

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME (EDP)

FINAL EVALUATION REPORT¹

PREPARED FOR

THE UNITED NATIONS DEVELOPMENT PROGRAMME

AND

THE MINISTRY OF URBAN DEVELOPMENT AND HOUSING

FEDERAL URBAN JOB CREATION AND FOOD SECURITY AGENCY

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Table of Contents

LIST OF TABLES, FIGURES AND BOXES.....	iii
EXECUTIVE SUMMARY.....	iv
1. INTRODUCTION.....	1
1.1. Background and Context.....	1
1.2.1 Purpose and Objectives of the Evaluation	2
1.2.2 Evaluation Methodology	2
1.2.3 Desk Review of Relevant Documents	2
1.2.4 In-Depth Interview with Stakeholders.....	2
1.2.5 Visits to Regional offices and Beneficiaries	3
1.2.6 Beneficiary/Clients Survey.....	3
1.2.7 Data Analysis	4
1.2.8 Synthesis, Drafting, Validation Limitations	4
2. DESCRIPTION OF DEVELOPMENT POLICIES AND THE CHALLENGE.....	5
2.1 The Development Challenge.....	5
2.2 Government policies, Strategies and Programmes.....	5
2.2.1 Agricultural Development Led Industrialization.....	5
2.2.2 Industrial Policies and Strategies	5
2.2.3 Employment Policy of Ethiopia	6
2.2.4 MSE Promotion Policy	7
2.2.5 Incubation Centres	7
3. DESCRIPTION OF THE PROJECT.....	8
3.1 Description of Recent UNDP Interventions.....	8
3.2 The Entrepreneurship Development Program.....	8
4. EVALUATION FINDINGS	9
4.1. ASSESSMENT SUMMARY BY EVALUATION CRITERIA	9
4.2 RELEVANCE.....	19
4.3 EFFICIENCY	24
4.4 EFFECTIVENESS.....	30
4.5 SUSTAINABILITY.....	42
4.6 IMPACT/CONTRIBUTION TO OUTCOMES.....	45
4.7 PARTNERSHIP STRATEGY	55
4.8 Cross-cutting issues.....	56
4.8.1 Mainstreaming of gender equality and youth empowerment.....	56
4.8.2 Networking and sharing information with development partners	
56_Toc475459192	
4.9 Monitoring and Evaluation.....	56
5. BEST PRACTICES AND LESSONS LEARNT	57
6. CONCLUSIONS.....	59
7. RECOMMENDATIONS.....	61
ANNEXES	64

ACRONYMS AND ABBREVIATIONS

AAU	Addis Ababa University
BDS	Business Development Services
CD	Capacity Development
CoEE	Centre of Excellence for Entrepreneurship
CPD	Country Programme Document
BDS	Business Development Services
EDC	Entrepreneurship Development Centre
EDP	Entrepreneurship Development Programme
ET	Evaluation Team
ETW	Entrepreneurship Training Workshop
FeMSEDA	Federal Micro and Small Enterprise Development Agency
FGD	Focus Group Discussion
FUJCFSA	Federal Urban Job Creation and Food Security Agency
GTP	Growth and Transformation Plan
HLF	High Level Forum
HQ	Headquarter
ICT	Information Communication Technology
MOFEC	Ministry of Finance and Economic Cooperation
MOUDH	Ministry of Urban Development and Housing
MOUs	Memoranda of Understanding
MSEs	Micro and Small Enterprises
MSMEs	Micro Small and Medium Enterprises
M & E	Monitoring and Evaluation
PSC	Project Steering Committee
PD	Project Document
ReMSEDA	Regional Micro and Small Enterprise Development Agency
SC	Steering Committee
TVET	Technical Vocational Educational Training
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UN	United Nations
WEDP	Women Entrepreneurship Development Programme

LIST OF TABLES, FIGURES AND BOXES

	Page
Tables	
Table 1: Summary rating by evaluation criteria: overview of the four EDP pillars	10
Table 2: Summary achievements, challenges, opportunities and recommendations for sustainability by focus area: strengthening Institutional capacity of Government	12
Table 3: Summary achievements, challenges, opportunities and recommendations for sustainability by focus area: Entrepreneurship knowledge and skills developed	14
Table 4: Summary achievements, challenges, opportunities and recommendations for sustainability by focus area: New and existing businesses strengthened	16
Table 5: Resource requirements and projection at EDP inception	25
Table 6: Comparison of Trainee Costs 2013 - 2016	28
Table 7: Entrepreneurship Training Accomplishments Ethiopia Summary	30
Table 8: Institutional Capacity for Government to Deliver MSE Support Services	33
Table 9: Development of Entrepreneurship Knowledge and Skills	34
Table 10: Enabling Business Environment for Enterprise Development	37
Table 11: Entrepreneurship Training: Comparative Global Accomplishments by Country	46
Table 12: Selected EDP Indicators in relation to Ethiopia from global perspective	48
Table 13: Jobs Created through EDC Contribution	49
Table 14: Businesses established and expanded	50
Table 14: Type of BDS Acknowledged as value adding by beneficiaries	48
Table 15: Formation of new enterprises and growth scenario of MSEs by 2014 – 2016	52
Table 16: Perception of beneficiaries on changes in business performance as a result of BDS	53
Table 17: Average annual percentage increase in capital and profitability of business after BDS	53
Figures	
Figure 1: Overall Budget Target and Resources Raised and Spent in US\$ Ethiopia, 2013 – 2016	26
Figure 2: EDP Resource Requirement Allocation Mobilisation and Gap, USD, 2013 – 2016	26
Boxes	
Box 1: Overview of Coverage of Entrepreneurship Development Beneficiaries	18
Box 2: Summary of Findings from Beneficiaries (Relevance)	22
Box 3: Relevance of BDS to MSEs	23
Box 4: What needs to be Addressed	38
Box 5: University Based Centers for Entrepreneurship Development	39
Box 6: Scaling up entrepreneurship training for university students	39
Box 7: Opportunities in women entrepreneurs	40
Box 8: EDP training and the 10 personal entrepreneurship competencies	45

EXECUTIVE SUMMARY

The Entrepreneurship Development Programme (EDP) was established for the realization of the vision of Ethiopian's Growth and Transformation Plan (GTP) and in recognition of the role that a growing and dynamic private sector can play in its achievement. The programme was established with active involvement of the former Ministry of Urban Development and Housing (MoUDH) and the Federal Micro and Small Enterprises Development Agency (FEMSEDA), in partnership with the United Nations Development Programme (UNDP) Ethiopia, and launched in February 2013. The focus of the programme was to foster the emergence of a robust and competitive private sector through the development of the micro and small enterprise (MSE) sector. To this end, the Entrepreneurship Development Centre (EDC) was established to spearhead the implementation of the EDP.

The EDP initially aimed at achieving four major goals: i) Enhancing institutional capacity of the Government to deliver comprehensive support services to MSEs (Pillar 1); ii) Developing entrepreneurial knowledge and skills for MSEs and potential entrepreneurs (Pillar 2); iii) Facilitate establishment of new MSEs and development of existing small and medium businesses (Pillar 3); and iv) Promoting greater awareness on entrepreneurship development and partnerships among the Government, private sector and other stakeholders (Pillar 4), and v), Establishing Centers of Excellence for Entrepreneurship (CoEE) in 5 public universities to enable students attain entrepreneurial mindset and skills (Pillar5), which was added in the process of implementation of the programme as an additional goal.

The EDP was evaluated by independent international and a national consultants between October and December 2016 with the objectives of reviewing implementation of activities, achievements of results including its performance using the evaluation criteria: relevance, efficiency, effectiveness, sustainability and impact and to provide lessons learned to support the preparation and facilitate decision making on future orientation of the programme. The evaluation covered all interventions of the project implemented during the project period, assessed cross-cutting issues such gender equality and environment, and partnership and management among the different stakeholders and identified key lessons and proposed recommendations for a follow-up project.

The approach and methodology used in the evaluation were participatory and consultative, ensuring close engagement with all government counterparts, in particular, FUJC&FSA, EDC, UNDP Country Office, donors, clients and other stakeholders working with the programme. The methods of data collection used were desk review of relevant documents, in-depth interview with stakeholders, beneficiary/clients sample survey of 390 clients, based on a criterion and justification described in the appropriate section of the evaluation reports. The approach also involved a visit to purposively identified business sites owned by programme participants and BDS users in all the regions of project implementation. Focus group discussions were also conducted with various clients and stakeholders. Data

processing, analysis and interpretation was made using SPSS, while the Theory of Change used as a framework in the evaluation for analysis of logical links in the results chain, the development challenge, MSEs development context and the specific measures required to achieve the desired outcomes.

MAJOR FINDINGS

Relevance

With respect to relevance, it was found that the programme is anchored on the GTP, the MSE Promotion Policy, National Employment Policy, Industrialisation Policy and Strategy and Agricultural-led Industrialisation and the prioritised interventions were aligned to national development policies and priorities, the policies of development partners and donors, as well as needs and priorities of beneficiaries. The EDP is found to be **highly relevant** to the country's needs and priorities and one of the key instruments, amongst other measures that have been identified to implement the GTP, focusing on accelerating inclusive growth through MSE development.

Efficiency

Based on assessment on cost of delivery of services, timeliness of delivery, comparative analysis with other countries, competitiveness in delivery of services the implementation of EDP has been efficient. Its cost per trainee has also declined from USD 422 in 2013/14 to USD 195 in 2015/16. This was achieved by using local resource expertise, which has been built for local trainers and BDS advisors. This has substantially reduced the cost of service delivery. The establishment of partnerships with stakeholders in order to build synergies and complement activities to maximize programme outcomes and development goals is also positive for efficiency. With the resources made available it has provided training to about 38,150 beneficiaries through generic and customized ETW supported training; some 8,000 clients have benefitted from the BDS. This has assisted in terms of jobs creation, enhancement of business growth and expansion, business formalization, consolidation of business start-ups and businesses diversification.

Effectiveness

The EDP has conducted several events and strategic partnership meetings, awareness creation and policy dialogues. The programme hosted the Global Entrepreneurship Week events and activities for the past 3 years with an average of 8 events per year.

The EDP has also been found to be highly effective in terms of the establishing and strengthening the EDC (HQ and Regional Offices) and the CoEEs; enhancing the capacity to implement entrepreneurship training at central and at regional levels. There has been an ability to access entrepreneurship training by large numbers of beneficiaries, which compared favorably with global programmes. Moreover, its effectiveness also shows a positive built up in terms of a growing number of established new businesses and strengthening of existing ones, supported BDS clients, efforts aimed at strengthening the business environment for MSEs, through dialogue meetings at national and regional level.

Sustainability

The sustainability of EDP was ensured through government ownership of EDC, substantial policy level support of the programme through donor contributions. The training provided to 2,212 government personnel, universities and TVET is expected to contribute towards sustaining EDP in the long term. Evidence of mind-set change at the level of individual beneficiaries of the programme and contribution to the transformation of the MSE development landscape overall, in terms of institutional capacity built at national and decentralized levels are positive for the potential future roll out of the EDP. There are indications that with quality based BDS provision, willingness to pay by clients could reduce the cost of future service delivery, if cost recovery is implemented. Moreover, leveraging other BDS providers to complement and provide specialist inputs, for example, ICT, and other technical support to specific value chains through improved partnerships is also expected to ensure sustainability. The mainstreaming of CoEEs into university human resources structures with budget allocation and development of national entrepreneurship policy and clear structures for policy implementation including finance and investment facilities are found to be critical for ensuring sustainability in the medium to long term.

Impact/Contribution to Achievement of Outcomes

Impact may be positive or negative, with qualitative and quantitative changes in status of beneficiaries measured in terms of income and well-being that happen over time due to interventions. In the case of EDP, the achievements in terms of output/outcome indicators such as the 38,150 participants in EDC's Entrepreneurship trainings of which 36 percent female, 77 percent youth, 16,657 Enterprises supported with Entrepreneurship Training (ETW), 8000 Enterprises supported with BDS, are indicative of the potential for positive impacts that may be realized over time and could be ascertained through scientifically designed impact evaluation using control group. Moreover, the changes in the mind-sets and attitudes of beneficiaries, the jobs created, the businesses established and expanded due to the entrepreneurship trainings and BDS provided are also outcomes that are expected to contribute positive impact on beneficiaries. In addition, a multiplier effect is also expected from entrepreneurs trained by TVETs and Universities who were trained by the programme.

Best Practices and Lesson Learned

- The need for an entrepreneurship development policy and other relevant level sectoral strategies to anchor entrepreneurship development is central to realization of rapid progress and achievement of outcomes. This feeds into and facilitates the development of effective and accountable oversight structures with a view to addressing issues and giving proper guidance to programme implementation.
- The scaling up of opportunities for MSE development through inclusive approach involving women, youth and rural entrepreneurs by customizing the ETW and the value addition of business development services provision by

actualization of training provided with ETWs are best practices of the program. In addition, the leveraging of other specialized services from other BDS providers (networks and partnership strategy, for example, ICT, other innovative products) is also best practice.

- The need for a reality grounded target setting, corresponding to the available financial and human resources envelope, the need for better strategic guidance, institutional coordination and management of programme personnel is key to success.

Major Challenges and Gaps

- **Absence of national entrepreneurship development policy and strategy:** Although the EDP is aligned to existing national policy framework, the absence of a comprehensive National Entrepreneurship Development Policy to anchor the programme through more appropriate institutional structures, mechanisms and complementary measures to support MSME development in a holistic manner is noted in the evaluation as a major gap that needs to be addressed without delay. This is in line with global development best practice. Whilst the EDP networking and partnership strategy is assessed to be strong, gaps in sectoral linkages, for example, with research and development (R & D) and other aspects of the national enterprise support system have been identified.
- **Governance and institutional framework of the EDP:** The EDP has been implemented as a government project housed under the Federal Republic of Ethiopia institutional setup. Whilst the efficacy of this choice has been made clear, with some advantages in terms of sustainability and ownership there has been some confusion on the identity of the EDC as a project. The decision-making framework and management structures have not been responsive enough to the growing challenges and complexities associated with the implementation of a comprehensive and innovative programme. Because of staff changes both at EDC and amongst key members of the Project Steering Committee, other challenges outside the control of the EDC, there has been delays in implementation of some key decisions, including approval of some strategic documents, negatively affecting programme implementation.
- **Inadequate attention to results based monitoring and performance tracking:** This has been the case, in particular at the design phase and during much of the implementation period. With a less than desirable investment in developing a proper M & E for both entrepreneurship training and business development services, from the outset to measure performance, the implementation of a vibrant M & E has been left until late. This has been the case, in the absence of relevant baseline data; which made it difficult to track changes upon the programme beneficiaries in substantial ways with a view to feeding into impact tracking. The program has however addressed the issue

and has developed and M&E strategy as well as hired a full-time M&E Specialist to address the gap.

- **Financial Resource Mobilisation:** The EDP fell short of the its financial resource mobilization target, accomplishing only 37 percent of the original planned resource envelope. This also meant that the targets set at the initial planning stage had to be revised to correspond to the resources available.
- **Centres of Excellence for Entrepreneurship:** Although the CoEE were housed within the 5 Universities, according to plan, the mechanisms had not yet been mainstreamed into the human resources structures and resource allocation of the institutions. The CoEEs were also not fully connected to the EDC, through a coherent strategic planning and implementation framework, creating a crisis of expectation on how the CoEE strategic plans were going to be resourced, implemented and monitored. There was therefore an inadequate ownership in development and implementation of strategic plans; resulting in lack of joint implementation and monitoring of projects between the CoEEs and the EDP.

In view of the above, the following key recommendations are made:

Recommendations

- **EDP Management/UNDP:** (a) Develop a resource mobilisation strategy to ensure sustainability of financing of a future comprehensive programme. The establishment of an innovative finance investment facility for MSEs, based on development good practices (e.g., Women Enterprise Fund, Youth Development Fund, Partial Guarantee Schemes for growth oriented MSEs) – learning from lessons and experiences from other countries is central to the future sustainability of entrepreneurship development in the country.
 - **b.** Where feasible and where MSEs can afford to pay, consideration must be made on prospects of full or partial cost recovery, learning from development good practices from other regions of the world. This, however, needs to be assessed carefully taking into account the context of Ethiopia.
- **EDC management:** Improving results-based M & E, monitoring quality of service delivery, and use of comprehensive performance indicators, for both the entrepreneurship training and the BDS is of paramount importance. This is important for continuous improvement as well as for impact monitoring in the medium to long term.

1. INTRODUCTION

Entrepreneurship Development Programme (EDP), which is the subject of this evaluation, is a project that runs from 2013 to 31 May 2017 that is initiated by Government in collaboration with the UNDP. It is nationally coordinated by the then Ministry of Finance and Economic Cooperation (MOFEC) with the Ministry of Urban Development and Housing as implementation partner and the Federal Urban Job Creation and Food Security Agency as the responsible body. The project is intended to increase employment by 10 percent from the initial baseline at its inception.

1.1. Background and Context

Entrepreneurship and Enterprise development was set out as a critical element of the industrialization process for the country's structural transformation in the Growth and Transformation Plan (GTP), which was the five-year national development plan for the period 2010/11-2014/15. Ethiopia's industrialization in the GTP was anchored on two fundamental pillars, the first of which emphasizes growth and development of micro and small enterprises as being central for rapid and sustained industrial development of medium and large scale industries. The industrial zones policy and strategy and export oriented industries and promotion of foreign investment programs to support rapid industrialization are also embedded in this pillar.

The Entrepreneurship Development Programme (EDP) seeks to promote the development of an inclusive private sector within manufacturing and service industries through an approach that is geared at improving the competitiveness of existing micro small and medium enterprises (MSMEs) and by supporting the growth of new enterprises. Inclusivity is a concept embedded in the programme approach by focusing on growth-oriented MSEs as well as potential entrepreneurs. Target groups cover unemployed youth and women of all socio-economic and cultural background, as well as men, providing direct capacity development (CD) and training support to beneficiaries with a view to enhance entrepreneurial skills and competencies to establish and operate profitable and competitive businesses on a sustainable basis.

The interventions include provision of entrepreneurship training, business development skills, follow up services to complement entrepreneurship training through the provision of business development services (BDS); facilitation of enabling business environment for access to finance, marketing and technology. The programme also has as its thrust building the capacity of the government counterparts, which includes the establishment of Entrepreneurship Development Centre in Addis Ababa and the four big regions. Five Centres of Excellence for Entrepreneurship in Public Universities were also established to support enterprise development. The program has been facilitating policy dialogues and stakeholder engagements with relevant actors with the view to creating a favourable private sector development environment in the country.

1.2.1 Purpose and Objectives of the Evaluation

The purpose of the evaluation is to assess the overall program, in collaboration with government partners, donors and stakeholders, so that it remains relevant to the national context; to ensure improvements in performance and results going forward by identifying implementation challenges and ways to overcome them; and to provide lessons learned which can support the preparation of the next program document.

The main objective of the evaluation is, therefore, to review the implementation of the project activities and achievements of results starting from its initial period so as to: (1) measure the performance of the project; and, (2) draw lessons to facilitate decision on future orientation of the program. Overall progress of the project is reviewed with a focus on the major evaluation parameters of relevance, efficiency, effectiveness, outcomes/impact and sustainability.

1.2.2 Evaluation Methodology

1.2.3 Desk Review of Relevant Documents

All relevant documents, such as the Programme Document, Growth and Transformation Plan (GTP), Entrepreneurship Development Programme (EDP) annual reports, recent reviews, various publications from the Federal Government of Ethiopia, relevant Decentralised Governments, Centers of Excellence for Entrepreneurship in public universities, other UN agencies; policy and strategy documents have been reviewed. Other materials reviewed include all documents relevant to the EDP evaluation, from all available sources, including international development partners, all material not in the public domain but availed; annual work plans, mission and workshop reports, monitoring data, country data and previous M & E reports, where they exist, review of quarterly and annual reports.

1.2.4 In-Depth Interview with Stakeholders

The evaluation team has undertaken stakeholder consultation to get diverse views on progress towards the attainment of project goals and their indicators. During the evaluation, a series of meetings were convened with individuals, groups and institutions: The Federal Urban Job Creation and Food Security Agency, United Nations Development Program (UNDP), the Entrepreneurship Development Centre (EDC) in Addis and the four regions, Canadian Embassy, World Bank project on Women Entrepreneurship Development Project (WEDP), Enat Bank S.C., Digital Opportunity Trust (DOT) Ethiopia, Ethiopia Climate Innovation Centre (ECIC), and the five Centres of Excellence for Entrepreneurship in Addis Ababa University, Hawassa University, Adama Science and Technology University, Bahir Dar University and Mekele University.

Moreover, focus group discussions were also conducted with participants of the various trainings offered, the six-day Entrepreneurship Training Workshop (ETW) and the Customized training participants, which included youth and women in regions, Trainers, BDS clients and Business Development Advisors of the Entrepreneurship Development Centre in Addis Ababa and the four main regions. About 20 focus group discussions were conducted of which women accounted for 50 percent of the FGDs participants. In addition, meetings and discussions were held with more than 30 stakeholder representatives in Addis Ababa and regional level, on matters related to EDP activities in their respective regions.

1.2.5 Visits to Regional offices and Beneficiaries

During the evaluation, the Consultant team has made field missions to Tigray (Mekelle), Amhara (Bahir Dar), Oromia (Bishoftu and Adama) and SNNPR (Hawassa) to conduct key informant interviews and focused group discussions with stakeholders and beneficiaries. Visits were also made to sample businesses benefiting from the business advisory services offered by the Entrepreneurship Development Centre (EDC). Accordingly, entrepreneurs running businesses in different sectors were visited. In addition, visits were also made to the Centres of Excellence for Entrepreneurship established in the Bahir Dar University, Mekele University, Hawassa University and Adama Science and Technology University and Addis Ababa University to observe the facilities supported by the Entrepreneurship Development Program. Discussions were also held with relevant staff at the Centres.

1.2.6 Beneficiary/Clients Survey

In order to assess the outcome/impact of the project activities, the beneficiaries/clients of the various training programmes undertaken and business development services provided during the implementation period were interviewed using closed and open questionnaires. As shown in the monitoring report of EDC, by 31 December 2016 a total of 38,150 clients had been trained, covering all categories of training provided. Using this as a population size, a selective approach to sampling 390 participants of the entrepreneurship trainings and BDS provisions including government capacity building training was covered during the sample survey², distributed in the 5 regions in accordance with the number of trainees in those areas. Accordingly, the distribution of the sample by region turned out to be 68 beneficiaries in Tigray, 101 in Amhara, 83 in Oromia, 59 in SNNPR and 79 beneficiaries in Addis Ababa.

The data collection was administered through the collaboration of EDC regional coordination offices and data collected by employed enumerators. The data collected was then properly edited and coded and were entered using the most commonly used

² The sampling built upon quantitative and quantitative data from clients who had been engaged by the EDC in more recent previous engagements through entrepreneurship training and business development services provision.

data entry software package known as CSPro by qualified data entry clerks. Rigorous edit specifications were prepared and the captured data were carefully cleaned using computer algorithms. The data was then converted to SPSS for processing and analysis.

1.2.7 Data Analysis

Data analysis comprises all kinds of quantitative information (figures, boxes and tables) and qualitative data from relevant documents, information, available from a variety of stakeholders at central and decentralized levels.

Theory of Change

The theory of change analytical framework sought to assist identify the local links in the results chain, between the prevailing situation, the development challenge being addressed within the micro small enterprises (MSEs) development context and the specific measures required to achieve the desired outcome. The underlying assumptions and the extent to which these are realised is also assessed in the theory of change.

The outcome defined in the evaluation is drawn from the project document (PD) and further analytical work linked to the theory of change.

Outcome: 'By 2015, private sector-led Ethiopian manufacturing and service industries especially small and medium enterprises sustainably improve their competitiveness and employment creation potential'.

Output 1: Enhancing the institutional capacity of government to deliver comprehensive support to MSEs, including establishing and strengthening the capacity of Entrepreneurship Development Centre with its headquarters in Addis and regional offices in Amhara, Tigray, Oromia and SNNPR.

Output 2: Development of entrepreneurship knowledge and skills of MSEs across the country to accelerate the realization of their growth potential through entrepreneurial skills training, training of trainers and training of business advisors.

Output 3: New MSEs established, existing ones strengthened - improved productivity and job creation, substantial number of new jobs created as per target

Output 4: Partnerships and stakeholder engagements to facilitate access to financial instruments, markets, and technologies suitable for MSEs promoted

1.2.8 Synthesis, Drafting, Validation Limitations

The analysis seeks to use existing baseline data, where it is available and updated data, in cases where this can be accessed. However, there have been limits access to updated data because of lack of appropriately packaged and up to date data for MSEs. The programme has developed an M &E system, which is at early stages of implementation. As is the case in such situations, the full benefits of the

implementation of the M & E system were not yet realised at the time of this evaluation.

2. DESCRIPTION OF DEVELOPMENT POLICIES AND THE CHALLENGE

2.1 The Development Challenge

Major challenges facing Ethiopia in the development of micro and small enterprises are linked to the absence of vibrant and a competitive MSE sector overall. This lack of competitiveness is also linked to lack of a supportive MSE support environment, with a limited number of entrepreneurship development interventions that cover a large number of beneficiaries. The challenges facing the MSE sector are also rooted to the low level technological capabilities³ of micro and small enterprises in Ethiopia.

Related challenges fall in the category of high population growth rate, low quality of education and high unemployment rate in urban areas, dependence on subsistence agriculture, shortage of skilled human resources and declining flow of financial resources, from international aid programs. The initiation of the Entrepreneurship Development Program by UNDP in collaboration with Ethiopian government was within the framework of the GTP, which envisioned a *modern and productive agricultural sector with enhanced technology and an industrial sector that plays a leading role in the economy*.

2.2 Government policies, Strategies and Programmes

2.2.1 Agricultural Development Led Industrialization

The Government of Ethiopia has formulated a long-term economic development strategy known as the Agriculture-Led-Industrialization (ADLI) which is geared towards the transformation of the backward economic structure of the country. It is a two-pronged strategy, incorporating on one side the external sector (export-led part) and on the other the internal sector which shows the forward and the backward-linkages between agriculture and industry. In the connection, it assumed that agriculture will supply commodities for exports, domestic food supply and industrial output; and expand market for domestic manufactures. The mining sector is expected to give an impetus to the development of the export sector.

2.2.2 Industrial Policies and Strategies

The Industry Development Strategy of the country has put in place the principles that primarily focus on the promotion of agricultural-led industrialization, exported development, and expansion of labour intensive industries.

³ Technological capabilities refer to the ability to adapt and adopt technical changes, software and hardware that are required to generate competitiveness in the sector, impacting the entire national economy.

These principles are inter-dependent and inter-linked one with another. The strategy has also set the other principles that clearly stated the pivotal contribution of the private sector, the leadership role of the government, and the integrated and coordinated participation of the public at large in nurturing the strategy. This strategy refers to those industries which are primarily involved in the production of manufactured goods. It also includes other industrial classified sectors in the document other than the manufacturing industries. These industries are horizontally linked to the agriculture sector, where some of the raw materials are drawn to enable sustainable growth of some of the manufacturing industry sectors.

2.2.3 Employment Policy of Ethiopia

The objectives of the National Employment Policy and Strategy of Ethiopia have three important dimensions: enhancing social welfare, accelerating economic growth, and achieving political stability⁴. The policies and strategies are: Enhancing private sector productivity (both formal and informal) and creating mechanisms for strengthening their linkages and complementarities to create decent and remunerative jobs to reduce poverty. Similarly, increasing the productivity and earning capacity of the informal and employment-intensive formal sector is indispensable for the alleviation of urban poverty. Hence, what is required is the creation of greater employment opportunities and incomes in the sectors where the poor are concentrated. Employment generation has two important dimensions that are considered to be the two sides of a coin. The first dimension refers to the ability of the economy to create jobs for various skill categories as per the requirement of the economy. This dimension refers to the demand side of job creation. The second dimension deals with whether or not the skill levels of available pool of persons match with the type of skill that the economy requires. This dimension refers to the supply side of job creation. The National Employment Policy and Strategy of Ethiopia have to squarely address these two important dimensions of job creation. Besides, there is a third dimension that relates to the governance of labour market relations and labour market services. This refers to labour market institutions. The fourth dimension cuts-across sectors/themes having an important bearing on employment and is referred to as cross-cutting issues. Accordingly, framing the National Employment Policy and Strategy (NEPS) of Ethiopia is approached from these dimensions in pursuit of the goal of employment generation.

The policy actions are divided into four major areas: employment generation, improving labour productivity, improving labour market institutions and cross-cutting areas in the labour market. Hence, the Entrepreneurship Development Program is consistent with employment policy actions and priorities of the country, particularly, with that of employment generation.

⁴ National Employment Policy of Ethiopia, 2009

2.2.4 MSE Promotion Policy

Ethiopia has launched various bold initiatives and development policies and plans to spur economic growth. Three major development plans have been executed so far, the last one being the ongoing Growth and Transformation Plan (GTP). The common and overarching objective of these development plans has been to ensure broad based economic growth. This is so because broad based economic growth is the main route to poverty reduction through employment generation. The role of Micro and Small Enterprises (MSEs) is recognized as indispensable in poverty reduction through employment generation. In recognition of a national MSEs Development Strategy was formulated in 1997. Ethiopia's MSE Policy envisages that not only reducing poverty in urban areas but also nurturing entrepreneurship and laying the foundation for industrial development. The strategy was revised in 2010/11 with renewed interests and more ambitious targets on employment and number of entrepreneurs and transition to medium size level.

MSE development, being one of the key focus areas of the country's development strategy, receives massive support from the government in the form of access to finance, market, technology, training and working space. The government strongly believes that MSEs are the right solution to reduce urban unemployment and hence reduce poverty. This ambition is reflected in the GTP I, where plans were to create three million new jobs in the MSE sector in five years of the growth and transformation period. The GTP II is a follow up to the GTP I, and is designed to generate more momentum to the existing and future enterprise development programs, including those centred on entrepreneurship training. Therefore, MSE promotion and support is the vital strategy to fulfil this national plan of employment creation in the short-run and achieving industrialization in the long-run. Ethiopia adopts a layered policy support in which MSEs are categorized into start-ups, growing-middle and maturity. Start-up stage enterprises refers to those enterprises found at their establishment stage and comprises a group or individual aspiring entrepreneurs that seek various supports to make their enterprise operational. The basic challenges at this stage include lack of initial and working capital, poor knowledge of business management and entrepreneurship and lack of knowhow about the different government policies and directives related to the sector. In order to mitigate these challenges, Federal Urban Job Creation and Food Security Agency (FUJCFSA) has designed a strategy that focuses on facilitating access to initial capital, supporting MSEs in formalization and legalization process and provision of training on business management, entrepreneurship and production technique.

2.2.5 Incubation Centres

The Government of Ethiopia has been supporting the establishment of incubation centres, providing targeted support to MSEs, with a view to enable them to be nurtured and capacitated to maturity and graduate from micro to small and from small to medium level.

In the case of Ethiopia, although the concept of incubation remains relatively new, it has received substantial support from government. Ethiopia has a handful of incubation centres mostly owned by the government like Ministry of Communication and Information Technology and Government owned Universities. The Ministry of Communications and Information Technology (MCIT) used to run 5 Business Information Centres (BICs) in regions of Amhara, Tigray, Oromia, SNNPR and Addis Ababa (Virtual) and among them only Amhara region BIC is operational currently. Other University based Incubation centres are also emerging following a Government directive to forge stronger linkages with the private sector. Such Government supported initiatives play a vital role in promoting entrepreneurship in the country and have a logical link with the Entrepreneurship Development Program.

3. DESCRIPTION OF THE PROJECT

3.1 Description of Recent UNDP Interventions

In Ethiopia, UNDP works to support the Government of Ethiopia to help the country achieve the development goals as defined in national five year development plan, the Growth and Transformation since many years back. The GTP, as was the case with Ethiopia's previous five year national plans, complements the country's efforts to meet the Sustainable Development Goals (SDGs). UNDP Ethiopia's Country Programme Document as well as the Country Programme Action Plan is aligned to the GTP. The same is true of the United Nations Development Assistance Framework (UNDAF -2016 - 2020), which aims to ensure optimal coherence and coordination of the assistance provided by various UN agencies. UNDP's key interventions in Ethiopia fall under three programme pillars: These are the Growth and Poverty Reduction, Climate Change and Environment Vulnerability and Governance. Gender equality and Information and Communication Technology are treated as cross cutting issues. The EDP, which is the subject of this evaluation falls under the Growth and poverty reduction pillar.

3.2 The Entrepreneurship Development Program

EDP was designed for implementation over three years period (2012/13-2014/15) (extended until 31 May, 2017) with the overall objective of bringing about transformational change in the growth potential of micro and small scale enterprises by the end of 2015 through entrepreneurship skills training and provision of a comprehensive range of business advisory services. It was established under the framework of UNDP initiative and aimed at identifying and selecting growth oriented enterprises as well as potential entrepreneurs, unemployed youth and women entrepreneurs to provide them with entrepreneurship training and a comprehensive and integrated range of business management services in Addis Ababa and 11 regions of Ethiopia. The service mix was to include entrepreneurial and management skills training, technical assistance, in the preparation and review of business plans, business counselling assistance, in sourcing credit, and strengthening linkages between micro and small enterprises with large local companies. It was expected that the project will stimulate economic growth, create self and wage employment

opportunities, bring equal development, improve income of the society, lay foundations for individual development. It was also expected that the project will stimulate economic growth, create employment, opportunities and reduce poverty in the country. During implementation, both local and external resources were to be mobilized for scaling up the programme. In addition, leadership of the Entrepreneurship Development Centre for the project was to develop an assessment framework that can inform recommendations to public sector officials on policy measures that can alleviate growth impediments.

4. EVALUATION FINDINGS

4.1. Assessment Summary by Evaluation Criteria

The main findings of the evaluation are presented in this section. These findings are based on information generated from beneficiaries of the entrepreneurship programme, (ETWs, beneficiaries of BDS, customised training for women and youth, entrepreneurship training partners, federal and state government officials, technical vocational education training (TVET) institutions, academia, university students, non-governmental organisations and others, with substantial reference to both primary and secondary sources⁵. The assessment by evaluation criteria of relevance, effectiveness, efficiency and sustainability is preceded by the overall finding.

Finding 1. Despite the setting of ambitious targets, the overall objectives have been achieved.

At the launch of the initiative in 2013, the overall objective of programme was ‘to bring about a transformational change in unleashing the growth potential of micro and small enterprises by 2015 through entrepreneurial skills training and provision of a comprehensive range of business advisory services’. The UNDP strategy was to link the EDP to the Country Programme Outcome (CPO); ‘By 2015, private sector-led Ethiopian manufacturing and service industries especially small and medium enterprises sustainably improve their competitiveness and employment creation potential’. The CPO is in turn linked to the United Nations Country Assistance Framework (UNDAF) Outcome 2, which is similarly defined as the CPO. By October, 2016, the objective had to a large extent been achieved.

The Government of Ethiopia has been hosting the EDP, from its inception, with the MOFEC being the coordinating agency; the MOUDH, the implementing partner and the FUJCFSA the responsible party or the host institution. Government was instrumental in the establishment of the EDC HQ as well as the EDC regional offices, and the Centres of Excellence for Entrepreneurship established in five public universities (Addis Ababa, Mekelle, Bahir Dar, Adama and Hawassa Universities respectively). The MSE promotion policy had been revised in 2010/11 with renewed focus on setting ambitious targets on job creation and number of entrepreneurs assisted in the transition to medium size level. Government effort to develop

⁵ A full list of the stakeholders is provided in the annex 2 of this evaluation report.

incubation facilities was also stepped up in all regions, between 2013 – 2016, with a significant number of emergent MSEs accessing affordable land and business shelter.

SUMMARY OF ACHIEVEMENTS, CHALLENGES, OPPORTUNITIES AND RECOMMENDATIONS TO ATTAIN SUSTAINABILITY BY
FOCUS AREA/EDP PILLAR

Table 1: Summary of Achievements, Challenges, Opportunities and Recommendations for Sustainability by Focus Area			
Pillar/Focus Area: Enhancing the institutional capacity of government to deliver comprehensive support to MSEs: {Focus is to develop institutional capacity at federal and state levels; within ministries, departments and agencies (MDAs), to plan, implement, coordinate provision of quality services, entrepreneurship training and business development services, monitor and evaluate provision of sustainable MSE support services}			
Description of focus area priorities	Processes/Accomplishments	Opportunities/Challenges	Recommendations for Sustainability
1. Preparatory phase: establishment of institutional structures at HQ, in Addis Ababa and at 4 regional centres	Start-up phase completed, with EDC institutional mechanism fully established at HQ, in Addis Ababa and in 4 regionals	Strengthening of EDP structures at HQ and at regional centers; with basic framework and infrastructure established; functional offices at HQ and at 4 regional centres.	Identify gaps in infrastructure and facilities installed and take remedial actions to address constraints to progress, especially in areas where additional human resource skills are required.
2. Recruitment of appropriate personnel to implement the EDP; Steering Committee and Management Committee establishment	Appropriate staff recruited to fill up all key positions; Steering Committee and Management Committee established with representation of key stakeholders	Lean structure exist at both national and regional level; progressive and cost efficient; Continued human resources capacity gaps to implement the key components of EDP remained a challenge during certain periods of implementation (e.g., M & E, Gender Officer); Adequate functionality of Steering and Management Committee, leaving gaps EDP leadership and strategic guidance	Programme management create conducive environment for staff; Federal Government, with the support of the UNDP, expedite re-establishment of functional SC and Management Committee to give EDP strategic leadership and guidance, including into the envisaged next phase..
3. Development of systems (human resources, strategies and plans) to implement the programme	Draft Strategic Plan in place, Draft Gender Strategy, Draft Communication Strategy; M & E Strategy	Opportunities exist to finalize key documents to guide implementation of the EDP; However, many of the guiding documents await approval by the SC, In view of the limited timeframe for EDP implementation, substantial progress in fast-tracking the approval and implementation of the revised SP and prioritized strategies if not foreseen.	Lessons learnt from existing set up of EDP show the need to develop transparent and more effective systems to complement Government led ones; EDP must hence invest in development of systems, with the support of the Federal Government and the UNDP; Explore innovative cost reducing measures for provision of ETW and BDS advisory services, plus other trainings.

4. Development of appropriate training materials, securing of venues for training sessions, programme roll-out	Appropriate training materials secured, materials for CTP, other training programs such as intrapreneurship, youth training, training for rural entrepreneurs, and others. developed	Entrepreneurship training materials developed in a cost-efficient manner and availed for appropriate training sessions	Review and update materials as necessary, whilst exploring options to maximize delivery of the ETW, BDS, and other trainings as prioritized.
5. Development of M & E system	M & E system developed, implementation of roll-out plans delayed due to staffing challenges during the course of EDP implementation.	Opportunity exist to ensure implementation of results-based M & E system with improved performance tracking using existing M & E framework refined.	The M & E system developed needs to be tested for effectiveness and functionality; Existing effort needs to be accompanied with more accountable structures; functional EDP SC and Management Committee, laying specific M & E demands, better handling of compliance and results monitoring
6. Development of resources mobilization plan	Government led process	Government led process	However, since resource mobilization is central to the sustainability of the EDP, this is an issue (for future programming) requiring substantial attention by the EDP management, in collaboration with the Federal Government and the UNDP.

Table 2: Summary of Achievements, Challenges, Opportunities and Recommendations for Sustainability by Focus Area			
Pillar/Focus Area: Entrepreneurship knowledge and skills of MSMEs developed: {This includes the flagship ETW training sessions, customized training (CTP), youth entrepreneurship training (YET), training of trainers (TOT), rural entrepreneurship trainers (RET), training of business development services (BDS) advisors}			
Description of focus area priorities	Processes/Accomplishments	Opportunities/Challenges	Recommendations for Sustainability
1. ETW Training	Based on EMPRETEC model, 6 day entrepreneurship training session, intensive, Nearly 16, 657 entrepreneurs reached in almost four years, from different categories of beneficiaries	Substantial outreach to women and youth and MSE clientele, Huge potential impact, life transforming for many beneficiaries; High potential to reach out to more MSEs clients with high quality ETW on a sustainable basis. Challenges of weak monitoring, follow-up after training; Some clients cite use of inappropriate examples at ETW sessions, e.g., business case references, which may not be so relevant for specific groups;	Strengthen impact monitoring, follow up of beneficiaries, reporting on achievement of key indicators; Use of more appropriate and relevant examples, depending on levels of sophistication of business and target group; Increased focus on approaches to improve outreach to more ETW clients; Strengthen outreach to more potential clients through more aggressive awareness campaigns, information dissemination, mass media, radio, TV, newspapers, newsletters, other fora.
2. Training of BDS advisors	Number of trained BDS advisors – 403 national BDS advisors for the programme, with 79 of them provided with advanced BDS training. <i>(This does not include the number of BDS advisors trained for the government).</i> BDS unit restructured in order to give more efficient and effective services. BDS advisory services based on group as well as individual mentorship. Group BDS is deemed to be cost-efficient and it reaches more clients.	Immense opportunities to reach out to large number of MSEs with business advisory services, with a view to implementing business turnaround strategies. However, key challenge has been on follow up, monitoring of quality of BDS provided. Restructuring of BDS unit to work with a small number of BDS advisors, under close guidance designed to improve efficiency and effectiveness of the service.	Strengthen selection criteria of BDS advisors, ensuring gender equality considerations, with recruitment of more women BDS advisors; Identify new areas where further training of BDS advisors is needed to keep the advisors up to date with dynamic client needs and priorities; Monitor quality of service delivery, including material used to guide BDS advisors, and where training gaps need to be filled.
3. Customized Training	The CT is a specialized training targeted at meeting special needs of clients, for example, both women and women with low level of literacy. A	With the needs of different MSEs, becoming more evident, the need to prioritize the CTP is set to grow. However, there are resource allocation	Sustain and diversify customised training, identifying and implementing more innovative options , with

	total of 7261 people trained under the CT.	implications between other priority areas, such as ETW and provision of BDS to growing number of clients.	continued focus on improving quality of training materials used; Regular reviews of CTP, beyond filling of ordinary post-training evaluation forms, tracking actual performance.
4. Youth Entrepreneurship Training	Youth constitute a big target group of the EDP, in view of the priorities set in the GTP and MSE Promotion Policy. The YET has adopted a gender equality policy, with a roughly 38 percent of beneficiaries being young women. In total, 11, 806 youth trained.	Focus on youth owned MSEs is innovative in that these are the businesses with higher transformational and growth possibilities than the other enterprises; However, lack of business experience places the youth at a disadvantage in accessing complementary services such as credit, due to lack of collateral. Most youth view the EDC training as life-transforming, with evidence of cases of lives being turned around by the training of young people.	Strengthen outreach to young women and men; Strengthen linkages with other entrepreneurship and MSE support programmes to reach out to more young entrepreneurs; Forge stronger partnerships to address the enterprise development needs and priorities of the youth, apart from entrepreneurship training.
5. Training of Trainers	A total of 213 national trainers of which 39 have been certified by UNCTAD as national trainers, 20 certified by UNCTAD as national master trainers. Number of government officials, TVETs and Universities trained: 143	High potential exists to reach out to more TOTs (in Government service, TVET, Universities in order to increase client outreach; financial considerations limit number of participants; Lack of follow-up on trainees trained by the TVETs and Universities proved to be a challenge, an issue pending to be addressed.	The EDC needs to continue to invest in building a sustainable number of TOTs, nationally and at regional level, maintain quality of service provision; intensify follow up, monitoring of TOTs after training.
6. Rural Entrepreneurship Training*	424 trained during the EDP implementation, with a view to reaching out to marginalized rural MSEs, strengthening capacities of new and existing businesses.	More opportunities are seen in urban based MSEs, with different and alternative approaches outside the EDP being considered for the RET based interventions.	No further action is recommended until institutional arrangements are favourable to dealing with rural based entrepreneurs.

Table 3: Summary of Achievements, Challenges, Opportunities and Recommendations for Sustainability by Focus Area			
Pillar/Focus Area: New and Existing Businesses Strengthened: {This entails the provision of business development services through group BDS and individual approach. Special BDS support was geared for the support of women and youth owned MSEs}			
Description of focus area priorities	Processes/Accomplishments	Opportunities/Challenges	Recommendations for Sustainability
2 Startup businesses provided with business development services	A substantial number of clients were provided with business development services. The support comprised provision of both group business advisory as well as individual one-to-one oriented BDS.	Large outreach to women and youth and large MSE clientele, but weak monitoring, follow-up after BDS; High potential impact cited by beneficiaries, life transforming for many beneficiaries, potential to reach out to more MSEs is high.	Use of EDP MSE studies as the basis to identify high growth areas, make strategic moves to prioritize sectors with high job creation potential through use of BDS; Make more clear the criteria for identifying and selecting clients.
3 Existing businesses provided with BDS	EDC (unverified) records show that of 8,000 BDS clients were reached with the business advisory service over a period of 3 years, also incorporating group and individual BDS.	Immense opportunities to reach out to large number of MSEs with business advisory services, with a view to implementing business turnaround strategies. However, key challenge has been on follow up, monitoring of quality of BDS provided. Restructuring of BDS unit to work with a small number of BDS advisors, under close guidance designed to improve efficiency and effectiveness of the service.	With MSEs from varied sectors, some limits have been highlighted by clients, with need to consider grouping clients from the same sector for BDS services in future for better cohesion; There is also need to prioritize capacity development and continuous training for BDS advisors to enable them to remain a cut above their clients in terms of knowledge and skills; Continue to set high standards for BDS advisors to assure sustained value addition to all clients.
4 Youth entrepreneurs provided with BDS	Youth constitute a big target group of the EDP, in view of the priorities set in the GTP and MSE Promotion Policy.	With the needs of different MSEs, becoming more evident, the need to continue to prioritize the targeting of youth entrepreneurs in view of the demand of BDS by that target group.	In future programing, EDP continue to prioritize the requirements of women and youth, in human and financial resource allocation and targeting of specific inputs.
5 Women entrepreneurs provided with BDS	The CTP is a specialized training targeted at meeting special needs of clients, for example, women, men and youth. The thrust on women and	It is important to increase the number of women advisors who can in turn provide support services to women clients. This will enhance the gender	Strengthen and sustain gender equality consideration in the provision of BDS advisory services; through training effort and recruitment of BDS advisors that

	youth is progressive, and set to deliver desired results.	parity of the program and also provide the opportunity for female clients who may not be comfortable working directly with male advisors to opt to receive BDS support from female advisors.	take into account GE considerations; EDC launch and sustain gender awareness for all BDS advisors as well as with beneficiaries, including their spouses; EDP management ensure compliance on attainment of gender outcomes; which should also be extended to other trainings.
6 Quality management of business advisory services	The provision of BDS is guided through an Operators Manual, which is monitored by the EDC for compliance with a view to delivery of high quality services, which are appropriate for clients	Opportunities on improvement of quality exist, based on sustained client feedback and more effective monitoring; Measures to strengthen monitoring of delivery of BDS exist, with more results-based monitoring system established.	Intensify follow-up of BDS clients; Review of appropriateness of services provided, including the recently introduced lean restructured service; Monitor more effectively the quality of BDS delivery, including material used to guide BDS advisors

Table 4: Summary of Achievements, Challenges, Opportunities and Recommendations for Sustainability by Focus Area

Pillar/Focus Area: Enabling Business Environment for Micro and Small Enterprise Development; {This is in the area of national policy and strategy formulation (by Government), review of existing MSE policies, legal and regulatory frameworks; adoption of measures designed to accelerate inclusive private sector growth}			
Description of focus area priorities	Processes/Accomplishments	Opportunities/Challenges	Recommendations for Sustainability
Convening of business development forum and MSE dialogue meetings	Business development and MSE dialogue meetings convened with stakeholders from Government, private sector, Chamber of Commerce and Industry sector associations, MSE representatives, youth and women associations, development partners.	Opportunities created for exchange of information and engaging in dialogue on topical MSE issues; the missing link has been in convening of action oriented MSE dialogue, targeted at policy change agenda, based on gaps identified; and sustaining that dialogue	In future, the EDP management needs to invest more in collaborating with Chamber of Commerce and Industry and Sector Associations, other strategically identified stakeholders, with specific thematic focus, with a view to influencing MSE policies and promotion at higher levels.
Establishment of MSE networks and partnerships	The EDC has made commendable progress in development of value adding MSE networks and partnerships in entrepreneurship training and in the provision of key complementary services. The EDP has Memoranda of Understanding with several of the stakeholders in order to firm up collaboration.	Substantial opportunities have been established with a view to firming up collaboration on entrepreneurship training and on other efforts to support MSE development; The challenge is that establishment of the networks and partnerships is still at early stages, requiring further action to realize the benefits of the envisaged collaboration.	EDP management sustain existing efforts in establishment of the networks and partnerships, by nurturing the relationships, where appropriate, further defining areas of joint action, including on M & E in association with strategically identified stakeholders;
Relevant policies and strategies developed and reviewed (e.g., inclusive financial services, credit, micro finance institutions, access to land and business premises for MSEs)	This is an area, where more attention is needed because of the complexity of the demands of this area and the need to address issues at policy level.	Opportunities exist to use the lessons learnt in entrepreneurship development in general, to contribute towards development of more supportive policies and strategies; However, there is no adequate human resources capacity in the programme to make substantial in-roads in this area.	The EDP management explore opportunities for more strategic partnering to influence specific MSE and BDS policy issues, through an MSE development advocacy strategy. More strategic use of institutions with better comparative advantage and skills in policy advocacy is foreseen
MSE promotion policies implemented	Alignment with MSE promotion policies and strategies has been spelt out.	Opportunities to take advantage of existing policies and strategies in the implementation of the programme,	EDP management invest more in understanding the MSE policy environment (challenges and opportunities), especially with respect to

		especially in the provision of business development services exist;	existing programmes that are linked to this component area;
Review of MSE legal and regulatory frameworks; where appropriate development of supportive frameworks	The establishment of a conducive legal and regulatory environment is central to accelerating development of an inclusive private sector.	Opportunities exist for reviewing the current legal and regulatory environment, how it inhibits and or facilitates inclusive private sector development. This is an area, where the EDP has not paid adequate attention, in view of the need to prioritize programme pillars 1 – 3.	Apart from providing entrepreneurship training and business development services, there is need, in future, for the EDP management to invest in generating knowledge on the existing MSE legal and regulatory frameworks. This is key to a better positioning of the EDP in the provision of comprehensive MSE support services, including business advisory services.

Box 1 provides an overview of entrepreneurship beneficiaries between the period 2013 and 2016.

Box 1: Overview of coverage of entrepreneurship and business development services beneficiaries

Between 2013 – 2016, EDC reports show that 38,150 beneficiaries were directly provided with various kinds of trainings through the EDP, including the flagship six day Entrepreneurship Training Workshop (ETW).

During the same period, 16,657 start-ups and existing MSEs directly benefited from the entrepreneurship training (ETW), of which 38 percent were women.. A substantial number having accessed business development services provided through the Entrepreneurship Development Centre. This figure excludes those who have been supported/trained through universities and TVET institutions who have benefited from the EDP. Approximately 8,000 new and existing MSEs were reached with business development services, enabling provision of close mentorship and advisory support in different priority areas depending on the specific requirements of the clients.

Key EDP stakeholders in academia, development partners and in the private sector have pointed out that the figures of entrepreneurs reported to have been trained though useful, is not what is so critical. What is central is how many MSEs, in their various categories made qualitative changes in their enterprises for improvement, and how many jobs were created as a result. The mechanism used to generate these statistics also needs to be authenticated or validated. At the time of this evaluation the EDP monitoring system was seeking to address the issue of evidence based reporting through a tracking mechanism that was being finalised for implementation.

4.2 Relevance

Overall, the four pillars that constitute the EDP can be assessed to be strategically defined and a sound reflection of adequate programme design. What follows is an overview (summary) of the pillar by pillar assessment by evaluation criteria, namely, relevance, efficiency, effectiveness and sustainability.

The evaluation assessed the relevance of the program on the basis of how the prioritised interventions were aligned to national development policies and priorities, the policies of development partners and donors, as well as needs and priorities of beneficiaries. The EDP is anchored on the GTP, the MSE Promotion Policy, National Employment Policy, Industrialisation Policy and Strategy and Agricultural-led Industrialisation. The EDP is one of the key instruments, amongst other measures that have been identified to implement the GTP, focusing on accelerating inclusive growth through MSE development.

Pillar 1: Government capacity to deliver comprehensive MSE support services strengthened

With respect to Government capacity to deliver comprehensive MSE support, this is **highly relevant**, because Government support is at the core of provision of the key services to the MSE sector. For the MSEs, whilst there are several non-state actors, NGOs, their roles are limited in coverage due to human resource capacity and financial constraints. Ethiopia is a large country and the demands for MSEs entrepreneurship training services are huge and insatiable. To strengthen Government capacity, the EDP has also sought to provide entrepreneurship training to government personnel, including universities and TVET institutions, with performance of this effort reported under the relevant evaluation criteria.

Pillar 2: Startup and existing MSEs strengthened with entrepreneurship knowledge and skills

The focus of entrepreneurship training on new and existing MSEs is **highly relevant** because of the CD and training gaps in the sector. There is a dire need to build micro and small business competitiveness overall, though targeted ETW and business development services advisory services. This constitutes a major justification stated in the PD at project design. The intervention is assessed to be **highly relevant** in all respects.

Pillar 3: New businesses established and existing ones strengthened (BDS)

Pillar 3 is based on a business development services model established through the programme. The EDP initiated business development services are geared to support the establishment of new MSMEs with a view to enhancing growth of existing ones which is expected to result in improved productivity and job creation for the country. This is set to be achieved through the provision of continuous business advisory services. These include mentoring, guiding the beneficiary enterprises through a growth plan, innovative financing, multi-faceted improvement and innovation, operating facilities, marketing and access to market. The BDS service provision is rooted on the EMPRETEC model of entrepreneurship development which consists of a comprehensive package of core services and ancillary interventions designed to improve the operational efficiency and enhance the competitiveness and profitability of emerging micro, small and medium enterprises.

The focus on business development services is designed and structured in a manner that impacts on large numbers of existing and new clients. The business development service has sought to reach out to over 8,000 businesses, including those run by women and youth. The intervention has been **highly relevant** and in keeping with the strategic focus to seek to impact on a large number of beneficiaries.

Pillar 4: Enabling Environment established for MSEs development

The establishment of an enabling environment, which includes policy support, the establishment of a supportive legislative environment and other institutional measures to promote the development of MSEs is central to the development of micro and small businesses.

Policy, legislative and institutional instruments can be used to promote the establishment of MSEs. The EDP has during the life of the programme focused upon establishment of entrepreneurship training and business development services institutional networks and partnerships that are essential to forge the synergies that strengthen the impact of the EDP, overall. The program also organized policy dialogue meetings, national conference on entrepreneurship, stakeholder engagements and other advocacy arrangements to influence policy and raise awareness on entrepreneurship.

Under this pillar, it can be assessed that the programme thrust is **highly relevant**.

Finding 2: The project is rated highly relevant in all its dimensions and component areas

Summary Rating Score by Evaluation Criteria- Relevance

Summary	Select		
	Highly relevant	Moderately relevant	Not relevant
EDP guided by a strategic plan, which takes into account the views of key stakeholders, beneficiaries and staff;	XXX		
The EDP supports a sector prioritised by the Federal and State Governments;	XXX		
Anchored on Growth and Transformation Plan, the MSE Promotion Policy, National Employment Policy, Industrialisation Policy and Strategy, Agricultural-led Industrialisation and the Incubation Policy at its formative stage,	XXX		
Aligned to the UNDAF and UNDP Country Programme Outcomes and Development Cooperation Strategy for the country	XXX		
Substantive effort by Government through the various policy instruments to accelerate inclusive growth, where there are high levels of poverty unemployment and under-employment;	XXX		
Government strategic decision to provide entrepreneurship training for free	XXX		

Does it address priorities and needs of beneficiaries?	XXX		
Design of M & E indicator and results framework and targets. This is a key area which is reportedly on course but left rather late in project implementation to be repositioned to the status it ought to have been earlier during program implementation.	XXX		

The EDP targets designed sought to reach out to a very large number of clientele, with the expectation of a big impact within the nearly four year programme implementation period⁶. However, at the EDP design stage, not enough effort was made to invest in the development of an adequate M & E indicator and results framework which is critical to track performance of time. Following a number of reviews, some efforts have since been made to enable the EDP be anchored on an M & E system with more Specific, Measurable, Accurate, Reliable and Time-bound (SMART) indicators than was the case during much of the implementation period.

Box 2 provides a summary of the overall relevance of the EDP, based on a recent field survey, (refer to box 2). These findings confirm the high level of relevance of the EDP to the beneficiaries.

⁶By the end of the three-year project, a total of 235, 000 entrepreneurs will be trained and prepared to establish successful enterprises or grow and expand their existing MSEs..... A total of 200,000 (entrepreneurs) will be provided with business development services by 2015, and at least 30 percent of these would be youth and women entrepreneurs'. Furthermore, there was elaboration on these ambitious targets in the project document. These targets were revised substantially, downwards, in the annual workplans (2013 – 2015), accompanying the implementation of the EDP, to take into account more realistic projections of what was feasible and the available financial resource envelope and human capacities.

Box 2: Summary of findings (relevance) from field survey of EDP beneficiaries (November 2016)

82 percent of the beneficiaries find the entrepreneurship development training easily understandable and very relevant.

90 percent of the entrepreneurs trained assess the content, relevance, presentation and complexity of training materials very good to excellent.

90 percent of entrepreneurship development training beneficiaries assess the facilitation skills of the trainers as very good to excellent giving .positive indication of the presentation skills of resource persons engaged.

90 percent of the beneficiaries interviewed assessed the overall quality of entrepreneurship training provided as very good to excellent.

86 percent of beneficiaries indicated that the training provided was worth paying for, indicating good prospects for at least cost recovery and financial contribution by those trained – which is positive for sustainability. This is against the widely held view that Ethiopians MSEs are of the view that entrepreneurship training services should be run entirely for free.

68 percent of the beneficiaries used the concepts from the entrepreneurship training often to always, indicating a fair degree of uptake of new knowledge and skills disseminated through the entrepreneurship training programme.

Between 70-100 percent of beneficiaries indicated that the entrepreneurship training provided has enabled them to improve the ten personal entrepreneurship competencies (see annex for details).

95 percent of beneficiaries of EDC Business Development Services assessed that the BDS support helped improve business performance.

84 percent of BDS beneficiaries viewed the BDS input received from EDC as worth paying for .

Source: EDP Ethiopia Evaluation Field Sample Survey, November, 2016

Further positive feedback was provided by different groups engaged during the evaluation field visits. Box 3 shows how the EDC provided business development services have been of benefit to the recipient clients.

Box 3, shows a summary assessment on relevance of business development services.

Box 3: Relevance of business development services to business diversification, growth and job creation, MSEs

A vital part of the EDP is the BDS component, which is highly relevant, providing an important distinction to EDP service provision given through most of the existing programme. The BDS offers immense transformational possibilities for the MSEs. Investing in the BDS has offered new opportunities to the beneficiaries to put to use the training received at ETW and other entrepreneurship training, with more opportunities to address areas which otherwise the entrepreneurs would not be able to address on their own. This occurs when BDS advisors have a limited attachment to carefully selected MSEs, where they work hands-on to resolve the most binding constraints facing the businesses.

How the BDS assisted improve client MSEs (based on November, 2016 Sample Survey)

88 percent received assistance in preparation of business plans.

89 percent improved customer handling.

85 percent started to implement proper bookkeeping.

82 percent started to manage their employees better.

74 percent expanded or diversified existing business lines, opening opportunities for creating new jobs.

70 percent prepared a marketing/promotion strategy.

Source: EDP Ethiopia Evaluation Field Sample Survey, November, 2016

On the group BDS training, Tigray based women's group members had the following to say:-

'The entrepreneurship training is exceptional, excellent; content very good and relevant; combines theory and practical skills..... We only learn by observations, and slides, we also need written materials; translated into local language ... we need more time for exercises, and follow ups of trainees especially those in need of extra support '. *Tigray Women's Group.*

4.3 Efficiency

This section presents the evaluation findings on the basis of how efficient project implementation was in terms of resource utilisation to achieve the expected results.

Pillar 1: Government capacity to deliver entrepreneurship training and MSE support services strengthened

EDC regional offices were established and operational in 18 months. Financial and human resources have been mobilized and deployed. Appropriate structures to provide trainings and BDS services were well established, with customized training services also developed. Capacity building has been provided for specified target groups in a manner that has been progressive and cost efficient, with reduced cost per trainee recorded between 2013 and 2016. Measures were implemented to reduce the overall costs of the program. Contributions under this focus area can be assessed to be **moderately efficient**.

Pillar 2: Startup and existing MSEs strengthened with entrepreneurship knowledge and skills

In view of the number of MSEs provided with entrepreneurship training services, both startup and existing enterprises, which are comparatively high in global terms, and the progressive reduction in cost per trainee, there is evidence that the approach used has been cost-efficient overall. In terms of efficiency, the entrepreneurship training provided can therefore be concluded to be **highly efficient**.

Pillar 3: New businesses established and existing ones strengthened

During the 3-year programme period, human and financial resources have been deployed to BDS provision with the services structured to deal with the priority needs of individual enterprises, for both startup and existing businesses. The large numbers of enterprises supported with BDS indicates a high degree of efficiency in achievement under this intervention area. This is in view of the achievements made, opportunities created, in terms of jobs created, growth potential exploited and challenges still faced with the work that still needs to be undertaken under this focus area (See impact assessment). However, a lot of the learning through action has also involved investment in the successful training of 403 BDS advisors operating from Addis Ababa and from the 4 regions. The BDS advisors in turn provided business development services to a minimum of 8,000 MSE owners (new businesses and existing ones), in the 5 regions, including Addis Ababa, during the project implementation period. This pillar can therefore be concluded to be **highly efficient**.

Pillar 4: Enabling Environment established for MSEs development

Several events and strategic partnerships have been developed in order to take steps to improve the enabling environment for MSEs in Ethiopia. This includes the execution of several awareness creation and policy dialogue events as well as the formation of partnerships that align with the goals and objectives of EDP and the overall entrepreneurship enabling environment. This pillar is also **highly efficient**.

CoEE

With respect to the CoEEs, it can be assessed that the basic framework is in place, with the supply of hardware in the form of computers, printers, and support to establish internet connectivity. Entrepreneurship training has also been provided to university lecturers and students. The conceptual framework for CoEE has been shared with management of universities, through awareness and sensitization processes. This was done with a view to establishment of a vision that the universities can own and implement during the course of the project. However, in view of substantial gaps in the actions that needed to be taken, the overall assessment is **moderately efficient**.

Finding 3: Project resources were used efficiently to achieve the project objectives

4.3.1 Resource Mobilization

Resource mobilisation must be viewed against the background of a complex donor landscape, where more of the focus of development partners is on addressing the humanitarian crisis than provision of development assistance. The EDP faced many challenges in raising the financial resources projected at the programme design stage. Because of this, whilst at inception, the EDP was set to raise 26.3 million USD from donors and government, the programme ended up raising 30 percent of the projected financial resources. The total funds resources required, what was actually raised and financing gap is shown as follows. (Refer to table 5).

Table 5: Resource requirements and projection at EDP inception

Resource requirements at project inception: = US\$26,306,049

Total allocated resources at inception: = US\$6,000,000.00

Resources raised for the entire project period, 2013-2016:= US\$ **9,837,025..48**

Financing gap (short-fall) by end of financial year 2016 = US\$ 16,469,022,.52

Underfunded budget at inception:= US\$20,306,049.00

Government contribution: EDP office space at 4 regional centres, payment of training venue for training sessions, daily subsistence allowances (DSA) for participants.{Obligations largely met by Government}.

Figure 1 shows the overall budget target, resources raised and spent by year from the time of project implementation, 2013 to 2016. The available finance data shows that the bulk of the EDP activities were concentrated between 2014 and 2015, with reduced activity in the first year, 2013. The year 2013 was the preparatory phase, with much of the effort taken up with laying the groundwork and implementation framework and arrangements for the program, including staff recruitment.

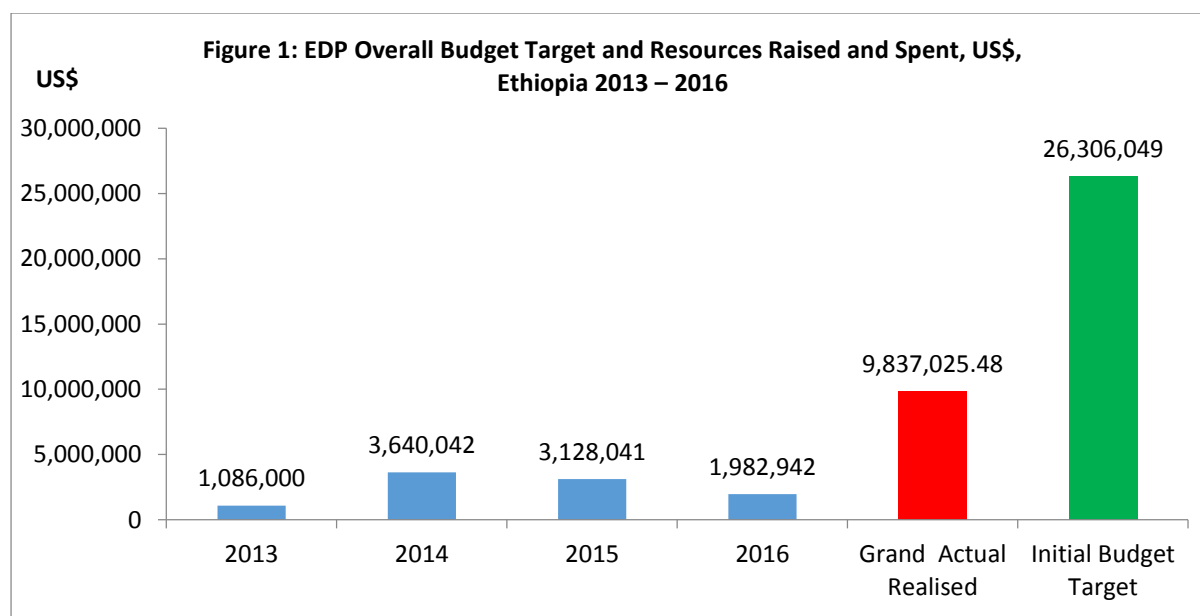
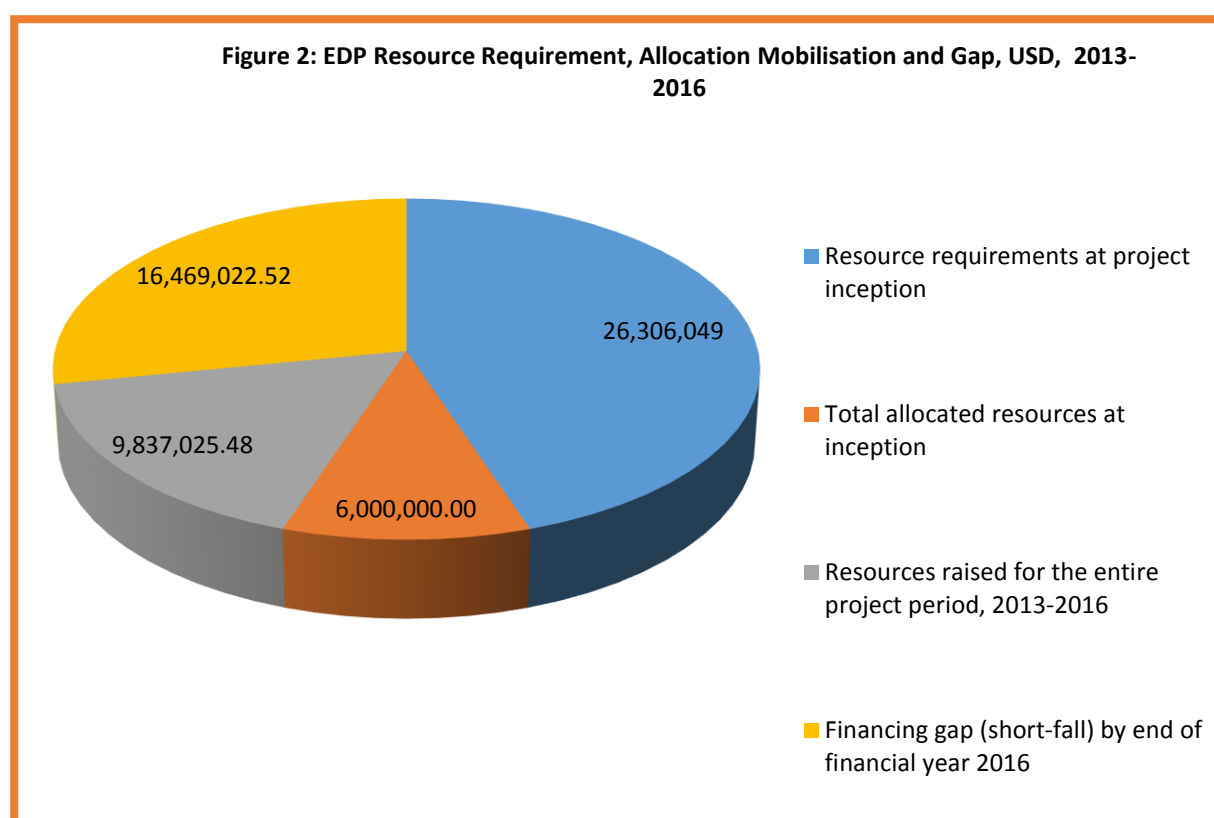


Figure 2 shows the financial resource requirements at project inception against what was raised, including financing gaps from years 2013 – 2016.



The financing gap had implications on the entire program, mainly output 2 of the program, where it was intended to train 235,000 cadres of entrepreneurs. However, the final output was about 38,150 accounting only for about 16.3 percent of the planned output in the EDP document⁷. The context within which the project operated and the constraints faced can also be highlighted. The programme started off using international trainers and this was very expensive. The main focus during the first year therefore was building local capacity, whereby national trainers were rigorously trained to build in-country capacity, which is sustainable and also cost efficient. In order to provide the trainings, national trainers needed to be certified by UNCTAD so as they would be able to provide trainings. This is also a rigorous process that takes more time than would be projected. Moreover, the programme was also not able to mobilize the required resources to train the intended number of clients.

4.3.2 Cost of the program vis a vis entrepreneurs trained

In the case of efficiency of EDP implementation, the option is to compare, the estimated budget expenditures, with the actual number of entrepreneurs trained (the core target of the program) during the nearly four years of program implementation. As it can be understood from table 6, the estimated cost in USD per trainee during the first year (2013/14) was about twice that of the subsequent years, 2015 and 2016. Although this cost per trainee combined all the different kinds of training provided through the program, the cost per trainee declined over time following the establishment phase of the program, with the institutional framework and implementation arrangements in place. During the first two years, establishment costs, many of which would not be incurred in subsequent years are also a major factor in the progressive reduction of the cost per trainee, as shown in table 6.

This analysis is consistent with the findings from the FGDs with trainers in the five regions, in which it was confirmed that, the implementation cost has reduced compared to what it was during the initial year. This indicates that EDP program management has learned lessons and has reduced its costs per client to a reasonable level. The program is also increasingly reliant on local trainers than during the early years of implementation, assisting in reduction of the cost of training.

⁷ In comparison to other countries implementing similar programs, this is quite competitive. (See write up on impact analysis)

Table 6 shows comparison of training costs of the EDP, showing a progressive decline in cost per trainee from 2013 to 2016⁸.

Table 6: Comparison of trainee costs, (US\$), 2013 – 2016			
Project Year	Estimated Budget Utilized	Number Trained	Estimated Cost/trainee
2013/14	4,726,042	11,190	422.34
2015	3,128,041	15,839	197.49
2016	1,982,942	10,133	195.69
Total	9,837,025.48	37,162	264.71

Summary Rating Score by Evaluation Criteria- Efficiency

	Select		
	Fully Accomplished	Moderately accomplished	Not accomplished
Summary			
At inception, the EDC was set to mobilize about 26.3 million USD from donors and government, but ended mobilizing 30 percent largely due to capacity constraints and the donor terrain in the country;		XX	
Delay in initial workplan preparation; not submitted according to set schedules, consequently delaying; (but rectified in year 2 and 3)	XX		
Reduction in cost per trainee (cost-effectiveness in financial resource use) (compare with best practice, other countries)	XXX		
Establishment of 4 regional entrepreneurship development centres	XXX		

⁸ Disaggregated data to calculate the costs of training by type of training is not available. As a result, the costs per trainee has combined all the different types of trainings provided under the program.

4.4 Effectiveness

Selection of candidates and training methodology

The methodology employed in the EDP combined the application of the EMPRETEC based⁹ ETWs and other entrepreneurship trainings. The other entrepreneurship trainings constituted customized training 20 percent, and youth entrepreneurship training constituted 31 percent of the total number trained, with the balance shared between different other trainings which included RET, ToT and the training of business development advisors. Table 6, shows that 38,150 persons were provided with different kinds of entrepreneurship training out of which 16,657 directly benefited from the ETWs during the period 2013 and 2016. Of the 16,657 of the ETW beneficiaries, about 2,212 were government employees (of which 1,185 were covered through the GCBT while the rest have participated in the ETW). The rationale behind this thrust was that government workers (particularly TVET instructors and university lecturers) needed to be capacitated so as to be able to sustain the entrepreneurship training in future, as well as improve the existing training methodologies of higher learning institutions as well as TVET institutions. However, this thrust is not in line with development best practice since none of the countries with major entrepreneurship training programmes focus on government employees as a strategy to sustain the EDPs or extend coverage. Moreover, the effectiveness of the entrepreneurship training given to government employees cannot be ascertained, although there is a presumption that beneficiaries within TVET and universities reached would have benefitted through this initiative via improved and more innovative trainings to their students.

The identification of women and youth, as special categories of beneficiaries to be targeted by the entrepreneurship training is in keeping with development good practice, in line with global gender equality dimensions as well as in line with youth economic empowerment. The EDP 30 percent target for women was achieved with the ETW and with the customized training. The EDP is encouraged to sustain measures to specifically target women and youth, in keeping with the national gender policy, national youth policy and global and continental level commitments on women and youth. In a future EDP, the new target for women should be minimum 40 percent; and for youth, minimum 50 percent, in keeping with development good practice given the challenges faced by both women and youth in securing decent employment on a sustainable basis. In so far as rural entrepreneurs are concerned, whilst some 439 beneficiaries were covered with the RET, the effectiveness of this approach cannot be ascertained due to lack of follow up. Moreover, the EDP is housed

⁹EMPRETEC is an integrated, capacity building programme of the United Nations Conference for Trade and Development (UNCTAD), whose mission is to create sustainable support structures that help promising entrepreneurs to build innovative and internationally competitive small and medium sized enterprises (SMEs), thereby contributing to the development of a dynamic private sector.⁹ The acronym EMPRETEC is derived from *empresatecnologicas*, a Spanish phrase which literally translates as 'technology-based enterprises'. The ETWs of the EDP of Ethiopia is based on the EMPRETEC model. However, the EDP has also launched other customised entrepreneurship trainings which are targeted at women and youth, which are outside the EMPRETEC model.

in a government institution which has since been restructured to focus on urban based MSEs only, leaving no option for rural based entrepreneurs. To reduce the complexities that may be associated with the EDP, the programme should be confined to the target group which the hosting government institution is mandated to cover, unless special clearance is given within the policy making framework of the Federal Government of Ethiopia. Refer to table 7, for entrepreneurship training accomplishments for the EDP over the programme implementation period up to 31 December, 2016.

EDC's Trainings	From 2013 to Dec. 2014	Dec: 2015	Dec: 2016	Total
Enterprises supported with Entrepreneurship Training (ETW)	6291	5,811	4,555	16,657
Customized Trainings - including Women Entrepreneurship Training	2589	3,272	1,700	7,561
Rural Entrepreneurship Training (RET)	—	144	280	424
Youth Entrepreneurship Training (YET)	1903	6,102	3,801	11,806
GCB - including TOTs	165	235	785	1,185
Training of BDS advisors	242	275		517
Total	11,190	15,839	11,121	38,150

The assessment of effectiveness centred on the extent to which the expected results were achieved, on the basis of objectively verifiable indicators and targets. This covered all the program pillars.

Government capacity to deliver comprehensive MSE support services strengthened

The program built the capacity of Government through the establishment of EDC (HQ and regions), which are functional, training of staff of TVET, Universities, FeUJC&FSA, ReUJC&FSA and others, totalling 2,212 beneficiaries. Further support was rendered through training and BDS for TVETs, Universities, FeUJC&FSA, ReUJC&FSA and other private organisations at HQ and at regional level. The support rendered has been delivered to the extent that can be assessed to be **highly effective**.

Finding 4: Output 1, Enhancing the institutional capacity of government to deliver comprehensive support to MSEs, including establishing and strengthening the capacity of Entrepreneurship Development Centre (Headquarter), and four quasi-autonomous centres in four Regions, (the cornerstone for all the other outputs for the project) was fully accomplished

The first output for the period, 2013 – 2015 was completed successfully with all the results expected achieved (Figure 2). *Output 1, Enhancing the institutional capacity of Government to deliver comprehensive support to MSEs, at both the HQ and in the regions¹⁰*, was completed, with substantial progress made for all the key targets. The output

¹⁰ Government in this case also refers to the new institutions and structures established, through the EDP, namely the EDC HQ and the 4 regional centres housed by MeSEDA..

was endorsed by Government and the UNDP. Work on the other outputs proceeded as planned, with a substantial level of success and progress on many indicators.

Finding 5: The capacity to implement entrepreneurship training was enhanced at central level (HQ) and at regional level

The project sought to establish and strengthen capacity to mount entrepreneurship development in Addis Ababa and the four main regions. This capacity was built up through the EDP, with substantial number of trainees, existing and new businesses benefiting from various kinds of services offered by the programme, which was mounted in response to demand for entrepreneurship training and business development advisory services. The training from Entrepreneurship Training Workshops, Business Development Services, Customised Training Programme, Youth Entrepreneurship Training, to Rural Entrepreneurship Training, all of which was set for specific target groups, including the youth and women, rural entrepreneurs, was achieved to a high degree of accomplishment. (Refer to table 8 for overall assessment of achievement of output 1).

New businesses established and existing ones strengthened

In as far as how the program has progressed in the achievement of outputs in the BDS focus area, with more than 8,000 BDS clients reached with the services, there has been substantial progress in achievement under this focus area, over time, in terms of reaching out to a large clientele. There is an expectation that the EDP has influenced in a substantial manner, the methodology of delivery of BDS for a large number of government institutions, as well as those outside government. of the Majority of the BDS beneficiaries are from private enterprises, with many of them being individual entrepreneurs in their own right. In terms of effectiveness, this focus area, can be assessed to be **highly effective**, especially so because of the need to scale up to impact upon a larger client base. (Refer to impact analysis section).

Enabling Environment established for MSEs development

Focus has been on establishment of partnerships for the provision of various kinds of entrepreneurship training, BDS support and dialogue on MSEs. The program has facilitated several MSE dialogue meetings at national and regional level with a view to creating an improved environment for MSE development. Achievement under this intervention area is **highly effective**, with room for improvement. This is largely because of the need to focus on scaling up the proven strategies employed under the program, and also evidence based tracking of good practices and how they have impacted upon the MSEs engaged during the course of program implementation.

Overall, despite a slower than desirable start, the regional centres were staffed with adequate personnel, each office with a regional coordinator and BDS advisor as the core staff positions established at the regional level. A network of ETW trainers and BDS advisors who acted as key resource persons at the regional centres was also

established, which resulted in delivery of strengthened and consolidation of ETW, BDS advisory and other trainings at that level.

Appropriate training materials were developed and rolled out, which apart from the flagship ETW, also saw customised trainings being initiated and rolled out, to meet the requirements of specific target groups, for example, women, youth, rural entrepreneurs and low-literate entrepreneurs.

Table 8: Enhancing Institutional Capacity of Government to Deliver Comprehensive Support to MSEs

Outcome: By 2015, private sector-led Ethiopian manufacturing and service industries especially small and medium enterprises sustainably improve their competitiveness and employment creation potential.								
Indicator	Baseline	Target	Progress achieved	Performance Achievement				
				HA	MA	LA	NA	O
Output 1: Output 1: Enhancing the institutional capacity of government to deliver comprehensive support to MSEs, including establishing and strengthening the capacity of Entrepreneurship Development Centre (Headquarter), and four quasi-autonomous centers in four Regions.								
EDC structures established	0 (2013);	Establish and strengthen EDC	Done in 2014	XXX				
EDC Regional Centers established	None	Establish and strengthen 5 Regional Centers	Done					
Staff recruited	None	All key positions filled	Most positions filled	XXX				
Secure stable offices with training facilities	None	Offices ICT equipped and functional	All basic equipment infrastructure installed, innovation Centre established	XXX				
Appropriate training materials developed and printed	None	All training materials available and ready for use	Done	XXX				

NA – Not Accomplished; LA – Lowly Accomplished; MA – Moderately Accomplished; HA – Highly Accomplished; O – Outstanding

Table 9 shows status of achievement of output 2, by different kinds of entrepreneurship training.

Table 9: Development of Entrepreneurship Knowledge and Skills

<i>Outcome: 'By 2015, private sector-led Ethiopian manufacturing and service industries especially small and medium enterprises sustainably improve their competitiveness and employment creation potential'.</i>								
Indicator	Baseline	Target*	Progress achieved	Performance Achievement				
				HA	MA	LA	NA	O
Output 2: Development of entrepreneurship knowledge and skills of MSMEs across the country								
Number in ETW	None	12,208	Exceeded target	XXXX				
Number in CTP	None	8,527	88 percent target	XXX				
Number in YET	None	13005,	91 percent target	XXX				
Number in TOT	None	600	45 percent target		XX			
Number in RET	None	1744	24 percent target		XX			
Number, FeMSEDAs, ReMSEDAs, TVET & Universities trained	None	2,254	98 percent	XXX				
Number trained as BDS advisors	None	1,130	46 percent target		XX			
Total No. Trained		40,900	38,150					

*Note that this target is obtained from aggregating annual plans from 2013-2016

NA - Not Accomplished; LA - Low Accomplishment; MA - Moderately Accomplished; HA - Highly Accomplished; O - Outstanding
 ETW - Entrepreneurship Training Workshop; CTP - Customised Training Program; YET - Youth Entrepreneurship Training Program;
 TOT - Training of Trainers; RET - Rural Entrepreneurship Training, BDS - Business Development Services

The broadening of the entrepreneurship training, which was largely demand driven saw coverage being extended to more disadvantaged and vulnerable categories of entrepreneurs, with a certain measure of success (Refer to table 9).

The provision of business advisory services was reviewed, the BDS unit restructured, with a view to provide more effective and quality services, in a cost effective manner, with fewer than originally planned personnel. The commencement of the restructured business development services was initiated in September, 2016.

Finding 6: The business environment for MSE development was enhanced; however, there remain substantial gaps that need to be filled for the sustainable establishment of a truly conducive micro and small business development environment.

One of the key components of the EDP is to facilitate the establishment of a more conducive entrepreneurship development environment. The objective is to influence policies, and facilitate access to a range of complementary services and inputs such as innovative financial instruments, markets, and technologies, all of which are value adding to the development of MSEs. The project intervention logic sought to improve the business environment through a number of policy dialogues, which brought together a variety of stakeholders, from Government, development partners, donors, private sector, MSEs and their representatives of MSEs, including women and youth, academia and NGOs.

During the three and half-year period, the program facilitated the convening of more than 15 MSE relevant fora meetings and round table discussions. Participation was from relevant public institutions, universities and training institutions, private sector, financial institutions, Chamber of Commerce and Sectoral Associations, for example Association of Micro finance institution and Women Entrepreneurs Associations. MSE development dialogue was also convened with key government stakeholders such as TVETs, universities and relevant ministries departments and agencies. Through a variety of campaigns, which include special promotional meetings, innovation breakfast meetings, workshops, exhibitions, use of media such as radio and TV, newspapers, use of marketing materials (brochures and a magazine), awareness on critical issues on MSE development at policy and sectoral levels is being raised.

Several strategic partnerships and networks have since been established with a growing number of partners in MSE development. These partnerships and networks are assessed to be of a high value addition. This is especially the case in view of the recognition that, in order to succeed, MSEs require a comprehensive package of business development services, from appropriately packaged finance/credit, marketing capacity and technology to support to continuous competitiveness improvement. The methodology of the EDP recognises that such support can only be provided fully, through a networked approach by different institutions, which often have different levels of competencies and skills.

The EDP recognises, however, that there are still many gaps in the establishment of an enabling environment MSE development, with more work still required in facilitating the creation of a conducive environment. The continued need to focus effort under this output, upstream, with a view to influencing MSE relevant policy development and reviews, including where, appropriate, the development of enabling legislations is pivotal in the implementation of entrepreneurship skills and knowledge gained by beneficiary MSEs. (*Refer to table 10, for achievement of enabling business environment for MSEs*).

Table 10 shows the status of achievement of the output relating to improvement of the business environment.

Table 10: Enabling Business Environment for Enterprise Development

<i>Outcome: 'By 2015, private sector-led Ethiopian manufacturing and service industries especially small and medium enterprises sustainably improve their competitiveness and employment creation potential'.</i>								
Indicator	Baseline	Target	Progress achieved	Performance Achievement				
				HA	MA	LA	NA	O
Output 4: Improvement of Business Environment for Enterprise Development								
Number of MOUs signed	None	Not available	As per EDC record		XX			
Number of partnerships and networks established	None	Not available	As per EDC record	XXX				
Relevant policies and strategies developed and reviewed, legal frameworks adopted	None	Not available	Not available			X		
Number of MSE policy dialogue forum held	None	Not available	As per EDC record		XX			

NA – Not Accomplished; LA – Lowly Accomplished; MA – Moderately Accomplished; HA – Highly Accomplished; O – Outstanding

Finding 7: Despite the overwhelming rating of the EDP as highly relevant, of high quality and life-changing, some beneficiaries noted that a number of issues need to be addressed in future, to enhance effectiveness (refer to box 4)

Box 4 shows a summary of some of the specific actions required to improve the effectiveness of the EDP.

Box 4: What needs to be addressed?

Despite overwhelming rating of the EDP as highly relevant, of high quality and life changing, there are some beneficiaries who are of the view that a number of issues have to be tackled, to make the entrepreneurship training more effective:

- For a broader package of entrepreneurship training, apart from ETW, developing more substantial training packages for different groups. Where feasible, there is need for delivery of training and BDS support at group level, categorizing entrepreneurs that have similar backgrounds.
- use of more relevant practical examples and not standardizing for all; (e. g. requirements of academics or entrepreneurs seeking to enter into more sophisticated business , e.g., ICT, research and development or enterprises with a high level of technical sophistication requires a different approach. Similarly, simple MSE, for example those engaged in basic training of commerce require more simplistic approaches and examples.
- (to sustainability/lessons learnt): the need to target beneficiaries or entrepreneurs by willingness and capacity to pay. Evidence from this evaluation and also from engagement of entrepreneurs from the regional centres demonstrate that there is a category of entrepreneurs, who if engaged properly would be able to make substantial contributions to meeting the costs of mounting the EDP training, whilst others may not be able to do so. Going forward in each of the cases, in the future programme design, the approach could be different.
- The provision of BDS is a key component which needs to be strengthened through provision of more funds and human resources for outreach to more clients, taking into account lessons learnt to date, sustaining the deployment of high calibre BDS advisors, with higher capacity than those they assist, capacitating the BDS advisors in areas where they are short in competencies, monitoring the provision of BDS to clients to ensure compliance will be a high value addition.

Source: EDP Ethiopia Evaluation Field Sample Survey, November, 2016

Box 5 shows the accomplishments of the five established Centres of Excellence for Entrepreneurship. With more than 200 university lecturers provided with ETW training, they in turn over a period of 4 years, trained more than 5,600 students in entrepreneurship development. Many of the students are presumed to have started their own MSEs, after leaving university, hence contributing to employment creation.

However, these accomplishments required adequate tracking, in particular following up on what the trainees did after they were trained, and after they left university; in terms of number and quality of businesses established and numbers of decent jobs created. Such an M & E system needs to be implemented.

Box 5, is based on an assessment of all the Centres of Excellence for Entrepreneurship established in the five public universities.

Box 5: University based Centres of Excellence for Entrepreneurship Development

Achievements

- Computer systems and networks installed in the 5 public universities;
- 602 University lecturers provided with the flagship ETW in 4 years; 104 covered under ToT, 32 were certified and 125 have received BDS advisors training
- 8,027 university undergraduates provided with entrepreneurship training in universities; and
- Innovation competitions launched for undergraduate students, active participation by students, with prizes awarded to students with outstanding project ideas.

Challenges

- Mechanism for identifying university students with outstanding innovative ideas identified, effective, but not actualized into business startup phase due to lack of adequate enterprise support structures and follow-up;
- University based entrepreneurship development centers, need to strengthen the institutional and organizational support structures of the centers;
- Strengthen ownership and better planning, progress review and reporting;
- Lack of established mechanism between university entrepreneurship centres to exchange ideas, share lessons and best practices;
- Centers strategic plans developed but not fully implemented because of resource and capacity constraints.

Source: EDP Evaluation Sample Field Survey, November, 2016

Box 6 shows the potential available in innovative university students.

Box 6: Scaling up entrepreneurship development opportunities for innovative university students.

Two of the five universities were motivated through the ETW training they received through the programme, launched innovation support initiative amongst undergraduate students. Projects were initiated and undertaken by the students. At one of the regional centres, Bahr Dar, 3 undergraduate students were identified and judged as outstanding achievers, amongst competing students, with innovative designs developed during the course of the project. The expectation was to take the initiative to the roll out phase, so that upon graduating the students would start MSEs of their own based on the ideas developed during the course of the project development. After the outstanding achievers' awards, no further support was given to the graduates, with no follow-up. The initiative is a typical example of linkages, opportunities that exist and need to be taken advantage of between the programme and collaborating partners at the CoEEs at the universities, which linkages require to be strengthened in future collaboration, through strategic planning, associated with practical measures to make the partnerships solid.

University graduates who have been trained through the Centres of Excellence for Entrepreneurship at the universities would also be good potential candidates for business development services. The EDP can consider mainstreaming them into the component that provides business development services, at least on a pilot basis.

Box 7 illustrates the scaling up of opportunities for entrepreneurship development from a gender perspective, seizing opportunities available at higher education institutions.

Box 7: Opportunities for women entrepreneurs

Bahr Dar University, Centre of Excellence for Entrepreneurship Development Support to Young Entrepreneurs - Gender and Women and Economic Empowerment (GEWE)

Students who leave university, especially young women face formidable challenges in securing employment. Many spend several years without finding suitable employment. The Centre of Excellence for Entrepreneurship at Bahr Dar University successfully negotiated a deal with the institutions' authorities to give opportunities to young female graduates and other disadvantaged women to open micro and small enterprises providing all kinds of commercial services at university premises, from catering and canteens, small grocery shops, hair salons, servicing the student community and staff, with a population of 40,000, as the catchment for the business.

At the time of the Evaluation Team's visit at Bahr Dar, university authorities had given authority for the allocation of various commercial business premises, located within parts of the institution's land, with the centre of excellence nurturing the beneficiaries, through business counselling, capacity development and training overseeing the process. University authorities allocate the premises free of charge. The MSE owners raise their own capital to commence their business activities at the university. About 14 new MSEs had been created at the university, with the potential to create minimum 50 new jobs, for young female graduates and women around Bahr Dar, within less than 6 months. The lesson learnt with the Bahr Dar university initiative demonstrates how targeting of disadvantaged women with a combination of business counselling, infrastructure and entrepreneurship capacity development can result in MSE growth, with potential positive employment generation capacity nationally. What is key in this case is the existence of a package of support services, starting from the Centre Team Leadership at Bahr Dar University lobbying university authorities to create business scape for, especially women entrepreneurs, then identification and addressing of the binding constraints to entry into business, which in this case is availability of decent business shelter. The scale up phase of the entrepreneurship development phase involves enhancing enterprise competitiveness through targeted and possibly customized entrepreneurship training, provision of finance, marketing capacity development and other services which are key to improving the competitiveness of the MSEs.

Source: EDP Ethiopia Evaluation Field Sample Survey, November, 2016

4.5 SUSTAINABILITY

This section carries out an analysis on the extent to which the approach promoted by the EDP is sustainable; what is the capacity of the programme to continue after the current phase comes to an end.

Pillar 1: Government capacity to deliver comprehensive MSE support services strengthened

The EDP is a public sector program hosted by Government, with a view to establishing appropriate structures to support MSEs. There has been a high-level government ownership, strong policy level support. However, there has been high dependency on donor funding, with in-kind contribution from Government in the form of office space and staff salaries for participating government personnel. The program is institutionally housed under the FUJCFSa, formerly under FeMSEDA, currently split into two Agencies. Hence, there is need for stronger institutional identity and government support in the medium to long term, so that the EDP is able to implement its mandate fully and deliver services on sustainable basis. The assessment is that sustainability under this component is a **moderate accomplishment**.

With respect to the establishment of Centers of Excellence for Entrepreneurship, Government has average to fair policy level support for the CoEEs. There is need for mainstreaming of the CoEEs in the organizational human resources structures of the universities. Government resource allocation through the universities needs to be firmed up. Capacity development of CoEEs also needs to be strengthened and consolidated. However, there is a high level of potential to make the CoEEs highly sustainable if more effort is made at building the institutional capacities of the centres, through more predictable resource allocation, federal and regional level policy support. The policy level support must be backed up by practical action to link the CoEEs to national budget resource allocation to public universities. This was key to Federal and State Government level support to sustain the CoEEs. At the time of the evaluation, the overall assessment is **moderate accomplishment** because of the ground that still needs to be covered to make the CoEEs sustainable.

Pillar 2: Startup and existing MSEs strengthened with entrepreneurship knowledge and skills

The sustainability of the EDP in this focus area rests on the capacity of government structures at both HQ and regional levels to deliver quality entrepreneurship services, both ETW, customized training and the BDS in the medium and long term. There is also consideration of the capacity of government to mainstream the delivery of the services within key TVET and university structures. With the training already provided to 2,212 government personnel, over the project implementation period, there are strong indications that the entrepreneurship training has good prospects of

being sustained within existing structures. On a positive note for sustainability, the evaluation also observes evidence of **changes in the mindset** of beneficiaries, from the direct MSE clients as well as providers of entrepreneurship and business development services. For example, many of the clients had been capacitated to develop their own business plans in pursuit of business growth strategies, a capacity which was not present before the training. The component is assessed to have **highly accomplished**, in view of the relatively large number of beneficiaries supported during the reference period.

Pillar 3: New businesses established and existing ones strengthened

The sustainability of the BDS support services provided in this focus area are examined on three fronts.

First, there has been direct capacity development and advisory services to startup and existing MSEs, targeting at mentoring, guiding the beneficiary enterprises through processes involving development of business plans, growth planning, innovative financing, overall business improvement, innovation and marketing, amongst others. For the MSEs, reached, this has been achieved to a large extent.

Secondly there is an expectation that through a cadre of TOTs engaged, the university and TVET personnel, both within and outside government, the BDS advisory on offer through the EDP would be sustained.

Thirdly, efforts to scale up the services already provided, to ensure that they impact on a larger number of MSE clients have substantial transformational benefits across many sectors in which the clients are engaged.

These positive changes are foreseen, provided the efforts, undertaken thus far are scaled up and sustained beyond the current program phase. The prospects for sustaining these efforts can be analysed largely in terms of future program design, which takes into account the lessons learnt and international development best practice. Overall, it can be assessed that with respect to the BDS component, the EDP has had **moderate accomplishments**. The underlying factors in this focus area are on the need to monitor more strongly business development service delivery, to demonstrate, in a more evidence based manner, what positive changes or otherwise have occurred over time as a result of the BDS component contribution.

Pillar 4: Enabling Environment established for MSEs development

The sustainability of services that facilitate establishment of an enabling environment depends on how the mechanisms used to deliver a conducive environment are capable of continuing over time, even without the project. It also depends on how strong the partnerships and networks established are in following up on the set MSE development agenda. Engagement with partners like Enat Bank in promoting women entrepreneurship and relationship with other enterprise support programs such as

WEDP has been strong. In the context of the EDP, whilst the basis for sustained collaboration existed, it is assessed that there is need to invest more in developing more lasting relationships through partnerships and MSE dialogue fora with more predictable meetings and better outcome focus. At the time of the evaluation, the predictability of the MSE dialogue and was low due to the irregular manner in which the meetings were planned and convened. To this extent, the evaluation team assesses the sustainability of this component as moderately accomplished. However, the potential to utilize this component to impact more positively upon the other three EDP pillars remained high. This can be undertaken through different levels of policy, strategy and networking platforms which the program has already initiated.

Finding 8: The EDP has high prospects of being sustainable, being a Government initiative, hosted by government.

Sustainability looks at both policy level support from Federal Government, Regional Governments as well as practical forms of support in policy implementation with prospects to sustain the EDP; examining all the different kinds of training offered, and the likelihood of continuation of the services beyond the current donor funded phase of the project. In the case of the trainings, results from the EDP sample which demonstrates a willingness to pay by more than 82 percent of program beneficiaries is a good pointer to sustainability.

Relating to BDS, the component can be sustained through cost-sharing with MSEs, taking into account the information that an overwhelming number of clients exposed to the business development service are of the view that the input is of high value services, which are worthy paying for. What would be important is to examine more closely, which aspects of the BDS can be cost-shared and with what kind of clients.

The reasons for this assessment are summed up the table on sustainability evaluation criteria.

Summary Rating Score by Evaluation Criteria- Sustainability

Summary	Select		
	Highly sustainable	Partially sustainable	Not sustainable
Policy			
Government/FEMSEDA hosting of Regional Centres, clear demonstration of leadership and commitment; incubation, cluster development policy, support to MSE access to land, subsidised premises and limited capital;	XXX		

Government commitment to direct financial contribution to the EDP, resource mobilisation strategy, merits and demerits need to be weighed out;		XX	
Institutional			
EDP is a Government program, housed by the Government of the Federal Republic	XXX		
Governance structures developed to ensure sustainability, with support from Steering Committee and Programme Management Committee, not functioning effectively		XX	
Management Committee, and organisational management structure is functional, but has human resources challenges		XX	
Financial			
Resource mobilisation (Government, UNDP, donors; needs a review		XX	
Entrepreneurship training financial mechanism and cost-recovery measures being developed; identification of type of beneficiaries and manner of support		XX	
Partnerships/Networks			
Substantial built-up of relationships and networks, MOUs, with wide variety of stakeholders; positive trends	XXX		
Opportunities for joint planning, implementation, monitoring and evaluation exist		XX	
MoUs with stakeholders; monitoring of implementation of MoUs, does not exist for loosely defined relations, depends more on goodwill of parties involved;		XX	

4.6 IMPACT/CONTRIBUTION TO OUTCOMES

Finding 9: Despite the short period of implementing EDP in Ethiopia, the program is internationally competitive, based on a comparative analysis of various impact indicators in relation to entrepreneurship training programmes in other countries.

Use of quantitative and qualitative criteria to assess achievement of outcome

Quantitative and qualitative criteria were used to assess outcome level contributions of the Entrepreneurship Training and Business Development Services offered through the EDP.

Entrepreneurship Training

In a survey of nearly 400 respondents, between 70 – 100 percent reported improvement in the ten personal entrepreneurial competencies. There were consistently high scores for all the ten personal entrepreneurship competencies, with business planning and seeking opportunities and initiatives taking the lead. The qualitative data generated shows that the training was an excellent source of inspiration to become innovative, demand for efficiency and quality, which were positive to business development and the building of enterprise competitiveness. The survey data also shows that government employees, many of whom are understood to have sought to start MSEs, in their own right, were affected in the same manner as independent entrepreneurs, although to a lesser extent. There is understanding, though, that many of the government personnel remained in post in the public service.

Box 9, shows that an overwhelming proportion of entrepreneurs indicated that they improved on their 10 leading entrepreneurship competencies following the EDP training. This indicates a positive trend on effectiveness of the entrepreneurship training programme. However, there are differences across different regions within the country.

Box 8: EDP training as it relates to the ten personal entrepreneurship competencies

Between 70-100 percent of ETW beneficiaries indicated that the entrepreneurship training provided has enabled them to improve the ten personal entrepreneurship competencies

Overall assessment on improvement by competency (based on sample of about 400 beneficiaries)

	%
1. Opportunity seeking and initiative	91.1
2. Taking calculated risks	75.2
3. Demand for efficiency and quality	83.5
4. Persistence	83.5
5. Fulfilling commitment	80.1
6. Information seeking	82.3
7. Goal setting	74.3
8. Systematic planning	100.0
9. Persuasion and networking	70.0
10. Independence and self-confidence	91.4

Source: EDP Evaluation Field Sample Survey, November, 2016

Explanatory note on ten personal entrepreneurship competencies:

Empirical evidence suggests that the competencies for entrepreneurial success are many and varied. However, overall, they are probably 10 that appear most regularly. These are the 10 listed in this survey in the box 5.

Assessment of overall performance, including the quality of training

Overall, 95 percent of the beneficiaries in the EDP survey reported that the entrepreneurship training helped them to improve business performance in a range of areas, including financial and general management of the enterprises. With the

quality of the training assessed by the beneficiaries to be high, the impact of the training is also assessed to be high, across all the five regions. Use of trainers of high levels of competency is credited to the consistency in quality of the training provided. Furthermore, the quality of the training is also associated with the ToT that has been mounted by the EDC. With an overwhelming proportion of beneficiaries (77 – 93 percent) in all the 5 regions pointing out that the training offered is worth paying for, a positive indication is also provided with respect to the quality of the training.

Doing business before and after Entrepreneurship Training

Another indicator of impact relates to the manner of doing business before training and after training. Overall, the training generated some positive changes in the entrepreneurs, with 92 percent of the beneficiaries stating that they had improved management cycle after training; 82 percent indicating they had been assisted to complete their business plans; 95 percent stating that they had improved their capacity to exploit new business opportunities, amongst a range of other business related benefits.

Table 11, A comparative analysis of accomplishments of Empretec training, namely the Entrepreneurship Training Workshops (ETWs) by countries.

Table 11: Entrepreneurship Training (Empretec): Comparative Global Accomplishments by Selected Countries			
Country	Year of Inception	Entrepreneurship Training Workshops (ETWs)	Number: Persons trained 2015
Argentina	1988	259	6,048
Botswana	1997	127	2,600
Brazil	1993	8,888	212,566
Ethiopia	2013	711	38,150*
Ghana	1990	123	30,906
Mauritius	2000	158	1,045
Nigeria	1999	210	890
South Africa	2010	300	1,340
Zimbabwe	1992	133	15,000
Source: UNCTAD, Empretec Report, 2014 (Published in 2015)			

*Total number trained for Ethiopia by 31 December, 2016. Figure includes that from other trainings, apart from the ETWs.

The comparative country analysis of different kinds of trainings provided, in particular, the ETWs, shows that Ethiopia's nearly 4 years of entrepreneurship training exhibits an outstanding performance on all key variables relative to other key performance variables (absolute numbers trained, employment created and new businesses established), surpassing countries which had started their entrepreneurship training programs a great deal earlier. For example, the following observation is made; Botswana has had the Empretec programme in place for 20 years, up to 2017; Brazil, for more than 23 years, Ghana, for 20 years; Nigeria, over 16 years and Zimbabwe for over 24 years.

In relation to selected entrepreneurship development indicators, Ethiopia is compared with other countries with entrepreneurship training programmes based on the Empretec model. This is relative to the other 11 countries with EDPs, with the data captured in table 12. In the absence of reliable and accurate data to make comparisons, however, it can be concluded, from available evidence, that Ethiopia's EDP is internationally competitive, being above average, in terms of all the four performance indicators, assessed after the entrepreneurship training, namely, *sales, employment, profitability and establishment of new businesses* (Refer to table 12, for assessment relating to the indicators).

Table 12 shows comparisons between 11 countries relating to four entrepreneurship development indicators, sales, employment, profitability and new businesses established, in the first 12 months following training. There is reference to limited data sources, provided through the United Nations Conference on Trade and Development (UNCTAD) supported Empretec programme.

Table 12: Selected EDP impact indicators in relation to Ethiopia from a global perspective								
	Sales		Employment		Profitability		New businesses	
Country	3 mth	12 mth	3 mth	12 mth	3 mth	12 mth	3 mth	12 mth
	Percentage							
Argentina	15	28	10	50	15	35	15	30
Colombia	30	50	5	15	-	-	4	7
Ecuador	-	37.7	-	75	-	79	-	2
El Salvador	-	10 to 15	-	46	-	-	-	75 new businesses
India	10	17	15	25	10	15	20 percent of aspiring entrepreneurs started new business	45 percent of aspiring entrepreneurs started a new business
Jordan	-	78	-	53	-	82	-	68
Mauritius	Up to 9.5	5.4 to 57	Up to 1.8	Up to 34.8	Up to 4.1	6.5 to 17.8	Up to 19.4	Up to 31.9
Saudi Arabia	12	34	10	23	18	39	-	-
Peru	3	70	30	100	40	80	-	2 new businesses
South Africa	15	36	10	50	15	40	50	80
Zambia	15	20	5	8	15	25	-	-

Source: EMPRETEC, Annual Report, 2014

Note on EDP for Ethiopia: In comparison with the other 11 countries, the Ethiopian entrepreneurship development programme exhibits above average performance, in particular, in terms of employment and new businesses established, taking into account the relatively short period of implementation of the EDP.

Outcomes of EDC's Intervention: Jobs created, businesses established and expanded

Jobs Created by EDC intervention

From randomly selected 390 start-ups and existing businesses, about 1,100 additional jobs have been created after their participation in the EDC services (training and BDS provision). This implies that, on average, 4.3 jobs were created per enterprises that participated only in EDC trainings, and 4.5 jobs were created from each business which received BDS support.

Based on the above findings, and extrapolating it to the total EDC clients who have received EDC's training and BDS support, a total of **54,018** jobs were created through

expansion and establishment of enterprises. Out of these **30,402** jobs were created for women.

Table 13: Jobs Created through EDC Contribution						
Variables	Jobs Reported from EDC training participants (only Training)		Jobs reported from EDC BDS clients (Participated in Training + BDS)		Total	
	Total	Female	Total	Female	Total	Female
Result from randomly selected EDC clients (390)						
Additional Jobs created after their participation in the EDC services	473	243	627	342	1,100	585
Additional Jobs per enterprise	4.3	2.5	4.5	2.5	4.4	2.5
Percentage of enterprises reported Jobs	71 percent	71 percent	75.6 percent	75.6 percent	73.3	73.3
Total Jobs created - Extrapolated based on findings from the sampled survey						
Total No. of startups and existing business participated in EDC's Entrepreneurship training mainly in the ETW*	16,657	37 percent			16,657	
No. of EDC clients provided with BDS support	8,000	-	8,000	-	8,000	
No. of EDC clients participated only in training = ETW participants-BDS clients	8,657	-		-	8,657	
Percentage of enterprises reported jobs	71 percent	71 percent	75.6 percent	75.6 percent		
Total No. of Enterprises reported jobs	6,184		6,054	-	12,238	-
Total No. of Jobs Created*	26,905	15,178	27,113	15,224	54,018	30,402
Percentage of permanent jobs**	32	-	65	-	45	

Note **Total No. of Jobs Created: Jobs from enterprises participated only in EDC's Entrepreneurship trainings mainly in the ETW, CT, WET and RET trainings is calculated; = Additional Jobs per enterprises*total no. of enterprises reported jobs = $4.3 \times 11,856 = 51,585$

Jobs From BDS clients = Additional Jobs per enterprises*total no. of enterprises reported jobs = $4.5 \times 6054 = 27,113$

*Note that participants of other trainings, such as YET, GCBT, TOTs and BDST, are not included in the total figure since these trainings are mainly meant for different purposes like strengthening capacities (e.g., GCBT, TOT, BDST) or improving awareness of prospective graduates on entrepreneurship (the case of YET). Hence participants of these trainings are not expected to either establish or expand their businesses, although there are reported cases of that situation being so.

Impact of Business Development Services

Out of the 82 percent of the MSE beneficiaries who received the BDS training, the focus of the support was in a number of areas as prioritized. The EDP Evaluation demonstrated that 84 percent of BDS beneficiaries found the business development services provided through the entrepreneurship training programme worth paying for, showing that the services had high impact prospects in the long term. Table 14 shows impact of BDS as it relates selected indicators.

Businesses established and expanded

Reported changes in establishment, expansion and formalization of businesses by clients participated in BDS support.

Table 14: Businesses established and expanded	
Variables	Percentage / total no.
Results from Sampled enterprises participated in the BDS support	
Percent from sample reported establishing new business	28
Percent from sample reported expanding their business	37
Percent from sample reported formalizing their business	32
Total Jobs created - Extrapolated based on findings from the sampled survey	
Total BDS clients	8,000
Total no. established*	2,240
Total no. expanded *	2,959
Total no. formalized *	2,536
From EDC' clients participated in the EDC 's Entrepreneurship trainings	
Percent of sampled enterprises reported either established new business or expanding existing ones	51.6 percent
Total number of trainees participated in EDC's training, particularly in the ETWs	16, 657
Total ETW participants minus BDS clients (8000)	8,657
Total number of trainees reported change in their businesses	6,184
Total number of businesses either established new enterprises or expanded existing businesses*	3,191
Total number of EDC beneficiaries either established or expanded their businesses**	8,389

Note:* These figures are calculated by multiplying the percentages obtained from the sample (for example, 28 percent for businesses established) with total number of clients received EDC's services.

**The total is calculated as the sum of total businesses (from the BDS clients) established and expanded plus total businesses established and expanded following EDC trainings.

Although comparative figures are not available from other countries with respect to table 14, available data point to substantial potential and increase in terms of enterprises supported and benefitting from BDS; new enterprises formed, formalized and expanded over the period from 2013 – 2016. As in the other countries where the entrepreneurship training programme has been established, for example, Brazil, Ghana, Zimbabwe, in the case of Ethiopia, the EDP has had a strong influence on participants' decision to start a business after completing the training.

Table 15: EDP: Formation of new enterprises and growth scenario of MSEs between 2014 – 2016																			
	From 2013 to Dec. 2014						Dec: 2015						Dec: 2016						
MSE support & outputs	Enterprises formation and establishment by region																		Total
	AA	Tg	Am	Or	SN	Oth	AA	Tg	Am	Or	SN	Oth	AA	Tg	Am	Or	SN	Oth	
Enterprises supported with Entrepreneurship Training (ETW)	1561	1190	1357	1145	737	204	1490	1135	1295	1093	703	194	507	1430	1042	838	694	44	16,657
Enterprises supported with BDS	952	232	836	588	364	173	1048	255	920	647	401	190	422	103	371	261	162	77	8,000
New enterprises formed*	122	73	67	89	75	6	247	148	137	181	153	12	57	35	32	39	33	3	1,509
New enterprises formalised	130	112	80	637	120	6	243	209	149	1,186	224	12	274	80	64	24	209	36	3,555
Number of businesses expanded*	51	39	89	88	69	30	196	153	343	342	267	116	47	52	78	62	60	36	2,102
Jobs created (Combined)	387	388	1453	1368	1536	281	1304	1310	4900	4616	5181	948	307	312	968	863	1028	177	27,427
Source: EDC annual reports and periodic data, 2013 – 2016																			

AA (Addis Ababa); Tigray (Tg); Amhara (Am); Oromia (Or); SNNPR (SN); Other (Oth); Others: include (Harari, Somali, B.Gumuz, Dire dawa)

Impact on business performance

Table 16 demonstrates the perception of beneficiaries on changes in business performance as result of provision of business development services. EDP evaluation survey results highlighted that 83 percent of the entrepreneurs engaged, reported improved quality of products of; 84 percent reported increased profitability, 82 percent reported increased turnover, 86 percent reported that they generated an increased number of clients/customers after the training, among several other additional substantial benefits, which include better market access, better access to financial resources and use of improved technologies, systems and machinery.

Table 16: Perceptions of beneficiaries on changes in business performance as a result of BDS	
Area of Improvement	Percent
Quality of products improved	96.27
Used new technologies and machinery	67.55
Access to financial resources improved	67.08
Turnover of the business increased	91.30
Profitability of the business increased	92.54
The number of customers increased	93.25
Market outreach increased	85.16
Entered export market	29.23
Diversified and increased export products	46.10
Increased number of staff	73.15
Branch network increased	60.96

An assessment was also done on what changes arose, if any, with respect to capital outlay and profitability after the provision of the business development services. Significant annual changes in capital outlay and annual profit followed the provision of BDS. Table 17 shows changes in annual capital outlay and profitability after the business development services were provided, shown by the average annual percentage increase in capital outlay and profitability.

Table 17: Average annual percentage increase in capital and profitability of business after BDS	
	Average
Estimated percentage change in annual capital outlay	33.68
Estimate percentage change in annual Profit after BDS	31.21
Estimate percentage change in annual Profit due to improvement in business after BDS	32.66

4.7 PARTNERSHIP STRATEGY

Summary	Select		
	Fully Achieved	Partially achieved	Not accomplished
Policy and Strategy level			
Federal Government, State Government, FeUJCFSA, cluster initiatives, operating space (subsidized land, premises; financing for emergent entrepreneurs); Government hosted; UNDP funded and supported;	X		
Fairly strong strategy on partnership, with clear value adding relationships;	X		
Management of donor relations is central to keeping donors informed on implementation of interventions, achievements, challenges and opportunities, with the need to exploit opportunities to share information with the development partners during EDP implementation;		X	
Institutional			
Good relations with a variety of stakeholders, from entrepreneurship development programmes, WEDP; Financial institutions, Enat Bank, First Lady's Office, Women in business associations, youth associations; TVET, Universities for capacity development and training;	X		
Mass media (newspapers, radio and TV), room for improvement entrepreneurship advocacy, information dissemination; other international programs	X		
Merits and demerits of networking strategy needs scrutiny;	X		
Most networks at early stages; need to be further nurtured and developed for full realisation of outcomes, through sustained engagement;	X		
Joint planning and M & E; identifying binding constraints to effective collaboration and joint cooperation interventions; Need for renewed, strengthening of networking drive for full delivery of results;	X		

4.8 Cross-cutting issues

4.8.1 Mainstreaming of gender equality and youth empowerment

The Entrepreneurship Development Program has set a target to reach out to 30 percent women and youth through its program implementation. This quota combines both women and youth, with performance of the training component showing that to date the program managed to reach out to 37percent women, which is favourable in the circumstances.

Efforts are being made through the programme to ensure measures to empower more women through the entrepreneurship programme. A number of linkages have been established with women focused entrepreneurship training programmes such as the Women in Entrepreneurship Development Programme (WEDP) and other initiatives that seek to champion the cause of women entrepreneurs. The EDP has sought to be actively involved in such programmes. For example, linkages with a women financing initiative supported by a private commercial financial institution, ENAT Bank, is noteworthy because of the potential to is deemed to have for women entrepreneurs, in particular combining financial services provision with entrepreneurship training and business development support. Furthermore, the implementation of the gender strategy is set to improve prospects of gender mainstreaming by the programme by recognition of the importance of gender equality dimensions.

4.8.2 Networking and sharing information with development partners

An area which is critical for the EDP at a strategic level is to do with managing relations with the development partners/donors, to share and exchange information on a continuous basis in a transparent manner to enable the building of more sustainable relations and linkages. The relationship is at two levels; at senior management level and at the operational level where a strong mechanism to exchange information and engage in dialogue on a sustained basis is pivotal to success. This requires structures such as a Steering Committee and a Technical Management Committee that are functional, proactive, effective and results based in approach.

4.9 Monitoring and Evaluation

The development of a strong results-oriented M & E system, accompanied by an indicator framework which tracks achievement of outcomes over time is noted to be pivotal to generating capacity to demonstrate the impact of the EDP. Efforts at developing and implementing an M & E system have been made. Partly because of turnover of M & E officers responsible for the action, the process was slower than planned, being at early stages of implementation. The justification for the establishment of an effective results oriented M & E system exists. In the future phase of the EDP, more emphasis needs to be placed on tracking key performance indicators for MSEs benefitting from the entrepreneurship training and business development services that relate to the prioritized result areas and components stipulated in the programme. An effective Project Steering Committee and Management Committee

needs to enable a more functional M & E since it is from such a tracking system that the extent of delivery of the expected results can be assessed.

5. BEST PRACTICES AND LESSONS LEARNT

5.1 Scaling up opportunities for MSE development

The programme output target set in the project document target to provide entrepreneurship training to 235,000 entrepreneurs in 3 years and providing a total of 200,000 entrepreneurs with business development services in program period, initially up to end of 2015, now rescheduled to 31 May 2017. These targets are not linked to lessons learnt, globally, in similar situations, even under the most optimistic environment. The lesson learnt in this case is that in future, more reality grounded targets need to be set for any EDP, which correspond to the available financial and human resource envelope, including what can potentially be secured from additional resource mobilisation through development partners.

Within three and half years, it can be acknowledged that programmes can only accomplish limited outputs, in view of the need to devote time and resources for the preparatory phase, which has its own dynamics. A key lesson from the EDP is the need to design interventions, taking into account the likelihood of follow-up programmes, which take into account more long term perspective. The assumptions related to the time and processes required to develop public sector human resources capacities to deliver on the outcomes also need to be tested against reality. For the programme period, the targets were ambitious for full achievement during the implementation period. This is in view of the complexity of the task and processes at hand, often requiring a departure from conventional public sector approaches. The embracing of innovative institutional mechanisms, which are based on development best practice, but appropriate for the country's development context is also a reality rather than illusory. There is also need to factor in what the scaling up of the benefits of MSE development means, in terms of entrepreneurship training and the provision of comprehensive business development services.

5.2 Development of national entrepreneurship training policies and strategies

There is growing recognition of the need for a holistic and systemic approach to entrepreneurship training programs, anchored by entrepreneurship policies, with a focus on improving coordination and coherence to achieve positive impact. On the basis of development best practice, such an instrument is part of an answer to a whole package of priority interventions required for comprehensive support to develop MSEs and accelerating development of an inclusive private sector for Ethiopia. With Federal Government leadership, the UNDP and other Development Partners can position themselves to give technical support for the development of such a framework.

5.3 The need for better strategic guidance, institutional coordination and management of program personnel

There was need for stronger strategic guidance from a functional Steering Committee and Technical Committee with a view to providing leadership for the EDC to navigate the implementation terrain. The effectiveness of oversight structures for major interventions, with capacity to 'trouble-shoot' issues and give proper guidance in a transparent manner is pivotal to achievement of progress.

5.4 The need for better tracking of beneficiaries

The development of a strong results-oriented M & E system, accompanied by an indicator framework which tracks achievement of outcomes over time is pivotal to generating capacity to demonstrate the impact of projects and demonstration of value added.

Even though the program, has trained and provided BDS to a good number of beneficiaries in most of the regions since its establishment, it does not have a system of tracking the whereabouts of its clients after graduation. As a result, the impacts of its services on the targeted beneficiaries cannot be well documented and lessons learned for future improvement. Such lessons can be learned from partner organizations that have effective client tracking mechanisms.

5.5 Business development services in relation to entrepreneurship training

The EDC strategy of packaging an entrepreneurship development approach, which incorporates the provision of `BDS, which follows up on training provided to clients in their business settings is unique, progressive and value adding, filling in a gap which most entrepreneurship development programmes have been unable to fill. The business development services provide an avenue to actualize the training provided to EDP clients, providing a valuable value added service which enables MSEs to address the constraints they face at practical levels in their businesses.

5.6 Improving access to finance for beneficiaries

The issue of access to finance is critical as commercial banks do not normally finance small businesses because of high cost and absence of material collateral. However, those entrepreneurs graduating to manufacturing and larger productions schemes need finance for both investment and working capital.

As finance is an essential ingredient for growth oriented entrepreneurs, guarantee fund arrangement for special entrepreneurs motivated by the training and BDS provided by EDC seems to be of paramount importance.

6. CONCLUSIONS

The EDP has high prospects of being sustained, being designed as a public sector initiative led by the Government of the Federal Republic of Ethiopia.

The two sub-components of the EDP which were prioritized by the EDC were the Training and the Business Development Services, both centred at capacity development and strengthening of MSEs.

CONCLUSION 1: The lessons learnt from EDP implementation demonstrates successes, challenges and opportunities in entrepreneurship development programming that needs to be fully taken advantage of. The phase of EDP implementation was somewhat short and limited to demonstrate the impacts of the programme interventions through the creation of substantial opportunities for MSE growth and development. However, the EDP implementation managed to lay an important building block for a follow up programme which this evaluation strongly recommends.

CONCLUSION 2: The greatest resource that the EDP had during the period of project implementation has been the wealth of high quality trainers and BDS advisors established. Lessons learnt to date show that credible capacity can be built locally for the provision of entrepreneurship training and BDS provision. This resource is of high value, and indications are that its full potential is yet to be fully realised.

CONCLUSION 3: The BDS component of the EDP provides an important distinction to EDP service provision, offering immense transformational possibilities for the MSEs. Investing in the BDS has offered new opportunities to the beneficiaries to put to use the entrepreneurship training received from the programme, with more opportunities to address areas which otherwise the entrepreneurs would not have been able to address on their own.

CONCLUSION 4: The provision of BDS is a component that can be sustained through cost-sharing with MSEs, taking into account the information that an overwhelming number of clients exposed to the business development service are of the view that the input is of high value and worthy paying for.

CONCLUSION 5: BDS advisors that are affiliated to the programme require capacity development and training, where this is feasible, since they are not specialists in all areas of CD needs of their MSE clients.

CONCLUSION 6: The training materials used in the entrepreneurship training has been assessed to be highly relevant, appropriate and of good quality. However, indications are that the quality of delivery of the trainings remains of critical importance to the sustainability of the entrepreneurship training in the long-term.

CONCLUSION 7: The EDP has been sensitive and pro-active in diversifying entrepreneurship training and customizing the trainings to cover different categories of entrepreneurs, by developing training packages targeted at specific groups.

CONCLUSION 8: The absence of an entrepreneurship training diary with more forward looking projections on the timing of the trainings, venues, resource persons involved, gave the trainers little time for planning. This caused some disquiet with the trainers, who are at times inconveniently engaged at short notice.

CONCLUSION 9: Although the EDP partnership and networking strategy is on the whole sound and progressive, with a number of potentially value adding linkages established, there still is as a missing link. The management of donor relations needs to be strengthened. Better management of relations with development partners/donors, to share and exchange information on a continuous basis in a transparent manner can build more sustainable relations and linkages. The inadequate functioning of the SC and the TC may have contributed to ineffective management of donor relations.

Inadequate attention to results based monitoring and performance tracking: The EDP has had a less than adequate M & E system for both entrepreneurship training and business development services. The implementation of a vibrant M & E was not followed through adequately during the course of EDP implementation. The absence of relevant baseline data for the MSE beneficiaries made it difficult to track changes for impact monitoring. This problem has however been addressed by the program whereby an M&E strategy has been developed and an M&E Specialist hired on full-time basis to follow up on program implementation.

CONCLUSION 10: University based Centres of Excellence for Entrepreneurship (CoEEs)

11.1 The university based Centres of Excellence for Entrepreneurship have not been mainstreamed in the higher learning institutions' entrepreneurship training curriculum, resulting in a situation, where several of the Centres are disconnected with their host institutions. However, the foundation for the establishment of the Centres into viable entities exists.

11.2 There has been a lack of ownership in development of and implementation of strategic plans; resulting in lack of joint implementation and monitoring of projects between universities and the EDP.

7. RECOMMENDATIONS

Overall

With phase one of EDP implementation having managed to lay a building block for a follow up intervention, the evaluation team strongly recommends a follow up programme to the EDP. However, Government needs to demonstrate more commitment to the programme in budgetary resource allocation and other practical measures to enable the flagship ETW and the business development services to be more sustainably provided. What follows are recommendations by EDP pillar.

Pillar 1: Enhancing the institutional capacity of government to deliver comprehensive support to MSEs

RECOMMENDATION 1: EDP Management identify gaps in the existing institutional capacities established, ensuring that there is a functional Project Steering Committee and Technical Management Committee to spearhead implementation; more support in developing implementation systems in a cost-effective and efficient manner. There is need to support the implementation of a fully functional M & E system with a focus on tracking impact indicators.

Pillar 2: Developing of entrepreneurship knowledge and skills of MSMEs

RECOMMENDATION 2: The programme needs to monitor delivery of training services provided. The EDC should continue selecting training candidates in a transparent manner. Trainees should also be organized based on similar backgrounds and experiences. An annual training calendar needs to be developed for all the trainings to enable candidates and trainers to plan and prepare for the trainings ahead of schedule. Trainers should also endeavour to use relevant examples and business case references for the different target groups while delivering training.

RECOMMENDATION 3: Project management carry out a review of which aspects of the training and BDS can be cost-shared, what levels of contributions, and with what kind of clients, and in what sectors. This would help in making the programme more sustainable and also more demand driven.

Pillar 3: Strengthening of New and Existing Businesses

RECOMMENDATION 4: The business development service provision needs to be closely monitored. Management for the BDS component needs to constantly update the materials used by BDS advisors. The capacity of BDS advisor needs to be regularly upgraded so as to help them be up to date with dynamic client needs and priorities. Selection criteria of BDS advisors needs to be strengthened to ensure the component

has strong BDS advisors. The programme also needs to increase the number of female BDS advisors with a view to achieving gender balance.

The programme ought to renew focus on innovative capacity enhancing partnerships in MSE development (with financial, technological, ICT, marketing institutions) for value added support to clients; explore opportunities for more strategic partnering to influence specific MSE and BDS policy issues, through an MSE development advocacy strategy.

Pillar 4: Enabling Business Environment for Micro and Small Enterprise Development

RECOMMENDATION 5: EDP management needs to strengthen collaboration with the Ethiopian Chamber of Commerce and Sectoral Associations, other strategically identified stakeholders, with specific thematic focus, prioritising the **Development of an Entrepreneurship Policy and Strategic Framework** for the country, apart from seeking to influence other MSE promotion policies, and establishment of more conducive business environment for inclusive private sector development.

RECOMMENDATION 6: Centres of Excellence for Entrepreneurship in universities

- There is need for more bold steps to mainstream entrepreneurship training in University curriculum, with government policy level support accompanied with annual budgetary allocation. To achieve this, the EDP intervention methodology ought to prioritize lobbying for formal integration of entrepreneurship training in university curricula.
- Another key approach is for the EDP to facilitate international level exchange visits with a view to sharing development CoEE best practice. This should inform the future strategic direction of the CoEE, for more rapid delivery of planned outcomes.
- Future resource mobilization plans must take into account the priority needs of university based cooperation partners and structures, with stronger monitoring systems developed and actioned for tracking results in a comprehensive manner. In the next programme design, the Federal Government of Ethiopia and EDP management must consider to expand the entrepreneurship CD training from the existing 5 universities during the *pilot phase*, to more universities, but with sharper focus on results.

RECOMMENDATION 7: Strengthening Institutional and Governance Structures

- **Strengthening the institutional/governance structures**

The mechanism and prospects of mainstreaming the EDP into existing Federal Government structures needs to be explored. This must be with a view to enabling an institutional mechanism that enables fast decision making, with adequate human resources management structures capable of retaining high calibre professionals. Government and Development Partners also need to ensure establishment of functional and effective Project Steering Committee and Management Committee, bringing into the PSC representatives of institutions who are capable of devoting substantial time to the successful implementation of the EDP.

- **Development and implementation of a financial resource mobilisation strategy**

The EDP needs to support establishment of a Federal Government supported finance investment facility, incorporating innovative financing mechanisms, based on development best practice (for example, models of Women Enterprise Fund, Youth Development Fund, Partial Guarantee Schemes and others). The EDP mechanism needs to explore more sustainable innovative MSE development approaches. Where feasible and where MSEs can afford to pay, there is need to consider prospects of full or partial cost recovery, learning from development good practices from other regions of the world. This, however, needs to be assessed carefully taking into account the specific context of Ethiopia.

ANNEXES

ANNEX 1

I. Profile Surveyed Beneficiaries

Summaries of tables from a sample survey of beneficiaries is presented, from table A1 – A23. Table A1 shows the distribution of sample units by region.

Table A1: Distribution of sample of beneficiaries by region				
Region	Entrepreneurs	Government Employees		%
	Trained	Trained		
Tigray	60	8	68	17.0
Amhara	96	5	101	26.0
Oromia	67	16	83	21.0
SNNPR	53	6	59	15.0
Addis Ababa	62	17	79	20.0%
Total	338	52	390	100.0

Beneficiaries by Gender

Beneficiaries are shown in table A.2 by gender and by region.

Entrepreneurs

Table A2: Beneficiaries from the sample survey are shown by gender and region												
Gender	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Male	31	51.67	60	62.50	45	67.16	30	56.60	26	41.94	192	56.80
Female	29	48.33	36	37.50	22	32.84	23	43.40	36	58.06	146	43.20
Total	60	100.00	96	100.00	67	100.00	53	100.00	62	100.00	338	100.00

Government Employees

Table A3 shows distribution of sample by government employees and by region.

Table A3: Beneficiaries from the sample survey are shown by government employees and region												
Sex	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		Count	%
	N	%	N	%	N	%	N	%	N	%		
Male	2	25.00	3	60.00	11	68.75	4	66.67	8	47.06	28	53.85
Female	6	75.00	2	40.00	5	31.25	2	33.33	9	52.94	24	46.15
Total	8	100.00	5	100.00	16	100.00	6	100.00	17	100.00	52	100.00

Table A4 shows distribution of beneficiaries from the sample survey by age of entrepreneurs and by region

Table A4: Beneficiaries from the sample survey are shown by age range of entrepreneurs and by region												
Age Range	Regions										Total	
	Tigray		Amhara	Oromia		SNNPR		Addis Ababa				
	N	%	N	%	N	%	N	%	N	%	N	%
<=30	34	57	51	53	39	58	26	49	31	50	181	54
31 – 45	21	35	38	40	24	36	25	47	27	44	135	40
46 – 60	5	8	7	7	4	6	2	4	4	6	22	7
Total	60	100	96	100	67	100	53	100	62	100	338	100

Table A.5 shows the distribution of entrepreneurs in the sample by level of education and by region.

Table A5: Distribution of entrepreneurs in the sample survey by level of education and by region												
Education Level	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N.	%	N	%	N	%	N	%		
Primary	4	7.00	3.	3.00	3	0.04	1	0.02			11	0.03
High school	5	8.00	25	26.00	7	0.10	6	0.11	11	0.18	54	0.16
Diploma	20	33.00	37	39.00	25	0.37	17	0.32	11	0.18	110	0.33
Degree	22	0.37	24	25.00	27	0.40	20	0.38	28	0.45	121	0.36
Masters and above	6	0.10	2	0.02	1	0.01	8	0.15	12	0.19	29	0.09
Not Stated	3	5.00	5	0.05	4.	0.06		0.02			13	0.04
Total	60	100.00	96	100.00	67	1.00	53	1.00	62	1.00	338	1.00

Table A6 shows distribution of government employees in the sample survey by level of education.

Table A6: Distribution of government employees in the sample survey by level of education and by region												
Government Employees	Regions										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Diploma	2	25.00			2	12.50			2	11.76	6	11.54
Degree	3	37.50	2	40.00	9	56.25	4	66.67	10	58.82	28	53.85
Masters and Above	1	12.50	2	40.00	5	31.25	2	33.33	3	17.65	13	25.00
Not Specified	2	25.00	1	20.00					2	11.76	5	9.62
Total	8	100.00	5	100.00	16	100.00	6	100.00	17	100.00	52	100.00

Table A6 shows status of employment during participation in the EDC training/ BDS provision by entrepreneurs

Table A6: Status of employment during participation by beneficiaries in EDC training/BDS services												
Status of employment	Regions										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Unemployed	7	11.67	9	9.38	14	20.90	7	13.21	7	11.29	44	13.02
Student	3	5.00	3	3.13			3	5.66			9	2.66
Employed in own formal business	36	60.00	59	61.46	37	55.22	22	41.51	33	53.23	187	55.33
Employed in own informal business	7	11.67	5	5.21	9	13.43	6	11.32	5	8.06	32	9.47
Government employee	5	8.33	2	2.08	2	2.99	5	9.43	3	4.84	17	5.03
NGO employee			2	2.08	3	4.48	1	1.89	4	6.45	10	2.96
Private sector employee	2	3.33	3	3.13	2	2.99	4	7.55	8	12.90	19	5.62
Other			12	12.50			5	9.43	2	3.23	19	5.62
Not specified			1	1.04							1	0.30
Total	60	100	96	100	67	100	53	100	62	100	338	100

Table A7 shows beneficiaries by status of current employment

Table A7: Beneficiaries by current status of employment												
	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Unemployed	4	6.67	3	3.13	1	1.49	1	1.89	5	8.06	14	4.14
Student	1	1.67	2	2.08			2	3.77	2	3.23	7	2.07
Employed in own formal business	44	73.33	69	71.88	56	83.58	29	54.72	33	53.23	231	68.34
Employed in own informal business	7	11.67	1	1.04	4	5.97	6	11.32	6	9.68	24	7.10
Government employee	3	5.00			4	5.97	4	7.55	1	1.61	12	3.55
NGO employee			2	2.08			2	3.77	4	6.45	8	2.37
Private sector employee	1	1.67	4	4.17	2	2.99	2	3.77	4	6.45	13	3.85
Other			10	10.42			5	9.43	5	8.06	20	5.92%
Not specified			5	5.21			2	3.77	2	3.23	9	2.66
Total	60	100.00	96	100.00	67	100.00	53	100.00	62	100.00%	338	100.00

II. BUSINESS PARTICULARS

Table A8 shows beneficiaries by current status of employment

Table A8: Beneficiaries by current status of employment												
	Regions										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Informal/unregistered			4	4.30	4	6.06	9	17.65	4	8.00	21	6.65
Cooperative	5	8.93	15	16.13	3	4.55	20	39.22	4	8.00	47	14.87
Sole Proprietor	45	80.36	55	59.14	20	30.30	19	37.25	29	58.00	168	53.16
Partnership	3	5.36	13	13.98	35	53.03			4	8.00	55	17.41
Private Limited Company	3	5.36	5	5.38	4	6.06	2	3.92	9	18.00	23	7.28
Share Company			1	1.08			1	1.96			2	0.63
Total	56	100	93	100	66	100	51	100	50	100	316	100.00

Table A9 shows distribution of beneficiaries by sector where registered to do business.

Table A9: Distribution of beneficiaries by sector in which registered to do business												
Sectors	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Agriculture /urban agriculture	5	8.93	7	7.69	9	13.85	4	8.51	6	13.64	31	10.23
Manufacturing	13	23.21	36	39.56	12	18.46	17	36.17	7	15.91	85	28.05
Construction	5	8.93	3	3.30	12	18.46	2	4.26	2	4.55	24	7.92
Wholesale Trade			2	2.20	5	7.69			2	4.55	9	2.97
Retail Trade	16	28.57	14	15.38	4	6.15	9	19.15	3	6.82	46	15.18
Service	16	28.57	25	27.47	23	35.38	14	29.79	23	52.27	101	33.33
Other	1	1.79	4	4.40			1	2.13	1	2.27	7	2.31
Total	56	100.00	91	100.00	65	100.00	47	100.00	44	100.00	303	100.00

Table A10 shows distribution of beneficiaries by stage of business growth

Table A10: Beneficiaries by stage of business development												
Stage of Business	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Start-up	16	28.57	21	23.08	25	38.46	14	29.79	14	32.56	90	29.80
Growing and expanding	39	69.64	63	69.23	36	55.38	31	65.96	23	53.49	192	63.58
Matured business			5	5.49	3	4.62	1	2.13	6	13.95	15	4.97
Other	1	1.79	2	2.20	1	1.54	1	2.13			5	1.66
Total	56	100	91	100	65	100	47	100	43	100	302	100

III. EDC TRAINING OUTCOMES

Table A11 shows distribution of beneficiaries in the sample survey by type of EDC training received

Table A11: Distribution of beneficiaries by type of EDC training received												
	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
ETW	57	91.94	83	77.57	60	74.07	50	81.97	56	83.58	306	80.95
Customized training	3	4.84	6	5.61	14	17.28	1	1.64	1	1.49	25	6.61
Youth entrepreneurship training			5	4.67	2	2.47	4	6.56	2	2.99	13	3.44
Training of Trainers			1	0.93	1	1.23			3	4.48	5	1.32
Business development services training	2	3.23	12	11.21	3	3.70	6	9.84	5	7.46	28	7.41
Training for capacity building of government employees					1	1.23					1	0.26
Total	62	100.00	107	100	81	100	61	100	67	100	378	100.00

Table A12 shows the distribution of respondents by relevance of the training

Table A12: Distribution of respondents by relevance of training												
Responses	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Very relevant	18	25.71	38	35.85	31	44.93	25	47.17	28	42.42	140	38.46
Precise and easily understandable	52	74.29	46	43.40	7	10.14	22	41.51	31	46.97	158	43.41
A bit complex			22	20.75	31	44.93	6	11.32	7	10.61	66	18.13
Total	70	100	106	100	69	100	53	100	66	100	364	100.

Table A13 gives an assessment of content and mode of presentation of the entrepreneurship training

Table A13: Assessment of content and mode of presentation of entrepreneurship training												
Responses	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Excellent	22	36.67	53	55.21	35	52.24	34	65.38	37	59.68	181	53.71
Very Good	23	38.33	34	35.42	31	46.27	15	28.85	21	33.87	124	36.80
Good	15	25.00	9	9.38	1	1.49	3	5.77	3	4.84	31	9.20
Poor									1	1.61	1	0.30
Total	60	100	96	100	67	100	52	100	62	100.	337	100.

Table A14 gives an assessment of training materials by relevance and complexity

Table A14: Assessment of training materials by relevance and complexity												
Responses	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Excellent	24	40.00	49	51.04	34	50.75	30	57.69	35	56.45	172	51.04
Very Good	22	36.67	37	38.54	32	47.76	19	36.54	24	38.71	134	39.76
Good	14	23.33	10	10.42	1	1.49	3	5.77	2	3.23	30	8.90
Poor									1	1.61	1	0.30
Total	60	100	96	100	67	100.00	52	100.00	62	100.00	337	100.00

Table A15 gives an assessment of beneficiary entrepreneurs by the facilitation skills of the trainers

Table A15: Assessment of beneficiaries by facilitation skills of the trainers												
Responses	1.4 Physical address (Region, City/town, Woreda/Kebele): Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Excellent	22	36.67	53	55.21	35	52.24	34	65.38	37	59.68	181	53.71
Very Good	23	38.33	34	35.42	31	46.27	15	28.85	21	33.87	124	36.80
Good	15	25.00	9	9.38	1	1.49	3	5.77	3	4.84	31	9.20
Poor									1	1.61	1	0.30
Total	60	100.00	96	100.00	67	100.00	52	100.00	62	100.00	337	100.00

Table A16 gives an indication of willingness to pay for EDC training by the beneficiaries

Table A16: Statement on willingness to pay for the EDC training												
	Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Yes	46	76.67	89	92.71	55	82.09	43	82.69	57	91.94	290	86.05
No	14	23.33	7	7.29	12	17.91	9	17.31	5	8.06	47	13.95
Total	60	100	96	100	67	100.00	52	100.00	62	100.00	337	100.00

Table A17 shows frequency of use of entrepreneurship concepts learned from the training

Table A17: Frequency of use of entrepreneurship training concepts learned												
	1.4 Physical address (Region, City/town, Woreda/Kebele): Region										Total	
	Tigray		Amhara		Oromia		SNNPR		Addis Ababa		N	%
	N	%	N	%	N	%	N	%	N	%		
Always	9	15.25	23	24.47	36	53.73	16	31.37	7	12.28	91	27.74
Often	23	38.98	36	38.30	24	35.82	26	50.98	24	42.11	133	40.55
Sometimes	9	15.25	17	18.09	5	7.46	7	13.73	9	15.79	47	14.33
As needed	18	30.51	17	18.09	2	2.99	2	3.92	17	29.82	56	17.07
Not at all			1	1.06							1	0.30
Total	59	100	94	100	67	100	51	100	57	100	328	100

Table A18 gives an indication of how the EDC training affected the way of doing business by the beneficiaries following training.

Table A18: Ways in which the EDC training affected the way of doing business		
Positive statement	Total	
	N	%
The training changed my life	280	86
The training improved my management style	304	92
The training helped me in completing business plan successfully	268	82
The training improved my networking capabilities with others	287	88
The training improved my capacity in exploiting new business opportunities	310	95
The training has improved my readiness to use other business support services	287	88
The training made me a successful business person	251	79
The training benefited me in many other ways	70	80

Table A19 shows beneficiaries' perceptions of how the training received from EDC affected their business performance

Table A19: Ways in which the EDC training affected business performance		
	Total	
	N	%
The quality of my products improved	250	83
I make use of new production technologies/ machines	170	58
My access to financial resources has improved	212	69
The profitability of my business increased	263	84
The turnover of my business increased	254	82
The number of my clients increased	261	86
My market outreach improved	238	80
I started to export/ export more products	36	14
I employ more staff	196	69
opened a new business or expanded my current one	194	67

Table A20 gives an indication of changes in revenue after receiving EDC training

Table A20: Changes in revenue after receiving EDC training						
	Tigray	Amhara	Oromia	SNNPR	Addis Ababa	All
	Mean	Mean	Mean	Mean	Mean	Mean
Percent change in Revenue after receiving EDC training	27.40	40.98	29.20	40.53	38.71	35.30
Percentage change in profitability after EDC training	28.33	38.48	19.90	46.01	30.14	32.89

Table A21 gives average numbers of workers engaged in businesses, before and after participation in EDC training by type of employee

Table A21: Average number of workers by type engaged before and after participating in the EDC training	
	Percent
Before participation in EDC training services: Permanent	6.38
After participation in EDC training services: Permanent	4.37
Before participation in EDC training services: Temporary	3.11
After participation in EDC training services: Temporary	5.98
Before participation in EDC training services: Total number of employees	8.84
After participation in EDC training services: Total number of employees	9.40
Before participation in EDC training services: Female Employees	4.30
After participation in EDC training services: Female Employees	4.62

Table A22 shows how beneficiaries perceive the BDS provided through the EDC assisted improve business

Table A22: Beneficiaries by how the business development services helped improve business performance		
How BDS Helped Beneficiaries	Total	
	N	%
Started a new business	95	55.56
Formalized my informal business? got business licenses	107	63.31
Prepared a business plan for my business	150	88.76
Expanded or diversified expanding and diversifying the existing business	125	73.96
Started to implement book keeping	144	85.21
Improved customer handling	150	89.29
Received loan from financial institution	77	45.56
Prepared a marketing/promotion strategy or plan	118	69.82
Cost saving production systems adopted	129	76.33
Started to implement inventory management practices	112	66.27
Started to manage my employees better	135	81.82
Other major changes	10	10.42

Table A23 gives an indication of the average number of workers engaged in MSEs contacted in the sample survey before and after participation in the EDC provided business development services

Table A23: Average number of workers engaged in business before and after participation in the BDS provided by the EDC	
	Mean
Average number of permanent staff before participation in BDS	58.21
Average number of permanent staff after participation in BDS	6.31
Estimated number of Temporary staff before participation in BDS	1.88
Average number of Temporary staff after participated ion in BDS	3.14
Total number of employment before participation in BDS	61.27
Total number of employment after participation in BDS	9.35
Total number of female employees before participation in BDS	5.89
Total number of female employees after participation in BDS	4.73

ANNEX 2

Description of Evaluation Criteria and Assessment

Relevance describes how well the EDP addresses real problems of the beneficiaries and how well it matches the development policies and strategic objectives.

Efficiency stands for how well the EDP inputs are transformed into output and outcomes.

Effectiveness measures the degree to which the project's outputs have provided benefits and contributed to the project purpose.

Sustainability introduces a time dimension into the monitoring of the EDP. It measures the likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended.

Impact describes how and to which degree the EDP has contributed to the solution of the problem and to the achievement of the overall objective. Ordinarily, actual impact can only be measured ex-post. What this evaluation does for this on-going project is an attempt to scrutinize the impact prospects, on the basis of available evidence.

ANNEX 3

EMPRETEC Global

EMPRETEC is an integrated, capacity building programme of the United Nations Conference for Trade and Development (UNCTAD), whose mission is to create sustainable support structures that help promising entrepreneurs to build innovative and internationally competitive small and medium sized enterprises (SMEs), thereby contributing to the development of a dynamic private sector.¹¹ The acronym EMPRETEC is derived from *empresas tecnológicas*, a Spanish phrase which literally translates as 'technology-based enterprises'. The ETWs of the EDP of Ethiopia is based on the EMPRETEC model. However, the EDP has also launched other customised entrepreneurship trainings which are targeted at women and youth, which are outside the EMPRETEC model.

Definition of Selected Terms

Entrepreneurship Training (ET) Conceptual Framework

The Conceptual Framework categorizes ET outcomes into a series of four domains: (a) entrepreneurial mindsets, (b) entrepreneurial capabilities, (c) entrepreneurial status, and (d) entrepreneurial performance. Each of these outcome domains is elaborated in the following text.

Entrepreneurial Mindsets

Entrepreneurial mindsets refers to the socio-emotional skills and overall awareness of entrepreneurship associated with entrepreneurial motivation and future success as an entrepreneur. Extensive literature documents a range of socioemotional skills associated with entrepreneurship, which include self-confidence, leadership, creativity, risk propensity, motivation, resilience, and self-efficacy (Boyd and Vozikis 1994; Luthje and Franke 2003).

Entrepreneurial Capabilities

Entrepreneurial capabilities refers to entrepreneurs' competencies, knowledge, and associated technical skills. Some ET programs measure the extent to which programs equip participants with general business knowledge and the basic skills needed for opening and managing a business (Russell, Atchisona, and Brooks 2008; Bjorvatn and Tungodden 2010; Karlan and Valdivia 2011).

¹¹ EMPRETEC mission statement

Entrepreneurial Status

Entrepreneurial status refers to the temporal state of a program beneficiary as measured through entrepreneurial activities and beyond (e.g., starting a business, becoming employed, and achieving a higher income). Status outcomes transcend the acquisition of specific mindsets and skills associated with programs have been shown to measure individuals' decisions to seek out new capital and start ventures (Singh and Verma 2010), become employed (Brodmann, Grun, and Premand 2011), and increase income and savings (Cox et al . 2012). In many respects, the prevailing purpose of EET programs is to have participants go on to start their own enterprises, and the extent to which programs are yielding these outcomes remains a common area of inquiry.

Entrepreneurial Performance

Entrepreneurial performance refers explicitly to how indicators of a venture's performance have changed as a result of an intervention (e.g., higher profits, increased sales, greater employment of others, higher survival rates). A number of EET studies look at whether participants perform better as entrepreneurs than those who aren't exposed to EET (Volkman et al. 2009; Shane 2010; von Graevenitza, Harhoffa, and Weber 2010). In certain cases, EET program participants show improvement in multiple performance outcomes, including annual sales, number of employees, number of customers, and market expansion (Botha2006). Additional literature suggests that EET programs also look at performance outcomes related to improved business practices, which in the case of SMEs can include the formalization of an enterprise.

List of References

- Ministry of Finance and Economic Development, Federal Democratic Republic of Ethiopia. Growth and Transformation Plan (GTP I and II), Addis Ababa
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Summary (selective) list of persons contacted, excluding clients

1. Dr. Samuel Bwalya, UNDP Ethiopia Country Director
2. Ato Zenebe Kumo, Director General, FUJC&FSA
3. Bekele Mengistu Tesema, Deputy Director General, FUJC&FSA
4. Asmelash Bezabih, Deputy Director General, FUJC&FSA
5. Jason Schmaltz, Second Secretary, Development, Embassy of Canada
6. Bethelihem Tamene, Programme Analyst, EDP Programme Manager, UNDP
7. Dugassa Tessema, Acting Chief Executive Officer/Training Manager, EDC
8. Hanna Felleke, Technical Advisor/BDS Manager, EDC
9. Wondwossen Tsegaye, Monitoring and Evaluation Specialist, EDC
10. Dr. Mohammed Seid, Chairman of Management Department of FBE, AAU University
11. Yewondwossen Teshome, President, ENAT Bank
12. Abeba Tesfai, Senior Officer, ENAT Bank
13. Yohannes Solomon – Project Coordinator, WEDP
14. Sebelewongel Mulugeta- Training Specialist, WEDP
15. Tseday Ashebir- Skills Development Advisor, WEDP
16. Ibrahim Miftah Nassir- Senior Business development Officer, DoT Ethiopia
17. Tehut Tesfai : Executive Director, Ethiopia Climate innovation Centre
18. Tamirat W/Giorgis- EDC Regional Coordinator, SNNPR
19. Abraham Natnael- BDS Coordinator, EDC Regional Coordination
20. Genet Assefa- Human Resources Officer, EDC Regional Coordination
21. Fetene Alemu- EDC Regional Coordinator, Oromia
22. Merga Muleta- BDS Coordinator, Oromia Regional Coordination
23. Gonfa Balcha, Process Owner of Job Opportunity, Oromia FSJCA
24. Zelalem Kebede, Manager, OCSSCO, Adama Branch
25. Gemetchu Abbe, Representative ,Adama City Women Affairs
26. Deriba Tadesse, Officer, Adama City TVET Office
27. Yoonii Abaje, Officer, Youth and Sports Office

28. Asamenew Shimeles – Regional Coordinator, Amhara Region
29. Ato Ababu engidaw, TVET Expert, Amhara
30. Mekonen Teklaye Cherinet, Lecturer, Faculty of Chemical and Food
31. Negesse Belay Gessese, Lecturer, Bahr Dar University Institute of Technology
32. Adane Nega Tarekesn, Lecturer, Bahr Dar University Institute of Technology
33. Abebaul Teshome Tirunen, Lecturer, Institute of Technology
34. Mohammed Nuru, ECIC Coordinator, Amhara
35. AndargatchewvGoshu, TVET Expert, Amhara
36. Melkamu Belete, Amhara Chamber, Expert, Bahir dar
37. Mekonen Kasahun, President, ASCCSA
38. Ato Endalkachew Sisay Agro-Expert, ANRS TVEDB
39. Goitom Abadi, Regional BDS Coordinator, Tigray
40. Werede Emlacte – Trainer, Tigray Region
41. Selamawit Kasu, BDS Coordinator, Mekele University
42. Negesse Belay Gessese, Lecturer, Bahr Dar University Institute of Technology
43. Adane Nega Tarekesn, Lecturer, Bahr Dar University Institute of Technology
44. Mekonen Tekldye Cherinet, Lecturer, Faculty of Chemical and Food Engineering
45. Abebaul Teshome Tirunen, Lecturer, Institute of Technology

Terms of Reference – Evaluation of Entrepreneurship Development Programme

I. General Information

Services/Work Description:	Program evaluation - Entrepreneurship Development Programme
Project/Program Title:	Entrepreneurship Development Programme
Duty Station:	Addis Ababa
Type of the Contract:	International Consultant
Duration:	60 Days (Two months)
Expected Start Date:	Immediately after signing of the contract

II. Background

To realize the vision of Ethiopia's Growth and Transformation Plan, and the role that a growing and dynamic private sector can play in its achievement, the Ministry of Urban Development and Housing (MoUDH) and the Federal Micro and Small Enterprises Development Agency (FEMSEDA), in partnership with the United Nations Development Program (UNDP) Ethiopia, launched the Entrepreneurship Development Program (EDP) in February 2013. The goal of the EDP is to foster the emergence of a robust and competitive private sector through the development of the micro and small enterprise (MSE) sector. EDP established the Entrepreneurship Development Centre (EDC), a semi-autonomous organization, to spearhead the implementation of the EDP program.

The EDP program aims to achieve the following major goals:

1. Institutional capacity of the Government to deliver comprehensive support services to MSEs and entrepreneurs enhanced
2. Entrepreneurial knowledge and skills with MSEs and potential entrepreneurs developed
3. Establishment of new MSEs and development of existing small and medium businesses assisted or facilitated by the project
4. Greater awareness on entrepreneurship development and partnerships among the Government, private sector and other stakeholders promoted
5. Establish Centres of Excellence for Entrepreneurship (CoEE) in 5 public universities to enable students attain entrepreneurial mindset and skills, become innovative and help incubate their ideas so that they become "job creators".

Major activities performed by EDP are:

- Establishment and capacity development (facilities, human resources, etc.) of EDC offices in Addis Ababa and the 4 regions
- Provision of training on entrepreneurship and management skills to MSEs and entrepreneurs
- Provision of business development services (BDS) to MSEs and medium enterprises
- Capacity development of national entrepreneurship trainers through training (TOTs)
- Capacity development of national business advisors through training for sustainable BDS provision
- Policy dialogues and awareness raising activities to promote entrepreneurship development and partnership for sustainable support provision
- Establishment of 5 Centres of Excellence for Entrepreneurship (CoEEs) in 5 public universities, to enable students to have entrepreneurial mindset, incubate their business ideas, and become "job creators" rather than "job seekers" upon graduation.

III. Evaluation Objectives

Having reached the end of the first phase of the program, UNDP would like to conduct an evaluation of the overall program, in collaboration with government partners, donors and stakeholders, so that it remains relevant to the national context; to ensure improvements in performance and results going forward by identifying implementation challenges and ways to overcome them; and to provide lessons learned which can support the preparation of the next program document.

The main objective of the evaluation is therefore to review the implementation of the project activities and achievements of results starting from its initial period so as to: (1) measure the performance of the project; and, (2) draw lessons to facilitate decision on future orientation of the program. Overall progress of the project should be reviewed with a focus on each of the project pillars. The evaluation should independently assess the criteria of: relevance, effectiveness, efficiency, sustainability and impact. Specifically:

Effectiveness refers to:

- Whether the project intervention achieved the expected output and immediate outcomes and made progress towards the intermediate outcomes
- Whether there are any unintended results, either positive or negative observed

Efficiency refers to:

- How economically are resources/inputs (funds, expertise, time, etc.) converted to outputs
- Whether outputs achieved on time and on budget

Sustainability refers to:

- What is the likelihood that results/benefits will continue after the closure of the project
- Are there committed financial and human resources to maintain benefits and results
- Is the external environment conducive to the maintenance of results

Impact refers to

- Extent to which the project is achieving impacts or progressing towards the achievement of impacts

IV. Scope of Work

The evaluation will cover all interventions of the project planned to be implemented during the period 2013 to date. In doing so, the evaluation should assess the integration of gender equality, environment and capacity development as cross-cutting themes as well as evaluate the partnership and result of the sub-grant contract administration and management among the different stakeholders. The evaluation should also identify key lessons and propose recommendations to enhance technical and financial performance during the remaining period of the project. The evaluator is expected to follow a participatory and consultative approach ensuring close engagement with all government counterparts, in particular Ministry of Urban Development and Housing (MoUDHo), Federal Micro and Small Enterprise Development Agency (FeMSEDA), Entrepreneurship Development Centre (EDC), UNDP Country Office, project team, as well as DFATD (the Government of Canada). The evaluation will be undertaken by one international and one national consultant.

V. Evaluation Methodology

The evaluation must provide evidence-based information that is credible, reliable and useful. The consultant should come up with appropriate evaluation approach and method to adequately meet the objective and fits to the scope of the evaluation. The approach to be followed should be participatory to make use of input from all relevant stakeholders. The evaluator will review all relevant sources of information, such as the project document, project reports – including annual progress reports, project budget revisions, national strategic and legal documents, and any other materials that the evaluator considers useful for this evidence-based assessment. The evaluator is expected to conduct a field mission to project sites in the four regions where the program is operational (Amhara, Tigray, SNNPR and Oromia). The overall framework of the evaluation exercise is supposed to pass the following four major phases: (1) preparatory phase (desk phase); (2) data collection phase; (3) consolidation of information and report writing and (4) validation of findings through stakeholder workshop.

VI. Accountability and Responsibility

The specific duties of the consultant will include the following but not limited to:

- Prepare a work plan/inception report showing the data collection tools and lay-out of the report as well as a clear schedule of activities to be approved by MoUDHo/FeMSEDA/UNDP/DFATD
- Review and analyze the project proposals, cost sharing agreements, approved annual work plans and reports
- Design and employ gender sensitive data collection instruments with all stakeholders in Addis Ababa and the specified regions where most of the outputs are implemented
- Facilitate validation workshop to get comments from relevant stakeholders to enrich and finalize the report

VII. Deliverables and Timeframe

The consultancy assignment shall be completed in a total of 60 days as per the following time frame.

No.	Main Deliverables	Working Days Assigned
1.	Preparation of work plan, outline and submission of inception report	7
2.	Review of all project documents, annual work plans, and reports	5
3.	Interview and consultations with all stakeholders in Addis Ababa and the regions	10
4.	Field level data collection	15
5.	Organizing and analyzing data, preparation and submission of draft evaluation report	10
6.	Review of the first draft report	5
7.	Organize validation workshop	1
8.	Incorporate comments and submit final evaluation report	7

VIII. Consultant qualification criteria (International)

The international consultant will lead the total evaluation exercise and production of the final evaluation which will be submitted to UNDP. The evaluator selected should not have participated in the project preparation and/or implementation and should not have conflict of interest with project related activities.

The consultant must present the following qualifications:

A. Technical Competency

- Master's Degree or above in Economics, Business, or related social science fields
- Minimum 10 years of relevant professional experience
- Knowledge of the value chain development and private investment framework and practices
- Knowledge in Entrepreneurship or Enterprise Development
- Knowledge in Private Sector Development and the SME sector
- Knowledge of gender issues particularly in the SME sector
- Knowledge in undertaking process oriented program evaluation
- Previous experience with results-based monitoring and evaluation methodologies
- Knowledge of UNDP programming approaches is desirable
- Experience of working in Africa is desirable

B. Functional Competencies

- Outstanding communication skills in English
- Positive and constructive approaches to work with energy
- Demonstrate openness to change and ability to receive and integrate feedback
- Excellent written and verbal communication skills
- Strong time management and meet established time lines.

C. Language and Other Skills

- Excellent knowledge of English, including the ability to write reports clearly and concisely and to set out a coherent argument in presentation and group interactions
- Capacity to facilitate and communicate with different stakeholders
- Computer skills: full command of Microsoft applications (word, excel, PowerPoint) and common internet applications

CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the procurement notice, qualified individual consultant is expected to submit both technical and financial proposals. Accordingly, individual consultants will be evaluated based on cumulative analysis as per the following scenario:

- Responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
 - a. Technical Criteria weight is **70%**
 - b. Financial Criteria weight is **30%**

Criteria	Weight	Max. Point
Technical Competence (based on CV, Proposal and interview (if required))	70%	100
▪ Criteria a. Educational relevance: close fit to post		10 pts
▪ Criteria b. Understanding the scope of work and organization of the proposal		50 pts
▪ Criteria c. Experience of similar assignment		30 pts
▪ Criteria d. Previous work experience in Africa/ Ethiopia		10 pts
Financial (Lower Offer/Offer*100)	30%	30
Total Score	Technical Score * 70% + Financial Score * 30%	

PAYMENT MILESTONES AND AUTHORITY

The prospective consultant will indicate the cost of services for each deliverable in US dollars **all-inclusive**¹² **lump-sum contract amount** when applying for this consultancy. The consultant will be paid only after approving authority confirms the successful completion of each deliverable as stipulated hereunder.

The qualified consultant shall receive his/her lump sum service fees upon certification of the completed tasks satisfactorily, as per the following payment schedule:

¹² The term "All inclusive" implies that all costs (professional fees, travel costs (international & local, field mission), living allowances, communications, consumables, etc.) that could possibly be incurred by the Contractor are already factored into the final amounts submitted in the proposal

Instalment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained	Percentage of Payment
1 st instalment	Upon submission and approval of inception Report	UNDP CO	20%
2 nd instalment	Following submission and approval of the 1 st draft evaluation report	"	30%
3 rd instalment	Following submission and approval of the final evaluation report	"	50%

IX. Confidentiality and Proprietary Interests

The consulting individual shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy service without prior written consent. Proprietary interests on all materials and documents prepared by the consulting firm under the assignments shall become and remain projects/property of DFATD.

QUESTIONNAIRES/CHECKLISTS FOR THE SAMPLE SURVEY: 2016

EDC BENEFICIARIES QUESTIONNAIRE

Introduction:

Entrepreneurship Development Program (EDP) has been implemented since February 2013. Now, the implementing partners would like to conduct program review in order to measure the performance of the program and to draw lessons to facilitate decision on future orientation of the program. As part of the review process, we would like to obtain information from beneficiaries of the program. Hence, we sincerely request you to cooperate in providing us with honest information regarding your participation in the program.

We would like to assure you that all information provided will be kept strictly confidentially and will not be shared with any third party or other business. The information will only be used for the purpose of reviewing the program and kept anonymously (names and other possible identifications will be kept separately).

If you have attended both training and business development services provided by EDC, pleased respond to all sections of the questionnaire. If, however, you have attended only training, please answer the first three sections of the questionnaire.

I.PERSONAL PARTICULARS

1.1: Name of Trainee/ BDS participant	
1.2: Sex(Male/female)	
1.3 Age	
1.4: Physical address (Region, City/town, Woreda/Kebele)	
1.6. Education Level during your participation in the EDC Training or BDS supports	
1= Primary 2= High school 3 = Diploma 4 = Degree 5 = Masters and above	
1.7 Status of employment during your participation in the EDC Training or BDS provision (Circle all the applicable options, if more than one)	
1= Unemployed, 2=Student	
3=employed in own formal business 4= employed in own informal business	
5 = Government employee, 6 = NGO employee	
7= Private sector employee 7= other, specify _____	
1.8 Current Employment (Circle all the applicable options, if more than one).	
1= Unemployed, 2=Student	
3 =employed in own formal business 4= employed in own informal business	
5 = Government employee, 6 = NGO employee	
7= Private sector employee 7= other, specify _____	

II. Business Particulars

2.1 If you are undertaking a business activity, in what form are you registered/licensed?	
1 = Informal/unregistered	2 = Cooperative
3 = Sole Proprietor	4 = Partnership

5 =Private Limited Company 6 = Share Company	
2.2 If registered in a business, in what sector? 1= Agriculture (including urban agriculture), 2=Manufacturing, 3= Construction 4= Trade (Wholesale), 5= Trade (Retail) 6= Service 7 = Other, specify _____	
2.3 What is the specific nature (stage of growth) of your business in Q2.2 above? 1= Start-up 2= Growing and expanding 3= Matured business 4. Other, specify_____	
2.4 Please describe the major products/ services of your business	

III. EDC TRAINING OUTCOMES

3.1. In which EDC training have you participated? (Tick all the applicable option) 1= Entrepreneurship training workshop 2= Customized training 3= Youth entrepreneurship training 4= Training of Trainers 5= Business development services training 6= Rural Entrepreneurship training 7= Training for capacity building of government employees
3.2. How do you assess the relevance of the training to your needs 1= Very relevant 2= Relevant 3= Neutral 4 = Not Relevant
3.3 How did you find the content and mode of presentation of the training? (Circle all applicable options). 1= New concept and approach 2= Exciting and motivating 3= Stressful 4= Boring 5=others (Specify, _____)
3.4 How did you find the training materials? (Circle all applicable options). 1= Very relevant 2= Precise and easily understandable 2= A bit complex 4 = Very complex
3.5. How do you assess the facilitation skills of the trainers 1= Excellent 2= Very Good 3= Good 4= Poor 5=Very poor
3.6. How do you generally evaluate the quality of the training? 1= Excellent 2= Very Good 3= Good 4= Poor 5=Very poor

3.7 Do you think EDC training you have attended worth paying for?

1= Yes 2= No

3.8 If you are in business, how often do you use the concepts learned from the training?

1= Always 2= Often
3= Sometimes 4= as needed 5 = Not at all

3.9 In general, do you feel that the training you had at EDC has improved your personal entrepreneurial competencies?

1= Yes 2= No

3.10 If yes to 3.9, please indicate whether you feel that the training you have received at EDC have improved any of your 10 Personal Entrepreneurial Competencies (Please tick for all PECs)

No.	Personal Entrepreneurial Competencies	My PEC improved	My PEC is the same	I don't know
1.	Opportunity seeking and initiative			
2.	Taking calculated risks			
3.	Demand for efficiency and quality			
4.	Persistence			
5.	Fulfilling commitment			
6.	Information seeking			
7.	Goal setting			
8.	Systematic planning and monitoring			
9.	Persuasion and networking			
10.	Independence and self confidence			

3.11 Do you think that the training you had at EDC affects the way you do your business now? Please indicate whether and to what extent you agree with the statements below by choosing one option per statement on the scale below using tick mark (✓).

No.	Description	I fully agree	I agree	Neutral/I don't know	I disagree	I fully disagree
1.	The training changed my life					
2.	The training improved my management style					
3.	The training helped me in completing business plan successfully					
4.	The training improve my networking capabilities with others					
5.	The training improved my capacity in exploiting new business opportunities					
6.	The training has improved my readiness to use other business support services					
7.	The training made me a successful business person					
8.	The training benefited me in other ways, please specify, _____					

3.12. Do you think the training you received at EDC had/ has any impacts on your business performance? *Please indicate whether and to what extent you think the following statements are a direct consequence of the training using tick mark (✓).*

No.	Description	I fully agree	I agree	Neutral/I don't know	I disagree	I fully disagree
1.	The quality of my products improved					
2.	I make use of new production technologies/ machines					
3.	My access to financial resources has improved					
4.	The profitability of my business increased					
5.	The turnover of my business increased					
6.	The number of my clients increased					
7.	My market outreach improved					
8.	I started to export/ export more products					
9.	I employ more staff					
10.	I opened a new business or expanded my current one					
11.	Other, please specify _____					

3.13. If your total capital has increased after receiving EDC training, please estimate the percentage change in your total capital? _____ %

3.14. If your revenue has increased after receiving EDC training, please estimate the percentage change in your annual revenue after attending EDC training? _____ %

3.15. If profitability of your business improved after receiving EDC training, please estimate the percentage change in your annual profit after attending EDC training? _____ %

3.16. Including yourself how many people are engaged (or hired) in your business, both before and after your participation in EDC training?

Type of employee	Before your participation in EDC training services	After your participation in EDC training services
Permanent		
Temporary		
Total number of employees		
Female Employees		

3.17. Please state three major improvements would you like to see in the training provided by EDC?

1. _____
2. _____
3. _____

IV. BUSINESS DEVELOPMENT SERVICES

4.1 Have you received Business Development Services provided by EDC?

1= Yes 2= No

4.2. If your answer to 4.1 is “yes” please indicate the type of services you received through business development supports. Tick on all the applicable services.

1= business record keeping

2= financial system development

3 = human resources management services

4 = Marketing development services

5 = business plan preparations

6 = Operational management improvement

7= Other, please specify, _____

4.3. If yes, to 4.1 above, please indicate the extent to which you agree with the following statements using tick mark (✓).

No.	Description	I fully agree	I agree	Neutral /I don't know	I disagree	I fully disagree
1.	EDC business advisory services was relevant to my needs					
2.	The business advisory services provided by EDC met my expectations					
3.	EDC's Business advisory services has helped me solve my recurring business problems					
4.	EDC business development advisers were responsive to my needs and concerns					
5.	EDC business advisers are knowledgeable and competent					
6.	EDC business advisers are readily available to provide needed services					
7.	I recommend business advisory services provided by EDC to friends or colleagues					
8.	I am satisfied by the business development advisory services I have been receiving from EDC					

4.4 If Yes to 4.1, how did the service provided help you in improving your business?

Changes after BDS support	please tick (✓)
Started a new business	
Formalized my informal business – got business licenses	
Prepared a business plan for my business	
Expanded or diversified expanding and diversifying the existing business	
Started to implement book keeping	
Improved customer handling	
Received loan from financial institution	
Prepared a marketing/promotion strategy or plan	
Cost saving production systems adopted	
Started to implement inventory management practices	
Started to manage my employees better	
Other major changes (specify) _____	

4.5. Do you think EDC business advisory services you have attended worth paying for? 1= Yes 2= No

4.6. Do you think EDC training and/or BDS support has helped to improve your business performance?

1= Yes

2= No

4.7 If yes to 4.4, in what ways? please tick (✓)

Changes in business performance	I fully agree	I agree	Neutral/I don't know	I disagree	I fully disagree
Quality of products improved					
Used new technologies and machinery					
Access to financial resources improved					
Revenue of the business increased					
Profitability of the business increased					
The number of customers increased					
Market outreach increased					
Entered export market					
Diversified and increased export products					
Increased number of staff,					
Branch network increased					
Other, please specify _____					

4.8. If your capital has increased after BDS service, please estimate the percentage change in your total capital?
_____ %

4.9. If your revenue has increased after BDS service, please estimate the percentage change in your annual revenue?
_____ %

4.10. If profitability of your business improved after BDS service, please estimate the percentage change in your annual profit after receiving business development services? _____ %

4.11. Including yourself how many people are engaged (or hired) in your business, both before and after your participation in BDS services? Use the succeeding table for your response.

Type of employee	Before your participation in BDS services	After your participation in BDS services
Permanent		
Temporary		
Total number of employees		
Female Employees		

4.12. Please state three major improvements you would like to see in the business development services provided by EDC?

1.

2.

3.

THANK YOU

GENERAL GUIDELINES FOR FGD ISSUES

I. Stakeholder Interview Guide

1. Name of the Official Contacted: _____
2. Designation.....
- Tel:
3. Name of the Institution.....
4. What has been your role in EDP Ethiopia?
5. In your view, what do you think has been the contribution of EDP to Ethiopia during the three years?
6. Do you perceive that the performance and implementation of EDP has been:
 - a) below expectation
 - b) as expected
 - c) above expectation
7. What major challenges were faced?
8. What improvements to EDP would you wish to recommend for ensuring its sustainability?
9. What do you think should be the future of EDP?
 - a) should be scaled up, or
 - b) should be scaled down
 - c) discontinued
10. Would you recommend that more funding be provided by;
 - a) Government
 - b) Development Partners (donors)
11. Why do you think more funding should be provided?
12. What other general comments would you like to make on the implementation of EDP Ethiopia?

II. GENERAL DISCUSSION GUIDELINES FOR FOCUS GROUPS

1. Was the EDP Ethiopia relevant? If yes why? If No what went wrong? Discuss.
2. Where the implementation strategies and arrangements efficient and efficient?
3. In your view, what do you think has been the contribution of EDP Ethiopia during the three years?
4. What was the level of performance and implementation of EDP and EDC Ethiopia?
5. What where the major Challenges in the implementation of the programme>
6. What improvements to EDP and EDC would you wish to recommend for its sustainability?
7. What do you think should be the future of EDP and EDC?
8. Would you recommend that more funding be provided by Government and Donors?
9. Why do you think more funding should be provided?

10. What other general comments would you like to make on EDP?

CHECKLIST FOR GOVERNMENT AND OTHER INSTITUTIONS EMPLOYEE PARTICIPANTS

1. Name of the respondent:
2. In which of the EDP trainings did you participate?
3. When did you participate?
4. In which organization were employed the past and now?
5. Why were you selected to attend the training by your organization?
6. How did you find, the contents, the mode of presentation and skill of the facilitators of the training program?
7. Do you think that the training has added value to you and to your organizations performance?
8. What actual benefits did you get after completion of the training?
9. If you were asked to pay for the training, are willing to pay for the training? If yes, Why? If no, why?
10. What improvements do suggest for ensuring the sustainability of the program

CHECKLIST FOR EDC BDS CLIENTS

1. Name of the respondent:.....
2. In which of the EDP trainings did you participate?
3. When did you participate?
4. In what business are engaged in the past and now?
5. Why were you selected to get the service from EDP?
6. How often did the BDS provider engage with you?
7. In what aspects of business operations did the BDS provider help you?
8. If you were asked to pay for the services of BDS provider, are willing to pay for the services? If yes, Why? If no, why not?.....