sector, including how to tailor banking products to SME needs.

However, high costs of doing business in Jamaica due to elevated expenses for security and utility costs are affecting SBDC clients in Jamaica. The aspect of crime affecting SBDC clients seems unique to the SBDC beneficiary countries.

In Saint Lucia, UTSA recently undertook a technical visit to assess the governance arrangements for the SBDC. The main issues identified that affect the center's performance are related to human resources. Issues identified include hiring, staff's skillsets, and attitudes, staff turn over, staff training, and morale.

The quote below shows that also the size of the economies of the SBDC beneficiary countries can affect program performance.

“Good things come in small packages. This is true for our country. This is true for our SBDC. We do reach the people on our island.”

Source: SBDC stakeholder



4.5 Unforeseen results

SBDCs in beneficiary countries are taking opportunities leading to some unexpected results. The same applies to the project team. While some of those unexpected results are previously mentioned in the report, this sub-section serves as a summary.

SBDC beneficiary countries:

- Bahamas:
 - SBDC Network approach, convincing power to make partners work together despite otherwise limited incentives;
 - Significant SBDC funding from government;
 - Success in ensuring private sector funding; and
 - Donor project coordination role with expectations of contribution to SBDC core funding.
- Barbados: Re-launch of SBDC program with the Prime Minister tasking SBDC to be the preferred option for business development.
- Jamaica: SBDC advice to banking sector on how to tailor banking products to SMEs.
- St. Lucia: SBDC participation in developing an incubator, with SBDC to be physically housed in the premises.

OAS project team:

- Agreement to partner in the delivery of a pilot project under the Technology Extension Services (TEP) program of Compete Caribbean. This results in leveraging resources for the delivery of technical support to facilitate participation in the goods and services sectors, output 4 of SBDC – phase III.

5. Likely impact: is change transformational?

This section assesses the likely impact of SBDC – phase III. The sub-criteria used aim to serve as building blocks to create a robust evidence base for the final evaluation of the program. According to the agreed evaluation matrix, the sub-criteria used are: i) degree of using NeoSerra software to track SBDCs and SBDC beneficiaries’ economic performance, including robustness of data; ii) validity of NeoSerra data; iii) disaggregation of SBDC beneficiaries by size of enterprise, age, and gender; iv) cost-benefit at mid-term; and v) results on export-readiness.

The evaluation uses the document review, interviews, and the online survey as principal data sources for this section.



Key findings: The evaluation finds that the likelihood of program impact is very high

- SBDCs in five out of eight beneficiary countries use NeoSerra data to track the economic results of SBDC clients and performance of SBDCs;
- Data availability for cost-benefit analysis is good for Barbados, Belize, Jamaica, Saint Kitts, and Nevis and Saint Lucia;
- The assessment of the quality of NeoSerra data requires on-site validation in SBDC beneficiary countries;
- SBDCs report that 1206 clients were counseled for a period of seven to eight months during phase III;
- The cost-benefit of SBDC – phase III is very high, with US\$ 4,047,057 of capital leveraged by SBDC clients, US\$ 9,23 for each US\$ invested by the U.S. at mid-term;
- The 675 jobs created cost the U.S. taxpayer US\$ 2722,68 per job, compared to US\$ 8639,19 for each job created in phase II of SBDC and US\$ 16,340 per U.S. job created in the U.S. Small Business Investment Company Program (2017);
- The highest share of exporting SBDC clients can be found in Saint Lucia (37%) and the lowest one in Saint Kitts and Nevis (3%).



The evaluation finds that the likely impact of the program is very high, with very high performance for the likely impact on SBDC clients and cost-benefit. Performance on the use of NeoSerra across SBDC countries in CARICOM and export readiness is high. The score for likely impact is "green" (88% out of 100%)²⁵.



5.1 Use of NeoSerra software to track program results

A unique feature of the US SBDC model is its results focus. The systematic tracking of the performance of SBDCs combined with the economic development of SBDC clients is being transferred to beneficiary countries in the Caribbean, with regular reporting from SBDCs in Barbados, Belize, Jamaica, Saint Kitts and Nevis and Saint Lucia. Evidence is provided in the two RPPIs, including detailed Annexes.

SBDC Antigua and Barbuda is planning to use NeoSerra as soon as the Center is launched within the next six months, possibly earlier, by the end of 2019. SBDC in the Commonwealth

²⁵ i) Degree of using NeoSerra software to track SBDCs and SBDC beneficiaries’ economic performance, including robustness of data: high (3); ii) validity of NeoSerra data: too early to assess; iii) disaggregation of SBDC beneficiaries by size of enterprise, age, and gender: very high (4); iv) cost-benefit at mid-term: very high (4); and v) results on export-readiness: high (3). Score: 14 out of 16 (87,5%).

of the Bahamas is considering the use of NeoSerra data through a future project²⁶. No data is available for stakeholders in Guyana. However, the project team informed that Guyana will receive its NeoSerra license and training during the period 13th – 15th November 2019. It is hoped that they will begin using the system once the set-up, customization and training is

Availability of NeoSerra data for cost-benefit analysis

The evaluation finds that NeoSerra data will serve as the basis for a detailed cost-benefit analysis for at least five beneficiary countries during the final evaluation of SBDC – phase III.

NeoSerra captures data on the following main criteria: i) client type; ii) maturity of client engagement; iii) maturity of business; iv) type of business, v) business development services provided; vi) training provided; vii) business financing; viii) job creation; ix) revenues and profit.

The following level of analysis seems possible for the final evaluation based on available NeoSerra data firms’ economic performance:

All MSMEs disaggregated by:

- * Women-led enterprises/male-led enterprises
- * Economic sector
- * Maturity of client-service provider engagement (long-term clients vs. new clients)

Exporting MSME’s disaggregated by:

- * Women-led enterprises/ male-led enterprises
- * Economic sector
- * Maturity of client-service provider engagement (long-term clients vs. new clients)

Business financing disaggregated by:

- * Women-led enterprises/ male-led enterprises
- * Economic sector
- * Maturity of client-service provider engagement (long-term clients vs. new clients)
- * Exporting vs. non-exporting enterprises

Jobs created disaggregated by:

- * Women-led enterprises/ male-led enterprises
- * Economic sector
- * Maturity of client-service provider engagement (long-term clients vs. new clients)
- * Exporting vs. non-exporting enterprises

Revenues and profits disaggregated by:

- * Women-led enterprises/ male-led enterprises
- * Economic sector
- * Maturity of client-service provider engagement (long-term clients vs. new clients)
- * Exporting vs. non-exporting enterprises

Evaluation:

completed.

A disaggregation of economic benefits by micro, small, and medium enterprises proves more difficult than expected, due to the lack of consistent terminology and definitions in the beneficiary countries. The evaluation matrix for mid-term evaluation foresaw a disaggregation of SBDC results by firm size. However, the evaluation finds that data is not consistently available across the five SBDC countries using NeoSerra to make such a disaggregation meaningful.

This gap highlights the importance of establishing accreditation standards for the Caribbean. The project team informed that further work on the accreditation would continue in SBDC – phase III at December’s steering committee meeting.

The economic benefits listed in the box above can be put in relation to the costs incurred. The latter could be expressed using the following criteria: i) number of clients trained; ii) number of counseling sessions, iii) number of counseling hours, or iv) monetary value of SBDC – phase III investment.

Interviews with SBDC directors showed that not all Centers in a given country use NeoSerra with the same level of consistency. Besides, the SBDC country of the Commonwealth of the Bahamas operates currently without contributing to NeoSerra reporting. SBDC Bahamas is serving 4013 clients. However, this data is not available through NeoSerra, as the Center is currently using two different types of software, as mentioned earlier in the report.

Based on the interviews with SBDC directors and the project team, the evaluation finds that SBDCs are currently under-reporting results. While it is not possible to determine the extent of underreporting, the likelihood of significant underreporting seems high, mainly due to the lack of data from thriving SBDC Bahamas.

While the evaluation finds that there is still some level of uncertainty about the confidentiality of NeoSerra data, interviews showed that the principle of using the software to track results and performance is entirely accepted. The testimonials below underpin that fact.

“The directors of Centers in my country are mandated to use NeoSerra.”

“SBDC’s accountability focus (through NeoSerra) is part and parcel of what our government expects. We use the data for our end of year reporting.”

Sources: SBDC directors



5.2 The validity of NeoSerra data

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.

SBDC directors are ultimately responsible for the quality of NeoSerra data. One interview provided an insight into the concerns of an SBDC director from an SBDC beneficiary country about the ability to verify clients information. SBDC clients are supposed to sign forms about the correctness of their data, but the director observed still unsigned forms. To safeguard

the quality of NeoSerra data, the director reinforced the practice that unsigned forms would not be uploaded into NeoSerra.

This is an example of how the quality of NeoSerra data is ensured. The evaluation was unable to verify to what extent this is standard practice across Centers in all beneficiary countries, a task to be undertaken at the final evaluation through on-site validation in SBDC beneficiary countries.



5.3 SBDC beneficiaries

At mid-term, the evaluation finds the following profile of SBDC beneficiaries using NeoSerra data, as presented in Table 4 and Table 5.

Table 4: SBDC – phase III clients 2018-2019

	Countries				
Criteria	Barbados*	Belize*	Jamaica***	Saints Kitts & Nevis ***	Saint Lucia**
Number of SBDC clients counseled	248	65	659	11	223
% of long-term clients counseled	56%	65%	65%	9%	67%

* August 2018 to March 2019; **January 2018 to January 2019***; August 2018 to February 2019.

Source: NeoSerra, 2019

Table 5: SBDC – phase III results overview 2018-2019 and total population data

	Countries				
Criteria	Barbados*	Belize*	Jamaica***	Saints Kitts & Nevis ***	Saint Lucia **
Total capital infusion in US \$	1,000	1,991,057	2,025,000	0	30,000
Number of new business started	36	300	180	18	20
Number of jobs created	19	66	23	13	40
Number of jobs retained	20	68	577	10	n/a
Total population	286,640	383,070	2,934,860	52,440	181,980

* August 2018 to March 2019; **January 2018 to January 2019***; August 2018 to February 2019.

Source: NeoSerra, 2019; population data: <https://data.worldbank.org/indicator/SP.POP.TOTL>

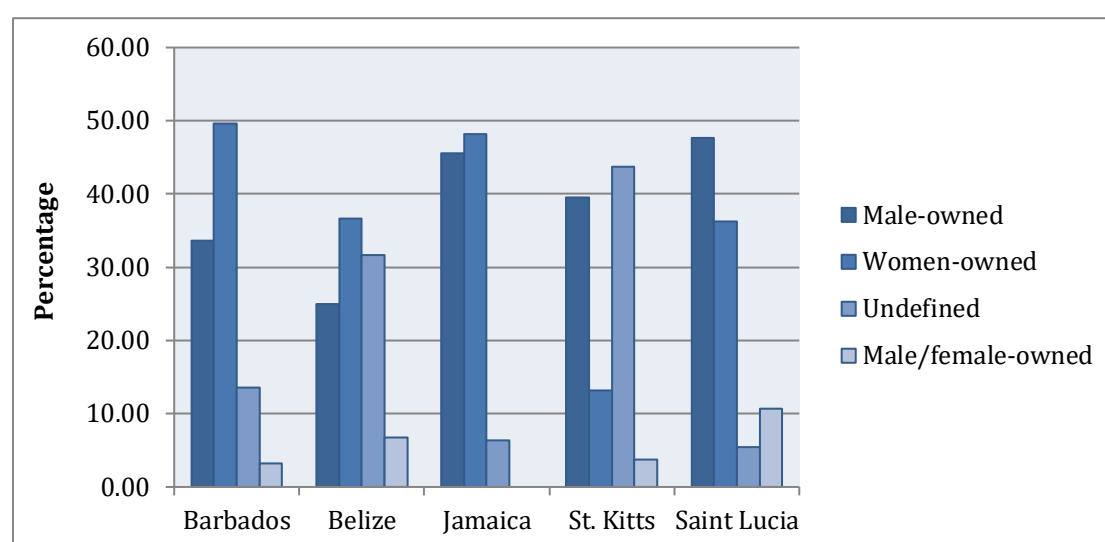
The evaluation’s data analysis shows that out of the SBDC clients in the five countries producing NeoSerra data²⁷, 41,57% are male-owned firms and 40,16% female-owned firms. The sex of 11,6% of firm owners is not registered, and 6,68% of firms are jointly owned by men and women.

Figure 10 differentiates the ownership type of SBDC clients’ firms in the five countries producing NeoSerra data to date.

In Barbados and Jamaica, the majority of SBDC clients are women-owned firms, with 49,6% and 48,2%, respectively. The same applies to Belize, where 36,6% of firms are women-owned.

In Saint Kitts and Nevis and Saint Lucia, the majority of SBDC clients are male-owner firms, reaching 47,7% in Saint Lucia and 39,5% in Saint Kitts and Nevis.

Figure 10: Ownership type of SBDC clients’ firms



While the mid-term evaluation did not foresee an outreach to SBDC clients, an SBDC director shaded lights on the type of successful SBDC clients, as shown in the quote below.

"We find that opportunity-driven entrepreneurs have the right attitude and show determination to succeed. When necessity drives you to become an entrepreneur, we see fewer results."

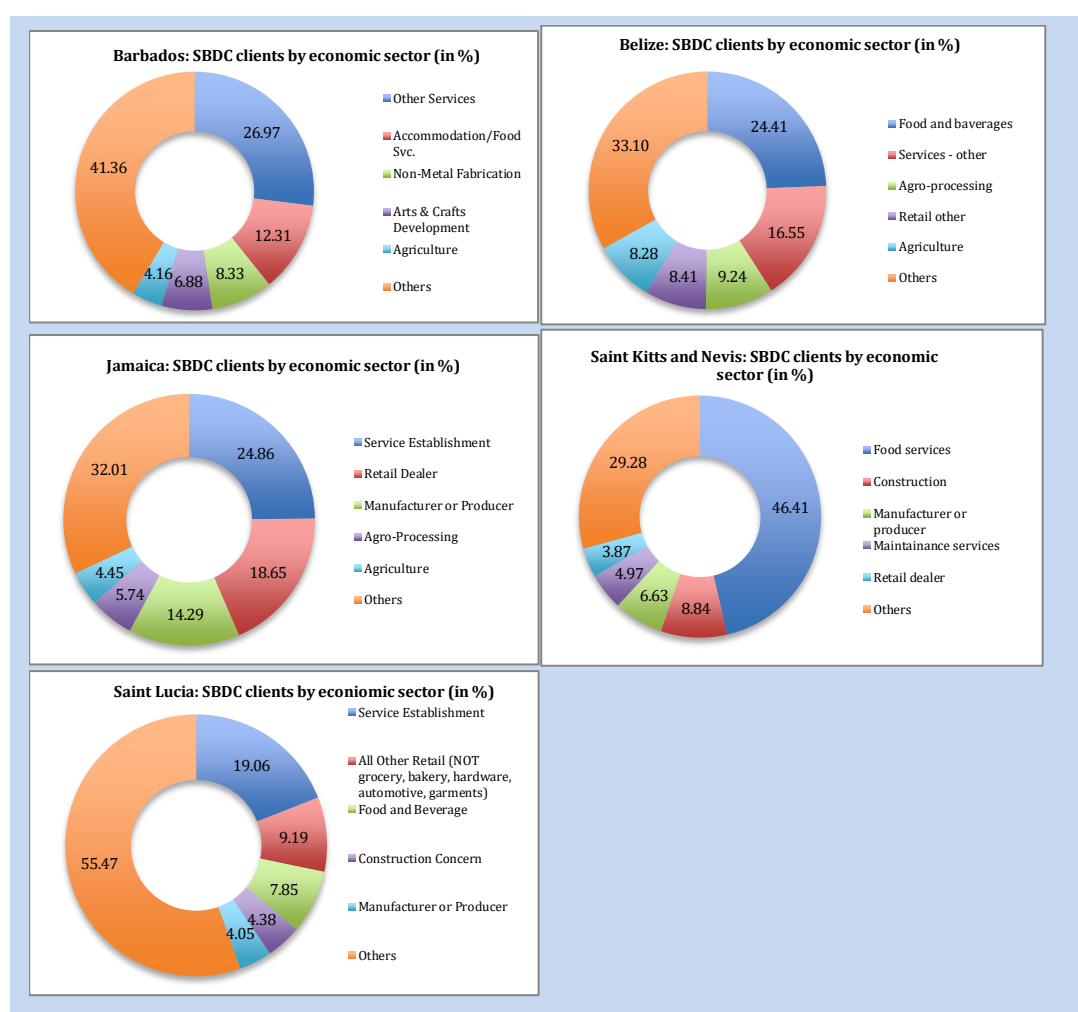
Source: SBDC stakeholder

5.3.1 Results by economic sector

Figure 11 gives insights into the economic sectors where SBDC clients are active. The evaluator chose to present data disaggregated by SBDC beneficiary country reporting through NeoSerra to show characteristics of each country’s economy. Communalities and differences emerge for economic sectors that are attractive for MSMEs across CARICOM.

²⁷ Cumulative number, excluding a larger amount of blank data

Figure 11: SBDC clients by top five economic sectors in beneficiary countries using NeoSerra*



*Clients with NeoSerra entries being blank or undefined are excluded from the analysis

Service establishments like food and beverages constitute the most attractive sector for SBDC clients' engagement in all five SBDC beneficiary countries. In the larger SBDC countries, Belize and Jamaica, agriculture and agro-processing are important sectors for SBDC clients. Construction ranks among the SBDC clients' top five economic sectors in Saint Kitts and Nevis and Saint Lucia.

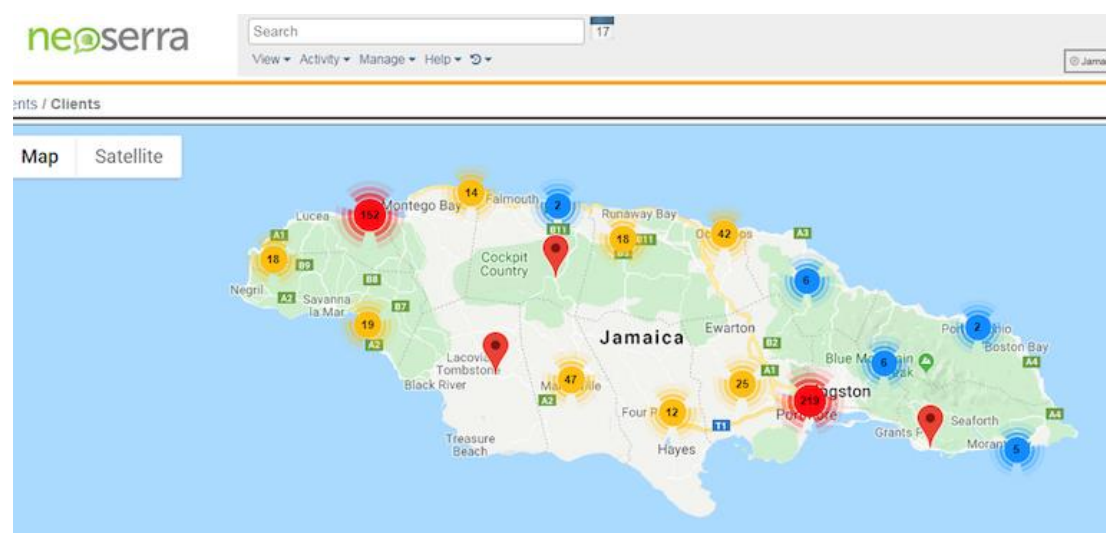
Other sectors attracting SBDC clients are more diverse than the ones listed above. Those include accommodation & food and non-metal fabrication in Barbados, other services, and agro-processing in Barbados, retail, and manufacture in Jamaica, construction, and manufacture in Saint Kitts and Nevis and retail in Saint Lucia.

5.3.2 Results by the geographical location of SBDC clients

The evaluation interviews included a question on the geographic location of SBDC clients. This question seemed particularly tricky for SBDC in small island states. While clients tend to be both rural and urban in those countries, their geographic proximity is very high. Geographic mapping of SBDC clients in the larger SBDC countries Belize and Jamaica appears more promising. In fact, during the evaluation process the project team showed that

NeoSerra includes a mapping function. Figure 12 presents an example of the geographic location of SBDC clients in Jamaica.

Figure 12: Geographic location of SBDC clients in Jamaica



Export markets of SBDC clients tend to be in the United States of America, the Caribbean, the United Kingdom, and other countries of the European Union, depending on the sector and exporting country.



5.4 Cost-benefit at mid-term

The NeoSerra data from 2018/2019²⁸ provides evidence of the cost-benefit of SBDC – phase III. Due to national reporting cycles, the data covers a total seven to eight months of SBDC operations while missing five months of phase III for Barbados, Belize, Jamaica and Saint Kitts and Nevis²⁹. This fact is a considerable limitation resulting in significant underreporting.

Regardless of this limitation, the evaluation finds that at mid-term, SBDC countries registered capital infusions in MSMEs amounting to US\$ 4,047,057. Compared to the donor’s investment of US\$ 438,352, with 31,82% of the program funding disbursed by July, 3rd 2019, SBDC clients managed to leverage US\$ 9.23 for each US\$ invested by the United States.

SBDC’s reported the counseling of 1206 clients, resulting in a cost of US\$ 363,48 per client if put in relation with the donor investment by July, 3rd 2019.

Cost of job creation in SBDC – phase III

The cost per job created or retained amounts to US\$ 524,34 for the donor, with an investment of US\$ 2722,68 for each job created. 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 Division¹ to US\$ 34,000 in the Minnesota Emergency Employment Development Program (1983 – 89) and US\$ 56,000 for U.S. job creation tax credit¹. The previous data originates from the W.E. Upjohn Institute for Employment Research (2010).

Based on the good quality of previous evaluative evidence, the mid-term evaluation can also compare the cost-benefit of SBDC – phase I with the previous program phase³⁰. Figure 13 provides further insights into the comparison. In the entire SBDC – phase II, 192 jobs were created, compared to the 161 jobs created at mid-term of phase III. The cost per job created amounted to US\$ 8639,19 for the U.S. taxpayer in phase II compared to US\$ 2722,68 for each job created at mid-term of phase III.

SBDC countries reported US\$ 7.793.063 of capital infusions in MSMEs in phase II compared to the US\$ 4,047,057 at mid-term of phase III. While SBDC clients managed to leverage US\$ 4,70 for each US\$ invested by the United States during phase III of SBDC, this amount has increased to US\$ 9.23 at mid-term of phase III.

Figure 13: Comparison of SBDC cost-benefit: phase II vs. mid-term of phase III

Criteria	SBDC – phase II, 27 months	SBDC – phase III mid-term, 7-8 months*
Number of SBDC clients counseled	6199	1206
Cost per SBDC client counseled for the U.S. taxpayer	US\$ 267,58	US\$ 363,48
Total capital infusion to SBDC clients	US\$ 7.793.063	US\$ 4,047,057
Capital leveraged per 1 US\$ donor investment	US\$ 4,70	US\$ 9,23
Number of new business started	285	554
Cost per business started for the U.S. taxpayer	US\$ 5820,08	US\$ 791,25
Number of jobs created	192	161
Cost per job created for the U.S. taxpayer	US\$ 8639,19	US\$ 2722,68
Number of jobs retained	No data	675

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

Besides, the number of 554 SBDC-facilitated business starts at mid-term of phase III surpasses the number of 285 SBDC-facilitated business starts during phase II. As such, the cost per business start amounts to US\$ 791,25 mid-term of SBDC - phase III compared to US\$ 5820,08 for phase II.

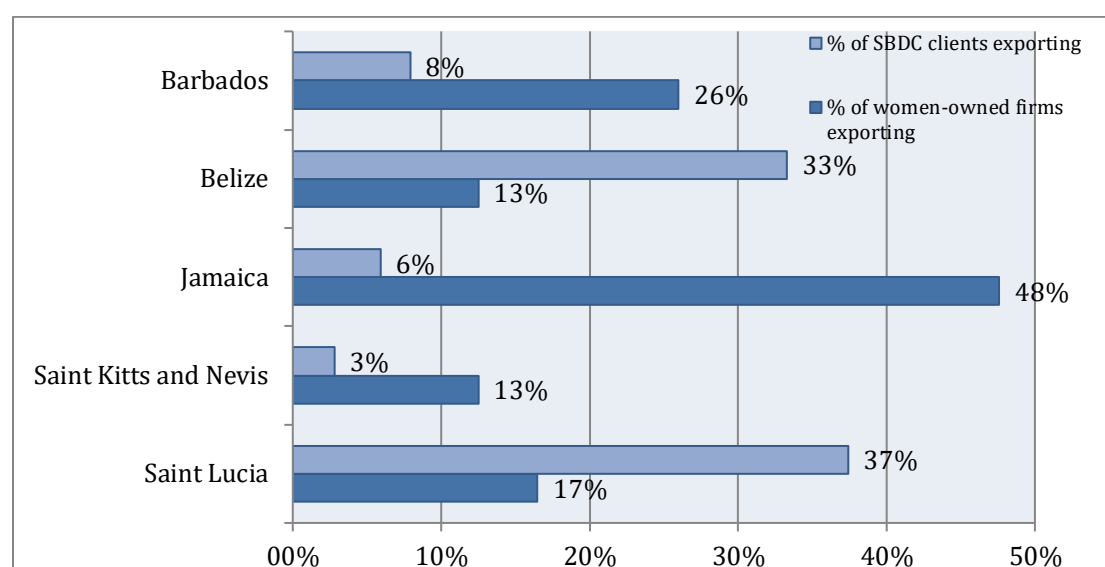


5.5 Results on export readiness

Figure 14 shows that the highest percentage of SBDC clients exporting is based in Saint Lucia (37%) and Belize (33%). A significantly lower number of SBDC clients engaged in export emerge in Barbados (8%), Jamaica (6%) and Saint Kitts and Nevis (3%).

³⁰ OAS/Engelhardt, A, 2018: Final evaluation of the Small Business Development Centers Program in the Caribbean – Phase II

Figure 14: Percentage of SBDC clients exporting, including women-owned firms



The evaluator also analyzed NeoSerra data to calculate the percentage of women-owned firms exporting. Jamaica shows the largest share of women-owned firms exporting (48%), followed by Barbados with 26%. A smaller share of women-owned firms export from Saint Lucia (17%) and Belize and Saint Kitts and Nevis (13% respectively).

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 15, following section 8, underscores the logical flow between the key findings and conclusions.

6. Conclusions

Relevance

The validity of the program’s theory of change is given, with sufficient emphasis of excluded groups such as women and youth.

The component of SBDC – phase II on incorporating disaster risk management strategies in MSME business planning would still be relevant for the current phase of the program.

Efficiency

The project team applies result-based management practices, including the use of evaluative evidence and evaluation recommendations from previous SBDC evaluations. This attitude and practice constitute value for money for the U.S. taxpayer.

While the quality of logframe indicators meets requirements, some targets for indicators would benefit from revision at mid-term of phase III.

The project team avoids underreporting on longer-term results despite the lack of goal level indicators in the OAS project document template.

Unexpected efficiency gains underline the high quality of project management in the OAS.

Effectiveness

At mid-term, the program is making speedy progress in achieving its targets for components where implementation has started. The contribution of SBDC to changes in the MSME sector in beneficiary countries varies and would require field visits for further validation.

As concluded in the relevance section, the current phase of SBDC would benefit from components and practices previously included in the program.

The project team and SBDCs in beneficiary countries are proactive in seizing opportunities to advance program results.

The careful selection of institutions to host SBDC proves essential for expanding the SBDC network in the Caribbean

The OAS’ program approach directing the funding obligations of SBDC to the respective governments in beneficiary countries puts the sustainability of SBDCs right at the heart of the program.

Issues of disaster risk reduction are gaining further importance for SBDC clients in the Caribbean.

Likely impact

The program contains a solid evidence base for robust cost-benefit analysis as part of the final evaluation for SBDC – phase III in 2020. However, the validation of data quality is required on-site in SBDCs.

Based on the cost-benefit achieved at mid-term, the likelihood of economic and social benefits at the end of the program is high.

7. Recommendations

Based on the key findings presented for each evaluation criterion in section 5 of this report and the conclusions drawn in section 6, the evaluation makes the following recommendations.

Figure 15 underpins the logical flow between the key findings, conclusions and recommendations.

Relevance

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.

Prioritization: very high: next month

Efficiency

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.

Prioritization: very high: next month

Effectiveness

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.

Prioritization medium: next 6 to 9 months

R 4: SBDC team in the OAS: Engage with the donor to get approval for contracting technical expertise from the best available sources.

Prioritization: very high: next month

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.

Prioritization: very high: next month

Likely impact

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.

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.

Prioritization for R 6a and 6b medium: next 6 to 9 months

R 7: SBDC team in the OAS: Start preparing cumulative SBDC results, based on NeoSerra data for beneficiary countries, complementing the annual results reporting.

Prioritization: medium: next 6 to 9 months

8. Lessons learned

This mid-term evaluation identifies one main lesson learned from SBDC – phase III. The lesson refers to the geographic extension of the SBDC program. As such, the lesson seems to apply to other OAS programs in the Caribbean, implemented under the responsibility of Member States. This seems to be regardless of the programs' thematic focus.

The 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. Compared to other regions of the OAS membership, many of the small CARICOM member countries often experience complex governance arrangements. In most countries, multiple stakeholders have overlapping mandates to engage with MSMEs. Combined with very small government institutions vulnerable to staff turn over and changes in leadership, the careful selection process of the SBDC hosts is paramount for the successful extension of the SBDC program.

Figure 15: Key findings, conclusions and recommendations

	Key findings of SBDC III	Conclusions	Recommendations
Relevance	The theory of change of SBDC – phase III is valid. The assumptions hold, and the program is logically designed.	The validity of the program’s theory of change is given, with sufficient emphasis of excluded groups such as women and youth. The component of SBDC – phase II on incorporating disaster risk management strategies in MSME business planning would still be relevant for the current phase of the program.	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. Prioritization: very high: next month
	The assumption concerning the necessary systems and capacities in place to withstand exogenous shocks such as hurricanes seems to be of increasing importance.		
	The design of SBDC – phase II was putting more weight to contribute to the mitigation of natural risks through training on incorporating disaster risk management strategies in MSME business planning than SBDC – phase III.		
	The project team emphasizes the inclusive nature of SBDCs, which SBDC directors widely share concerning the inclusion of women and youth.		
Efficiency	The project team uses the OAS' progress reporting format, the "Report on Progress of Project Implementation" (RPPI) systematically. Good quality reporting proves the use of results-based monitoring and management principles in the program.	The project team applies result-based management practices, including the use of evaluative evidence and evaluation recommendations from previous SBDC evaluations. This attitude and practice constitute value for money for the U.S. taxpayer.	No recommendation
	The evaluation finds good progress in the implementation of the recommendations and lessons learned of the final evaluation of SBDC – phase II, with seven out of nine recommendations acted upon.		
	The logframe indicators of SBDC – phase III are specific, measurable, achievable, relevant, and time-bound and of overall sound quality. However, some targets set seem under ambitious, particularly at the purpose level concerning the registration of new SBDC clients across the participating CARICOM Member States.	While the quality of logframe indicators meets requirements, some targets for indicators would benefit from revision at mid-term of phase III.	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. Prioritization: very high: next month
	Goal level indicators are missing in the OAS project document template. It is understood that the OAS has adjusted its project document in the meantime, and the project team reports impact results in its RPPIs regardless of the absence of goal level indicators	The project team avoids underreporting on longer-term results despite the lack of goal level indicators in the OAS project document template.	No recommendation
	Unexpected efficiency gains: The project team managed to partner with the “Compete Caribbean” development program to leverage resources for the delivery of technical support to SMEs to facilitate participation in two economic sectors.	Unexpected efficiency gains underline the high quality of project management in the OAS.	No recommendation

Effectiveness	<p>The program is making progress to the achievement of its goal. Final targets for three out of the five outcome indicators are either exceeded or close to be met at mid-term. For two targets, it is too early to assess results. At the output level, four final targets are either met or exceeded at mid-term. For seven indicators, it is too early to evaluate results, including three targets for output 4, where work has not started yet.</p>	<p>At mid-term, the program is making speedy progress in achieving its targets for components where implementation has started. The contribution of SBDC to changes in the MSME sector in beneficiary countries varies and would require field visits for further validation.</p>	<p>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.</p> <p>Prioritization medium: next 6 to 9 months</p>
	<p>SBDC directors show a high satisfaction rate with the progress made, reaching 72%.</p>		
	<p>The program's contribution to medium-term results for phase III but also longer-term results concerning the economic impact on MSMEs is high, varying, of course, depending on the size of the beneficiary countries' economies.</p>		
	<p>SBDC directors perceive a need to strengthen the program's focus on four components previously included in SBDC – phase II, including value chains, access to finance and insurance, as well as more diverse technical support from the OAS beyond UTSA support.</p>	<p>As concluded in the relevance section, the current phase of SBDC would benefit from components and practices previously included in the program.</p>	<p>R 4: SBDC team in the OAS: Engage with the donor to get approval for contracting technical expertise from the best available sources.</p> <p>Prioritization: very high: next month</p> <p>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.</p> <p>Prioritization: very high: next month</p>
	<p>Five unexpected results emerge, including leveraging partners for the implementation of a program output or additional functions of SBDC.</p>	<p>The project team and SBDCs in beneficiary countries are proactive in seizing opportunities to advance program results.</p>	<p>No recommendation</p>
	<p>The main strengths of SBDC – phase III include well known and long-standing institutions adopting the SBDC model, as experienced in three countries. The main weaknesses of the program comprise insufficient government funding to run the SBDCs in three countries optimally. The opportunities identified are more related to the specific national environment of each SBDC, and no cluster of issues emerges. The main threats to SBDCs are increasingly devastating climate events, as expressed by all SBDCs in the Eastern Caribbean.</p>	<p>The careful selection of institutions to host SBDC proves essential for expanding the SBDC network in the Caribbean</p> <p>The OAS' program approach directing the funding obligations of SBDC to the respective governments in beneficiary countries puts the sustainability of SBDCs right at the heart of the program.</p> <p>Issues of disaster risk reduction are gaining further importance for SBDC clients in the Caribbean.</p>	<p>No recommendation. See the lessons learned.</p> <p>No recommendation.</p> <p>See R 1</p>

Likely impact	SBDCs in five out of eight beneficiary countries use NeoSerra data to track the economic results of SBDC clients and performance of SBDCs: Data availability for cost-benefit analysis is good for Barbados, Belize, Jamaica, Saint Kitts, and Nevis and Saint Lucia.	The program contains a solid evidence base for robust cost-benefit analysis as part of the final evaluation for SBDC – phase III in 2020. However, the validation of data quality is required on-site in SBDCs.	<p>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.</p> <p>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.</p> <p>see R 3 for DPE about the need to include field visits for the final evaluation of SBDC – phase III</p> <p>Prioritization for R 6a and 6b medium: next 6 to 9 months</p>
	The assessment of the quality of NeoSerra data requires on-site validation in SBDC beneficiary countries;		
	SBDCs report that 1206 clients were counseled for a period of seven to eleven months during phase III	Based on the cost-benefit achieved at mid-term, the likelihood of economic and social benefits at the end of the program is high.	<p>R 7: SBDC team in the OAS: Start preparing cumulative SBDC results, based on NeoSerra data for beneficiary countries, complementing the annual results reporting.</p> <p>Prioritization: medium: next 6 to 9 months</p>
	<p>The cost-benefit of SBDC – phase III is very high, with US\$ 4,047,057 of capital leveraged by SBDC clients, US\$ 9,23 for each US\$ invested by the U.S. at mid-term;</p> <p>The 675 jobs created cost the U.S. taxpayer US\$ 2722,68 per job, compared to US\$ 8639,19 for each job created in phase II of SBDC and US\$ 16,340 per U.S. job created in the U.S. Small Business Investment Company Program (2017);</p> <p>The highest share of exporting SBDC clients can be found in Saint Lucia (37%) and the lowest one in Saint Kitts and Nevis (3%).</p>		

Annex 1: Terms of Reference



**SECRETARY GENERAL OF THE
ORGANIZATION OF AMERICAN STATES**

PROJECT MIDTERM EVALUATION

TERMS OF REFERENCE

**WASHINGTON DC
(Individual Consultancy)**

**Midterm Evaluation of the Small Business Development Centres
Program in the Caribbean - Phase III**

I. Background

- 1.1 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 several sectors related to natural resources, manufacturing agro – processing and a myriad of services sectors. These SME sectors 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 SMEs are also deemed flexible enough to ably respond to rapid changes in market conditions. Thus, the support and development of the SME sector in the Caribbean region became a comprehensive economic development strategy that it was hoped could guarantee equitable short and medium term growth.
- 1.2 Despite significant efforts and resources expended in the development of the SME sector in the Caribbean region, countries continue to be plagued by significant problems that hinder their development such as:
 - i) The absence of a specific legislative framework for SMEs or inadequate legislation and the lack of structures to efficiently support regional and national policies on SMEs
 - ii) Limited access to capital markets
 - iii) SME initiatives that are often fragmented and uncoordinated
 - iv) Low levels of productivity and quality which impact on the overall competitiveness of Caribbean countries
 - v) Limited research and technology
 - vi) Difficulties in internationalization of the sector
 - vii) The inadequacy of special support programmes to assist vulnerable groups such as women, youth and rural producers.
 - viii) Programmes for the development of the sector are often tied to social programmes which are often unsustainable.
- 1.3 In recognition of these and several other issues, the Department of Economic and Social Development in partnership with Caribbean Export Development Agency and the University of Texas in San Antonio organized the Regional Workshop “Promoting and Improving SME Competitiveness and Productivity in the Caribbean” which was held in San Diego California 8 years ago in September of 2011. The purpose of the workshop was to strengthen the capacity of institutions that support, assist and train micro, small and medium sized enterprises in the Caribbean through the sharing of best practices and success stories on international trade and innovation in the United States and Latin America.

- 1.4 It was also at this workshop that the U.S. SBDC model was presented and the seeds for the Caribbean SBDC project were sown, resulting in a pilot programme being adapted in five countries namely, Barbados, Belize, Dominica, Jamaica and Saint Lucia. This pilot project, which was funded by the United States Government through the U.S. Permanent Mission to the OAS, was conceptualized to focus on the transfer of the U.S. Small Business Development Centre model to the Caribbean and was designed to provide a vast array of technical assistance to small businesses and aspiring entrepreneurs.
- 1.5 The model has successfully been in existence in the United States for over thirty – six (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. As a result of the no cost, extensive, one-on-one, long term professional business advising low – cost training and other specialized services to SBDC clients, the programme remains one of the United States’ largest small business assistance programmes in the federal government. The strength of the programme is also derived from the cooperative effort of the private sector, the educational community and federal, state and local governments.
- 1.6 In the context of evaluating the compatibility of the SBDC model with other existing business development programmes in beneficiary countries, it is important to emphasize the flexibility and capacity of the model to successfully expand SBDCs not only in the United States but also throughout Latin America. The model has proved flexible enough to operate in different cultural, economic and social settings, as well as coexist and integrate with other business development programmes such as business incubators in Mexico and a cluster programme in El Salvador.
- 1.7 The approach of the SBDC model is simple but, in many ways, powerful as it:
 - i) Thrives 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 programme and eliminates inefficiencies and duplication of efforts among agencies.
 - ii) Focuses 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) Promotes a results-oriented culture where SBDC and the service professionals are continuously evaluated in terms of the economic impact generated through client work.

Past Operations

- 1.8 The first SBDC operation was originally introduced in 2012, in Barbados, Belize, Dominica, Jamaica and Saint Lucia, with the purpose of improving the

access of SMEs in the CARICOM region to sustainable and effective assistance services based on the US SBDC model.

- 1.9 Phase I of the SBDC program had an initial budget of US\$ 791,786 donated by the United States Government through the United States Permanent Mission to the Organization of American States (USPM). Other donors are the OAS and the Caribbean Export with US\$ 88,720 and US\$ 203,861 in in-kind support, respectively. SBDC Phase I core services were focused on three key areas that cover the needs of startups as well as those of established businesses, these services benefit small businesses and generate economic impact that creates new jobs, increases revenues, strengthens and diversifies the formal economy, and promotes country stability and growth:
 - i) One-on-one, confidential, free and long-term **technical assistance**.
 - ii) Group **training** focused on subjects of interest to small businesses and presented by SBDC staff and private sector professionals.
 - iii) Market **research** tailored to the client’s needs.
- 1.10 Phase II of the SBDC program “Establishment of Small Business Development Centres (SBDCs) in the CARICOM Member States” started in 2016, and was designed to build on the work undertaken in the first Phase (2012-2015) with the first five beneficiary countries, while expanding the Caribbean adaptation of the U.S. SBDC model to an additional three countries, namely Antigua and Barbuda, Saint Kitts and Nevis and the Commonwealth of The Bahamas. The consolidation of the model in the first five beneficiary countries included the development of the legal and regulatory framework to underpin the model as well as strengthening the technical capacity of the SBDCs to assist clients in accessing local and regional value chains and promoting better access to financing with a view to nurturing the development of successful SBDC networks throughout the Caribbean, among others.
- 1.11 The budget for Phase II was also mainly financed by the United States Government through the USPM in the amount of US\$1,985,930. In addition the OAS contributed in kind with the equivalent of US\$462,076
- 1.12 Both operations, Phase I and II, have been evaluated by external and independent parties, with now Phase III beginning the process of being assessed.

II. Objective

- 2.1 The purpose of the midterm evaluation is twofold: to assess the performance to date of the SBDC model Phase III in the beneficiary countries in the context of Phase I and II, by reviewing its advances to date and comparing them to those established in the project objectives; and to determine to what extent the recommendations and lessons learned from the evaluation of Phases I and II

were taken into account in the execution of Phase III. In particular, this evaluation should focus on identifying a methodology and collecting data to conduct a robust cost-benefit analysis in the final project evaluation using hard data emanated from 7 years of program execution.

A. Scope of the evaluation.

2.2 The evaluation will provide a general assessment of the performance to date within the Caribbean SBDC Phase III project. To achieve the objective the Consultant shall:

- vii) Conduct a formative assessment in order to determine the project's progress in achieving its objectives.
- viii) Laydown the groundwork to conduct a robust cost-benefit analysis in the final project evaluation using hard data emanated from 7 years of program execution.
- ix) Critically analyze the formulation, design, implementation and management of the project and make recommendations as needed.
- x) Determine if and how the recommendations made in past evaluations were taken into account in the design and execution of Phase III of the SBDC program.
- xi) Document lessons learned and best practices related to the formulation, design, implementation, management and sustainability.
- xii) Make recommendations, as appropriate, to improve the formulation, design and implementation for future similar interventions.

2.3 In addition to the above, the consultancy will make every attempt to answer the following performance questions, among others:

- i) Are the results achieved to date attributable to the actions of the operation?
- ii) Did the project team applied results based management principles from its inception to its conclusion?
- iii) Were lessons learnt and recommendations included in the final evaluation of phase II taken into account in the implementation of phase III?
- iv) Was the monitoring mechanism used as an efficient and effective tool to follow-up on the progress of project's actions?
- v) Were there any unforeseeable/not planned results or outcomes?

B. Information sources.

1.1 Among other sources the consultant will review the following:

- i) Project document.
- ii) Progress implementation reports.
- iii) Completion and evaluation reports of Phase I and II.
- iv) Logical framework.
- v) Any other document deemed relevant for the completion of the work.

C. Stakeholders.

1.2 Among other stakeholders the consultant will consider the following:

- i) Project Team.
- ii) Member states.
- iii) Local and national counterparts.
- iv) Donors.
- v) U.S. State Department.
- vi) Beneficiaries.

II. ACTIVITIES

- 2.1 This consultancy will be coordinated and supervised by the Department of Planning and Evaluation (DPE).
- 2.2 The consultant shall work in close cooperation with SEDI/ DED, who will in turn designate a member of their staff to facilitate the evaluation process. The evaluation process will take a participatory approach and take account of the views of all key stakeholders. In general, the evaluation will be based on interviews, analysis of documents, hard data, use of relevant evaluation instruments and all available data sources, as required. In addition, the consultancy shall:
- 2.3 Develop a brief work plan and evaluation framework for the consultancy, including the description of the activities to be performed and the products as well as the order and focus of each.
- 2.4 Review of key documents in the execution of the project, among them: the project proposal, logical framework used for the design and implementation of the project, indicators, and results achieved to date; progress reports on the execution of the project to date, and financial documents, among other things.
- 2.5 Conduct interviews and collect information from key stakeholders, including: Project Team; U.S. Mission officials; government officials, and direct and indirect beneficiaries, among other.
- 2.6 Conduct interviews to assess project performance, outcomes and outputs.

- 2.7 Identify lessons learned, best practices and recommendations for the ongoing and future executions.
- 2.8 Conduct an in-depth analysis of the required information to conduct a robust cost-benefit analysis of the operation (CBA), by: identifying as a first step the social and economic costs and benefits of the program; assessing the availability of data and determining the gaps to be filled before the final assessment is conducted. The CBA to be conducted during the final evaluation should determine the internal rate of return, the net present value and the benefit to cost ratio. A proposal of the CBA methodology should be developed and presented, including a sensitivity analysis of the results.
- 2.9 Determine the overall progress of the program in participating countries.
- 2.10 Determine whether lessons learned and recommendations drawn from the evaluation of Phase I and II were taken into account during the design and applied during the implementation of Phase III.
- 2.11 Produce a midterm report describing the progress of the midterm evaluation and the findings to date. The report will be accompanied by a Power Point presentation. Participate in a videoconference with OAS headquarters to present the report.
- 2.12 Produce a final report analyzing and describing the execution of the supported actions; lessons learned, recommendations and conclusions; a section for sustainability and beneficiaries, among others. The report will be accompanied by a Power Point presentation.

III. PRODUCTS AND DELIVERABLES

- 3.1 The consultancy will produce and deliver the following documents taking into consideration each of the activities described in the above section:
 - i) A detailed work plan and the evaluation Framework **within 15 days** of signing the contract.
 - ii) A draft of the Midterm Evaluation Report on the progress of the consultancy including an in-depth analysis of the required information to conduct a robust CBA of the operation and a Power Point to be presented on a previously agreed date.
 - iii) Final Midterm Evaluation Report including all products mentioned above and a Power Point Presentation to be presented at OAS headquarters on a previously agreed date.

IV. CONSULTANCY CHARACTERISTICS

- 4.1 **Type of consultancy:** Individual Consultant
- 4.2 **Duration:** approximately 25 non-consecutive days.

- 4.3 **Place of work:** Consultant’s place of residence.
- 4.4 **Qualifications:** in project evaluation and must hold a graduate degree in public policy, economics, evaluation, social sciences and management or related area; and have experience working in Latin America and the Caribbean. In addition, the consultant should be proficient in the use of the English language, oral and written. Experience in the Small Business Development sector, MSME support programmes, and the institutional strengthening of MSME support institutions is a plus, in working with an international organization in the Americas, and in the evaluation of similar projects is not a requirement but will be a plus.

V. TIMEFRAME & PAYMENT SCHEDULE

- 5.1 It is expected that the consultancy will require a total of 25 non-consecutive working days between August and November of 2019.
- 5.2 The payment schedule is as follows:
- 30% Upon signing the contract.
 - 30% Upon delivery of a midterm report accompanied by a Power Point presentation.
 - 40% Upon delivery of the final Midterm Evaluation Report accompanied by a Power Point presentation.

VI. PROCUREMENT PROCESS

- 6.1 The contracting will follow the procurement processes outlined by OAS tender regulations, ensuring the application of competitiveness and transparency principles.

Assessment Capacities project, 2018: Dominica: The impact of Hurricane Maria - Disaster Profile – January 2018, quoting UN OCHA
<https://reliefweb.int/report/dominica/dominica-impact-hurricane-maria-disaster-profile-january-2018>

<http://icai.independent.gov.uk/wp-content/uploads/ICAI-Review-UK-aids-contribution-to-tackling-tax-avoidance-and-evasion.pdf>

<https://data.worldbank.org/indicator/SP.POP.TOTL>

Annex 3: List of people interviewed

The project team shared the list of SBDC stakeholders with the external evaluator. Given the small sample of SBDC stakeholders interviewed per country the names of the interviewees are not published in this report to safeguard respondents’ anonymity. The OAS endorsed this decision, which is in compliance with the ethical standards of the United Nations Evaluation Group.

Annex 4: Evaluation matrix

	Evaluation questions	Proposed evaluation tools	Data source
Relevance: Are SBDCs doing the right thing in CARICOM?	Is the project's implicit Theory of Change valid? <ul style="list-style-type: none"> Are change pathways still relevant for MSMEs? Do the main assumptions still hold? 	ToC validation meeting with OAS project team Document review SBDC country teams' validation through an online survey	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?	Are the project's indicators S.M.A.R.T.?	Document review Interviews (telephone interviews with the project team in OAS and the donor)	Project profile, monitoring reports, and other documents; project stakeholders; commented by expert opinion
	Did the project team apply results-based management principles from its inception?		
	Have the lessons learned and recommendations drawn from the evaluation of phase I and II been taken into account during the design and implementation of Phase III?		
	Was the monitoring mechanism used as an efficient and effective tool to follow-up on the progress of the project's actions?		

	Evaluation questions	Proposed evaluation tools	Data source
Effectiveness: were project results achieved and how?	To what extent were program outputs and outcomes achieved at mid-term?	Document review, Online survey, telephone interviews	Monitoring reports; SBDC teams, project team; 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 implementation of the project to date? What are the implications for the remaining project period?		
	Were there any unforeseeable/not planned results or outcomes?		
Likely impact: Transformational change?	To what extent are partners systematically using NeoSerra to track SBDCs and SBDC beneficiaries' economic performance? How reliable is the data?	Interviews	Project team, project stakeholders, commented by expert opinion
	To what extent can MSME performance be tracked through alternative sources in the SBDC program countries to validate trends showing in NeoSerra?		
	To what extent are factors outside the SBDC project influencing SBDC beneficiaries' economic performance? Which are those factors?		
	How many SBDC clients represent <u>micro enterprises</u> , <u>small enterprises</u> , or <u>medium enterprises</u> in the program countries, disaggregated by women and youth-led enterprises? What is the percentage of long-term clients among those enterprise groups?	Online survey Telephone interviews	SBDC teams, commented by expert opinion
	Which economic sectors do SBDC clients represent mostly in the program countries, disaggregated by <u>micro-enterprises</u> , <u>small enterprises</u> , or <u>medium enterprises</u> ?		
	What percentage of micro-enterprises, small enterprises or medium enterprises is exporting, disaggregated by economic sectors and women and youth-led enterprises?		
	Where are exporting SBDC clients located geographically in the SBDC program countries? Where are the export markets located?		

Annex 5: Evaluation questionnaire and on-line survey: OAS Project team and SBDC teams in beneficiary countries

Name	Position	Organization/Enterprise	Country	Date

(A) Relevance

1. To what extent are the OAS' assumptions valid for functioning SBDCs in your country valid?

	Very high	High	Medium	Low	Very low	No answer
Beneficiary countries have the necessary MSME support 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.						

Please explain your assessment:

In the case of "medium," "low," and "very low" ratings, please explain:

2. To what extent did the intervention address issues of exclusion of vulnerable groups, including women and youth? How?

	Very high	High	Medium	Low	Very low	No answer
Women						
Youth						
Rural populations						
Others						

Please explain how this was achieved in case of “high” and “very high” ratings:

(B) Effectiveness: the achievement of project results

3. To what extent is your SBDC making progress in achieving planned project objectives in your country?

Achievement of planned objectives	Very high	High	Medium	Low	Very low	No answer
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.						
The 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.						
US SBDC model adapted to suit the individual country context of new project beneficiary countries.						
US SBDC model transferred and implementation guided in project beneficiary countries.						
Targeted technical assistance provided to SBDC clients to promote participation in local, regional and international value chains .						
Role of the Network of Caribbean SBDCs strengthened.						
Overall, how satisfied are you with the results achieved to date?						

4. To what extent are the SBDC results achieved to date attributable to the actions of the operation? (to be used in telephone interviews, not survey)

5. What are the major internal and external factors that influenced the implementation of the project to date? (to be used in telephone interviews, and survey)

6. What is their implication on the final months of the SBDC – phase III? (to be used in telephone interviews, not survey)

7. Please suggest how the achievement of results could be accelerated

8. Were there any unforeseeable/not planned results or outcomes?

(C) Likely impact: transformational change?

9. To what extent are partners systematically using NeoSerra to track SBDCs and SBDC beneficiaries' economic performance? How reliable is the data? (to be used in telephone interviews, not survey)

10. To what extent can MSME performance be tracked through alternative sources in the SBDC program countries to validate trends showing in NeoSerra? (to be used in telephone interviews, not survey)

11. To what extent are factors outside the SBDC project influencing SBDC beneficiaries’ economic performance? Which are those factors? (to be used in telephone interviews, not survey)

12. How many SBDC clients represent micro enterprises, small enterprises, or medium enterprises in the program countries, disaggregated by women and youth-led enterprises? What is the percentage of long-term clients among those enterprise groups?

The number of:	Total	Women-led	Youth-led	Long-term clients	Clients exporting
Micro enterprises					
Small enterprises					
Medium enterprises					

13. Which economic sectors do SBDC clients represent mostly in the program countries, disaggregated by micro-enterprises, small enterprises, or medium enterprises?

14. What percentage of micro-enterprises, small enterprises or medium enterprises is actually exporting, disaggregated by economic sectors and women and youth-led enterprises?

	Number of clients:			
	Micro enterprises	Small enterprises	Medium enterprises	Clients exporting
Agriculture				
Health care				
Information Technology				
Manufacturer				
Retail dealer				
Service establishment				
Others				

15. Where are exporting SBDC clients located geographically in the SBDC program countries? Where are the export markets located? (to be used in telephone interviews, not survey)