Organization of American States: Evaluation of the Small Business Development Centres Program in the Caribbean

Final Report

Frankfurt and Geneva,
July 2015
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<tr>
<td>BIDC</td>
<td>Barbados Industrial Development Corporation</td>
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<td>CARICOM</td>
<td>Caribbean Community</td>
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<tr>
<td>D.C.</td>
<td>District of Colombia</td>
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<td>EPA</td>
<td>Economic Partnership Agreement</td>
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<td>HACCP</td>
<td>Hazard analysis and critical control points</td>
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<td>IDB</td>
<td>Inter American Development Bank</td>
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<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MSME</td>
<td>Micro, Small and Medium Enterprise</td>
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<td>OAS</td>
<td>Organization of American States</td>
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<td>PADF</td>
<td>Pan American Development Fund</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<td>SBDC</td>
<td>Small Business Development Centers</td>
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<td>SEDU</td>
<td>Small enterprise development Unit</td>
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<td>SLDB</td>
<td>Saint Lucia Development Bank</td>
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<tr>
<td>SWOT</td>
<td>Strengths-Weaknesses-Opportunities-Threats</td>
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<tr>
<td>U.S.</td>
<td>United States</td>
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<tr>
<td>USAID</td>
<td>U.S. Agency for International Development</td>
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<tr>
<td>USD$</td>
<td>United States Dollar</td>
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<td>UTSA</td>
<td>University of Texas at San Antonio</td>
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Executive summary

This document is the draft report of the evaluation of the Organization of American States’ Small Business Development Centers Program in the Caribbean. The Small Business Development Centers model has successfully been in existence in the United States for over 35 years. The model has proved flexible enough to operate in different cultural, economic and social settings and operates successfully in Central America. On this basis, a Small Business Development Centers program was introduced in the Caribbean Community (CARICOM) region in 2012. The aim of the program was to:

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

b) Focus on high value, long term, one–on–one assistance to help clients generate sustained economic impact including new businesses and job creation, increases in sales and access to capital.

c) Promote a results oriented culture where Small Business Development Centers and the service professionals are continuously evaluated in terms of the economic impact generated through client work.

Mandate: After three years of program implementation and at the end of the program, it seems timely to undertake an evaluation of the Small Business Development Centers program in Caribbean Community member states. The purpose of the evaluation can be summarized as follows:

1. To assess the performance of the Small Business Development Centers model in the beneficiary countries Belize, Barbados, Dominica, Jamaica and Saint Lucia. Program results are to be reviewed and compared to those established in the project objectives.

2. To evaluate the process of the project design and formulation, its relevance to the Caribbean Community region, and to assess the efficiency and effectiveness with which resources have been used to generate results.

3. To measure the effects of the project upon the small and medium enterprises support institutions in the beneficiary countries, including the results of the project’s institutional capacity building program.

4. To help the Organization of American States Secretariat and the participating Member States to draw lessons for future support in the development of the Small and Medium Enterprises Sector in the region.

Evaluator and timeline: Dr Achim Engelhardt, senior evaluation specialist of the Lotus M&E Group was selected by the Organization of American States through a competitive tendering process to undertake the evaluation. The evaluation was undertaken between March and July 2015.

Evaluation approach: In the absence of a program logframe, the Lotus M&E Group coincided with the choice of a theory based evaluation, as partly stipulated in the evaluations Terms of Reference. The inception visit to the Organization of American States served the purpose to develop a Theory of Change for the Small Business Development Centers program. A second visit followed to discuss the inception report, including the evaluation methodology before field visits to Barbados, Belize and Saint Lucia were undertaken in May 2015.

Main findings

Are SBDCs doing the right thing in the Caribbean Community?

The overall answer to this questions is positive. The Small Business Development Centers program is aligned to the strategies and mandates of the Organization of American States and the United States of America’s Department of State, the main active donors of the program. Despite multiple on-going Small and Medium Enterprises initiatives in the five Caribbean Community member states, Small Business Development Centers find a natural coordination role, Small Business Development Centers being the only model to assess results in terms of economic impact of Micro, Small and Medium
Enterprises. Relevance of entrepreneurship development for women and youth is given due to the disadvantaged role of women in the national economies and high youth unemployment. The relevance of the Small Business Development Centers model for the five Caribbean Community member states shows five main differences to the Small Business Development Centers theory of change developed as part of this evaluation with Organization of American States in Washington:

a) Inclusion of micro enterprises, pre-ventures and informal businesses in Small Business Development Centers, unlike in the model applied in the United States of America
b) Skills development topics addressed are more basic than in the United States of America
c) Micro, Small and Medium Enterprises are predominantly operating outside the export business and linkages to Small Business Development Centers globally are less relevant
d) Challenges to engage lending institutions is seen as the main bottleneck
e) Linkages to the domestic supply chains are absent from the Small Business Development Centers model

Were resources used appropriately to achieve program objectives?

Despite a sub-optimal planning process, hands-on Organization of American States’ program management, strong diplomatic support by the United States Permanent Mission to the Organization of American States and high-quality technical inputs from the University of Texas at San Antonio, lead to an overall efficient use of resources.

The program required three rather than the originally planned two years for Small Business Development Centers to be launched in all five Caribbean Community member states. This seemed to be required in order to manage the risk of cultural shocks when introducing an accountability driven model in partner governments.

In the area of communication, north-south information flowed well but opportunities and expectations for south-south information exchange were only partly met to share experiences in the process of setting up Small Business Development Centers.

The policy cycle in the Caribbean Community member states influenced efficiency of program implementation, with the Small Business Development Centers process close to a stand-still around snap elections in Dominica.

Were program results achieved and how?

It is too early to judge the Small Business Development Centers program based on results related to economic indicators, as four out of five centres were only recently launched and SBDC training and business development support, which is tracked in NeoSerra has only started in Belize. The groundwork is laid for Small Business Development Centers operating in all five pilot countries. However, in Saint Lucia the momentum for change might pass if Small Business Development Centers is not swiftly activated.

Are conditions for lasting results created?

The Small Business Development Centers program has advanced to create conditions for lasting results, with important milestones being achieved such as the funding commitments by partner governments. However, delayed work on the enabling environment is still on-going and the bottlenecks still persist for access to affordable finance for Micro, Small and Medium Enterprises as well as access to markets.

Main recommendations

The main recommendation of this evaluation is for the Organization of American States to embark on a three-year phase II of the Small Business Development Centers program in Caribbean Community member states, based on the groundwork laid in phase I. The purpose of phase II should be to deepen the engagement with pilot countries while reaching out to a smaller number of new countries, less than in the pilot phase.

Other recommendations to be addressed within the next 3 months include:
a) Organization of American States: Small Business Development Centers partners could be actively involved in the final stage of this evaluation through a remote presentation of the evaluation results to Small Business Development Centers as part of the transition into phase II of the program. This collective process of reflection and exchange seems timely after 3 years of program implementation.

b) Organization of American States: For phase II of the programme, planning needs to be strengthened and systematized. Needs assessment, stakeholder mapping and analysis of ongoing Micro, Small and Medium Enterprises support in the countries should be the basis for country theories of change, country logframes and results-monitoring frameworks. These should be developed in a participatory way with countries joining in phase II.

c) Organization of American States: Further adapt the Small Business Development Centers model to the context of the Caribbean Community member states for phase II of the program. This is particularly relevant for new countries joining the pilot countries. The theories of change and Small Business Development Centers program performance should be validated in a light mid-term evaluation 18 months after the start of the program’s phase II.

d) Organization of American States: All five pilot countries should be included in phase II of the Small Business Development Centers program in Caribbean Community member states. The program still has a role to play in the pilot countries with regards to south-south exchange in areas such as: i) technical expertise in developing and implementing Small and Medium Enterprises policies, ii) experiences in the use of NeoSerra, iii) strategies to involve academia and lending institutions, iv) experiences in exploring domestic and export markets, v) lessons from targeting Small Business Development Centers training to stakeholder groups and by economic sectors.

e) Organization of American States and University of Texas at San Antonio: Adapt the sequencing of the program:
- invite new countries joining the program early on to a visit to San Antonio and Washington, District of Colombia for a better understanding of the model and relevance of certified training;
- Engage in the development of Small and Medium Enterprises policies for new program countries in Caribbean Community member states as early as following the initial visit to the United States of America.

Lessons

**Policy cycle:** the likelihood of a steady and strong engagement from partner governments increases if the administration is at the beginning of the policy cycle.

**Size and nature of enterprises:** Due to the structure of enterprises in the Caribbean Community member countries, the majority of Small Business Development Centers clients seem to be micro and small enterprises, often pre-ventures or start-ups, as experienced by the evaluator in Barbados, Belize and Saint Lucia. This requires consideration when implementing the Small Business Development Centers model in Caribbean Community member states.

The **social benefits** of Small Business Development Centers must not be underestimated. Small Business Development Centers and its partners in Barbados and Belize also targeted specific underrepresented pockets of society such as young people dropping out of school, youth living in high-risk neighbourhoods, or single mothers. In Dominica, one focus is on rural women. Particularly the youth focus is highly complementary with the United States of America’s Department of State funding through other programs for citizen security in the region.

**Systemic change:** the Organization of American States and the United States of America’s Department of State have the opportunity to stipulate systemic change in Caribbean Community member states. The accountability element of Small Business Development Centers creates a momentum for change and for positive unintended impact on wider governance in the region. Threats to Small Business Development Centers’ accountability element are related to its improper use and misunderstanding of how to manage such a system and how to interpret results.
Acknowledgements

The author would like to thank all SBDC stakeholders for making available their valuable time to meet the evaluator.

Renée Penco and her OAS colleagues provided access to documentation often at short notice and the OAS offered logistical support whenever required.

Despite many competing priorities, national stakeholders in Barbados, Belize and Saint Lucia accommodated their agendas to the evaluator’s schedule for country visits and granted the required support for smooth country visits.

Dr Achim Engelhardt
Section I: Introduction

1.1 Program background

The present evaluation report summarizes results of the evaluation of the Small Business Development Centres (SBDC) program.

“The SBDC model has existed in the United States for over 35 years. It has contributed to the enhancement of economic development in the United States through the provision of critical management and technical assistance to small businesses. It remains one of the United States’ largest small business assistance programmes in the federal government.”

The SBDC model has been flexible enough to operate in different cultural, economic and social settings and operates successfully in Central America, where thousands of jobs were created or retained for example 6448 jobs in Mexico.

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

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

b) Focus on high value, long term, one-on-one assistance to help clients generate sustained economic impact that would lead to the establishment of new businesses, job creation, increase in sales and access to capital.

c) Promote a results oriented culture where SBDCs and the service professionals are continuously evaluated in terms of the economic impact generated through client work.

The program has a budget of USD $791,786, donated by the United States Government through the United States Permanent Mission to the Organization of American States. Other donors are OAS and the Caribbean Export with USD $88,720 and USD $203,861 in in-kind support, respectively.

The SBDC core services and its key elements are summarized in the table below.

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1 Secretary General of the Organization of American States: Project evaluation. Terms of Reference. Evaluation of the Small Businesses Development Centers Program in the Caribbean

SBDC Core Services

SBDC core services are focused on three key areas that cover the needs of startups as well as those of established businesses:

• One-on-one, confidential, free and long-term technical assistance.
• Group training focused on subjects of interest to small businesses and presented by SBDC staff and private sector professionals.
• Market research tailored to the client’s needs.

These services benefit small businesses and generate economic impact that creates new jobs, increases revenues, strengthens and diversifies the formal economy, and promotes country stability and growth.

Key Elements of the SBDC Model

The key elements of the SBDC model are the following:

• The focus on long-term assistance: The high-value, one-on-one and long-term assistance is the key element to generate economic impact on the SME sector;
• The work with multiple small business clients: The SBDC model allows counselors to work with hundreds of clients per year, broadening the client base and maximizing the efficiency of the services offered and the impact generated;
• The creation of economic impact: The mission of all SBDC professionals is to help clients generate long-term economic impact that establishes new businesses, creates jobs, and increases sales and access to capital;
• The results oriented culture: SBDC professionals are evaluated in terms of impact generated through client work by using the NeoSerra customer relationship management system;
• The joint investment by three key sectors: SBDCs require the public, academic and private sectors to jointly invest efforts and funds in order to guarantee the sustainability of the program and eliminate inefficiencies and work duplication;
• The simplicity, flexibility and capacity to adapt to local needs: SBDCs have the capacity to adapt their services according to the economic and social needs of the context in which they are located, offering services that are relevant to the SME sector served;
• The positive return on investment: The SBDC program generates a positive return on investment, contributing revenues that are greater than the cost of the program, benefiting all stakeholders and justifying its continuity.

Source: www.texastrade.org/resources/documents/doc_download; amended

1.2 Evaluation background

After three years of program implementation, it seems timely to undertake an evaluation of the SBDC program in CARICOM, as it comes to an end in 2015 following 12 months of a no-
cost extension. This is relevant for accountability and learning purposes ahead of planning for a possible second phase of the program.

In fact, the United States Permanent Mission to the Organization of American States requested OAS’ Department of Planning and Evaluation (DPE) to coordinate the evaluation. In this process, the present evaluation service provider was identified in a competitive tendering process.

The purpose of the evaluation can be summarized as follows:

a) To assess the performance of the SBDC model in the beneficiary countries Belize, Barbados, Dominica, Jamaica and Saint Lucia. Programme results are to be reviewed and compared to those established in the project objectives.

b) To evaluate the process of the project design and formulation, its relevance to the CARICOM region, and to assess the efficiency and effectiveness with which resources have been used to generate results.

c) To measure the effects of the project upon the Small and Medium Enterprise (SME) support institutions in the beneficiary countries, including the results of the project’s institutional capacity building programme.

d) To help the OAS Secretariat and participating Member States to draw lessons for future support in the development of the Small and Medium Enterprises Sector in the Caribbean region.

1.3 Methodology and approach

Given the absence of a programme logframe, the Lotus M&E Group endorsed the choice of a theory-based evaluation, as partly stipulated in the evaluations ToR.

Theory-based evaluation specifies intervention logics, also called “theories of change” that are tested in the evaluation process. The theory of change, reconstructed for the SBDC programme as part of this evaluation, built on, a set of assumptions and on how the programme designers in OAS thought change would happen. Logically the SBDC theory of change is linked to the logframe of the SBDC programme, which was also reconstructed during this evaluation.

The theory-based evaluation’s added value was that it further elaborated the assumptions behind the Programme, as well as linkages between output, outcomes and impact. In addition, the approach highlighted stakeholder needs as part of a situation analysis. The situation analysis also identified barriers to MSME’s growth, innovation, productivity and revenue in the five CARICOM member states. Analyzing the Programmes’ response as well as results was the final part of this evaluation approach.

During the evaluation, 40 program stakeholders in CARICOM member states were interviewed, either face-to-face or over the telephone. In addition, the evaluator interviewed

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4 The Lotus M&E Group’s evaluation specialist Dr Achim Engelhardt repeatedly and successfully applied this approach for evaluations on behalf of the UK’s Department for International Development (DFID) and most recently for the evaluation of five global programs, a new aid instrument of the Swiss Foreign Ministry’s Development Cooperation (SDC).
3 program implementers, one from OAS and two from the University of Texas San Antonio (UTSA). The evaluation approach is summarized in Figure 1.

**Figure 1: SBDC evaluation approach**

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<thead>
<tr>
<th>Evaluation approach</th>
<th>Evaluation tool</th>
<th>Evaluation process</th>
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<tr>
<td>Phase 1: Preparation Phase</td>
<td>Document review</td>
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<tr>
<td>Inception mission to OAS to meet the Department of Planning and Evaluation, the Department of Economic Development implementing the programme and the representative of the United States Permanent Mission to the Organization of American States</td>
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<tr>
<td>Phase 2: Evaluation Design and Field Visits Phase</td>
<td>Theory of Change focus group interview with programme stakeholders in OAS and in the project countries to be visited</td>
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<tr>
<td>Theory of Change focus group interview with programme stakeholders in OAS and in the project countries to be visited: Belize, Saint Lucia and Barbados</td>
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<tr>
<td>Evaluation questionnaire. Use of the same questionnaire for telephone interviews with stakeholders in the other two programme countries (Jamaica and Dominica) and other relevant programme stakeholders such as the University of Texas in San Antonio</td>
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<td>Phase 3: Reporting</td>
<td>Presentation of emerging evaluation findings to OAS via Skype conference call, following the field visits and data analysis</td>
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<td>Draft evaluation report for feedback to OAS</td>
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<td>Finalization of evaluation report and presentation to OAS in Washington DC</td>
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**1.4 SBDC Theory of Change: view of program management**

This Theory of Change diagram in Figure 2 was developed during the inception phase of the evaluation. The Theory of Change outlines the main assumptions underlying the SBDC project (red arrows). This is followed by barriers that are overcome through specific SBDC inputs (green arrows) to achieve outputs, outcomes and eventually the project impact (all in blue bubbles). Those inputs are catalyzed through SBDC linking to external drivers of change (black arrows). The fully-fledged Theory of Change also includes the project’s external and internal context, as explained below.

*External economic context in the Western Hemisphere*

In the late 1990s, economic development focused on international trade and trade agreements such as the North American Free Trade Agreement (NAFTA), followed by the implementation of those trade agreements. In this process questions transpired on how to ensure that SME’s also take advantage of new trade instruments and related business opportunities. This caused a paradigm shift around the year 2000 with a clearly articulated need for inclusive economic growth.

*Internal OAS context*

With SMEs being the backbone of the economy in the Western Hemisphere, the OAS wished to address the question of how to get SME’s involved in business opportunities
linked to the free trade agreements. For this purpose a workshop with Latin American countries was organized in 2009 to showcase the SBDC model, which was implemented successfully across the US to link SME’s to global business opportunities. The newly elected President of El Salvador expressed interest in the model due to its clear results reporting. Other countries in Central America followed, including Mexico. In this process OAS organized a SDBC workshop for Caribbean countries in the University of Texas at San Diego, in 2011. The interest from Caribbean countries was high and participants were eager to learn from El Salvador’s experiences in implementing the SBDC model. This workshop can be considered as the first step towards developing the SDBC program in CARICOM Member states.

**Figure 2: SBDC theory of change**

**Assumptions**

For the design of the SBDC program, OAS and its partners made a range of assumptions to achieve the projects’ objectives, as shown in Figure 2. These assumptions would be beyond the project’s direct control and are explicitly listed in SBDC’s Theory of Change:

- 1. Model is adaptable to the Caribbean context
- 2. Long-term hard holding required by MSMEs
- 3. Countries show willingness to concentrate all resources for MSME support under one roof
- 4. All partners have the capacity to play their role in fostering and encouraging of innovation through education/public/private sector partnership
- 5. Opportunities materialise for expansion and diversification of exports via MSME to MSME trade across the SDBC network
- 6. Access to finance available to expand businesses
- 7. Potential for the creation of economies of scale through shared resources and risks via the SDBC networks
1. US SBDC Model is adaptable to the Caribbean context, following its successful adaptation in Central America;  
2. Long-term hand holding is required by MSMEs and calls for the SBDC approach;  
3. CARICOM countries show willingness to concentrate all resources for MSME support under one roof, the new SBDCs;  
4. Donors show willingness to coordinate MSME related support and to buy into the SBDC model as the new center piece for MSME support;  
5. All partners have the capacity to play their role in fostering and encouraging of innovation through education/public/private sector partnership;  
6. Opportunities materialise for expansion and diversification of exports via MSME-to-MSME trade across the SBDC network with other options through the Economic Partnership Agreement (EPA) between CARICOM and the European Union;  
7. Access to finance can be provided to expand businesses;  
8. Potential exists for the creation of economies of scale through shared resources and risks via the SBDC networks.

**Barriers**

OAS has identified a range of barriers that SBDC should overcome. These barriers relate to limited access to finance for MSMEs, suboptimal business structures with limitations in skills such as finance management, marketing or strategic business planning. This also includes the use of innovative tools such as applying social media for businesses. A weak market presence combined with insufficient information about trade opportunities hinders MSMEs to take advantage of open access to export markets. Standards and quality management pose significant barriers to access export markets. For example the high costs for International Organization for Standardization (ISO) or Hazard analysis and critical control points (HACCP) certification.

Finally, existing MSME support is often uncoordinated and only short term. This is due to a lack of donor coordination on the one hand and proliferation of responsibilities for government support to MSMEs on the other hand.

**Drivers of change**

The drivers of change for the creation of SBDC’s in CARICOM Member Sates are partly related to a period of difficult economic situation in the region. Policy makers need to take action to create jobs, particularly to address youth unemployment and to give hope to the youth. The need to expand productive capacities and employment also refers to women. The Economic Partnership Agreement (EPA) with the European Union is a clear external driver for change while SBDC’s strategy to fund capacity building but not the centers is a driver for partners to ensure the sustainability of SBDC’s from the outset.

**Linkages**

To make use of untapped opportunities that are outlined under the drivers of change, the SBDCs in CARICOM Member States can be interlinked and also linked to existing partners in the US, Mexico, Colombia and El Salvador. Technical assistance and training can help to enhance business processes and skills, including young people and women, two of the drivers of change identified above. Market research can help to identify opportunities for example related to the Economic Partnership Agreement with the European Union, another driver of change.

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5 The CARIFORUM-EU EPA forms the basis of a mature trading relationship between the two sides, encompassing not just a trade in Goods regime, but also Trade in Services, Trade-Related Issues and Development Cooperation.

(Source: http://www.caricom.org/jsp/community_organs/epa_unit/epa_unit_main_page.jsp?menu=cob)
Section II: Findings and conclusions

2 Relevance of Small Business Development Centre program

This section evaluates the relevance of the SBDC program to the OAS mandate and strategies, donors' strategies, the country context and entrepreneurs needs in the target countries. A review of documentation, results of stakeholder interviews and the verification of the SBDC theory of change in programme countries contributed to this preliminary assessment.

OAS supported five CARICOM member states between 2012 and 2015: Barbados, Belize, Dominica, Jamaica and Saint Lucia. Those countries comprise 22% of the CARICOM workforce, according to the International Labour Organization.

Finding 1: SBDC programme is in line with key strategic plans of the OAS and the U.S. Department of State.

2.1 Alignment to OAS mandates and strategic objectives

The SBDC programme is in line with the OAS mandates, as shown in the project profile. These mandates are as follows:

a) Charter of the Organization of American States

b) Inter-American Democratic Charter; Strategic Plan for Partnership for Integral Development 2006-2009 (in force through 2011);

c) AG/RES. 2089 (XXXV-O/05) Strengthening of Micro, Small, and Medium-Sized Enterprises

d) AG/RES. 2591 (XL-O/10) The Importance of Tourism Cooperation in the Americas;

e) AG/RES. 2561 (XL-O/10) Promotion of Women’s Human Rights and Gender Equity and Equality;

f) Declaration of Commitments of Port of Spain (VI Summit of the Americas, 2009);

g) Declaration of Mar de Plata and Plan of Action (V Summit of the Americas, 2005).
2.2 Relevance for US Department of State

The SBDC programme is closely aligned to the “Strategic Plan FY 2014 – 2017” of the U.S. Department of State and USAID, as shown in Figure 3.

The SBDC programme in CARICOM member states goes well beyond its economic aspects in corresponding directly to the foreign policy and developmental objectives of the United States of America. A detailed analysis of the “Strategic Plan FY 2014 – 2017” reveals that the SBDC programme in CARICOM member states still corresponds to U.S. Department of State’s economic objectives.

SBDC is responding to 3 out of the 4 regional topics of US Department of State for the region: economic opportunities, citizen safety and social equity.

**Figure 3: Relevance of SBDC program for U.S. Department of State**

[Diagram showing alignment between SBDC and US Department of State goals]

Relevance to strategic goal 1: “Strengthen America’s economic reach and positive economic impact”, the SBDC programme is aligned to both strategic objectives:

a) Strategic objective 1.1: Expand access to future markets, investment and trade; and

b) Strategic objective 1.2: Promote inclusive economic growth, reduce extreme poverty, and improve food security.

The niche of the SBDC programme in CARICOM member states to focus on youth seems at first sight to address issues of high youth unemployment in all five-project countries (over

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6 http://www.state.gov/documents/organization/223997.pdf
40% for example in Saint Lucia). However, the visits to Belize, Saint Lucia and Barbados showed that at second sight the youth focus is very much related to the prevention of crime by focusing on “at risk youth”.

In the case of Belize, certain neighbourhoods of Belize City are notorious for drug related crime and youth growing up in those areas are likely to drift into a vicious cycle. Entrepreneurship training and support presents an opportunity and safety net strategy to adolescent men and women to get them off the street, often after they experienced school drop outs.

This problem also shows in Barbados and Saint Lucia, though to a lesser extent than in Belize, due to the drug routes crossing Belize from South America to the United Sates and Canada. Given the high migration rates from Caribbean countries to the U.S. this problem can swiftly become a U.S. domestic problem.

Relevance to strategic goal 2: Strengthen America’s foreign policy impact on our strategic challenges

The SBDC programme in CARICOM member states also related to strategic objective 2.4 of the “Strategic Plan FY 2014 – 2017” of the U.S. Department of State and USAID: Overcome global security challenges through diplomatic engagement and development cooperation.

While the relevance to the U.S. objectives for trade can be expected and after some further analysis also for security, there is a third area of relevance for the U.S.: protect core U.S. interests, such as democracy, human rights and strengthening civil society.

Relevance to strategic goal 4: protect core U.S. interest by advancing democracy and human rights and strengthening civil society

The evaluation finds that this aspect of the program related directly to the “Strategic Plan FY 2014 – 2017” of the U.S. Department of State and USAID. “The United States supports the expansion of democracy abroad because countries with freely elected, accountable governments contribute to a freer, more prosperous, and peaceful world (...) Through diplomacy and development, we seek to end impunity and foster greater accountability of institutions and leaders to the people and the law” (page 31).

The evaluation revealed through field visits that the accountability driven SBDC approach is rather new in the CARICOM member states. While support for micro, small and medium sized enterprises has been on-going at times for decades, SBDC brings something completely new into the picture: its results-focus.

The ministries of commerce both in Barbados and Saint Lucia see this as a “game changer” for their governments and a chance to enhance accountability in the government. Effects on increased accountability in other ministries are expected.

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“Those boys in the rough neighbourhoods, they are between a rock and a hard place. Without perspectives in life they might wander directly from school into prison. SBDC is a lifeline for at least some of them.”

SBDC stakeholder, Belize

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7 [http://www.state.gov/documents/organization/223997.pdf](http://www.state.gov/documents/organization/223997.pdf)
In this respect, the SBDC program in CARICOM member states also contributes to Strategic goal 4: protect core U.S. interest by advancing democracy and human rights and strengthening civil society and Strategic objective 4.1: Encourage democratic governance as a force for stability, peace, and prosperity.

This accountability driven approach is fully in line with the message of Secretary of State about the purpose of the “Strategic Plan FY 2014 – 2017” of the U.S. Department of State and USAID:

“By pursuing the goals in this Joint Strategic Plan, we will continue to make our programs and policies more transparent, accountable, and effective. And we will keep making investments that pay dividends now and for generations to come”.

Source: John F. Kerry, Secretary of State, March 17, 2014 “Strategic Plan FY 2014 – 2017” of the U.S. Department of State and USAID, page 3

2.3 Importance of SBDC for the country context

Finding 2: SBDC programmes are relevant to its CARICOM member states because it is the only model used to assess results in terms of economic impact of MSMEs. This gives the SBDC program a coordination role in an environment of multiple, often disperse SME support activities; and a wider relevance for governments facing prolonged economic slowdowns in national economies and having to invest scare resources strategically. In Jamaica for example, this is seen as SBDC filling an important gap.

In Dominica, Jamaica and Saint Lucia, the importance of SBDC addressing MSME needs is relevant, particularly skills needs.

In Belize, where a field visit and a larger number of interviews were undertaken, a difference in the relevance of the SBDC model for skills and business needs emerged. While the relevance of the model to address skills (for example business planning or book keeping) needs was perceived as high to very high, the relevance for MSME’s business needs (for example set up of processing plants, development of markets, access to finance) seems medium.

Four reasons for this assessment were identified:

a) One reason for this difference is partly structural: SBDC in Belize works with clients in the early stages of business development and feeds clients to ExportBelize as soon as clients have reached the maturity to export.

b) Clients of SBDC, the non-exporting businesses, face the bottleneck of access to credit which is beyond any trainings and capacity building. Referrals to credit unions are made and SBDC is in close contact with lending operators to strengthen their cooperation. The section on sustainability further elaborates this topic.

c) Another explanation is that entrepreneurship development is absent from the national curriculum and to go beyond the skills training, a needs gap emerges for incubators or entrepreneurial labs for different business sectors.

8 ibid
9 This difference was not detected in Saint Lucia where also a field visit took place.
In Belize, foreign direct investment plays an important role for the economy with a high potential for job creation. One example being the USD $50 million investment from Norwegian Cruise Lines in the south of Belize. However, investors' requirements are not matched with local skills. MSME service providers have the opportunity to link into the domestic supply chain of such investments. The Belize Trade and Investment Development Service (Beltraide) addresses the immediate skills needs but SBDC could play a role in facilitating business linkages with SBDC certified entrepreneurs. Norwegian Cruise Lines offers such an opportunity.

Stakeholders expressed the need for more assistance in order to engage with incubators and business linkages as part of SBDC programme in Belize.

2.4 Compatibility with other MSME initiatives

The SBDC theory of change developed by this evaluation in Section 1 assumed that MSME support in the five CARICOM countries was pre-existent to the SBDC program but rather uncoordinated. Following stakeholder consultations, this assumption holds true.

SBDC is complementary to on-going MSME initiatives and a potential for even greater coordination emerges.

In Jamaica, a number of initiatives of other donors are on-going and SBDC is seen as complementing those initiatives rather than being in competition. SBDC is seen as giving life to Jamaica’s new MSME policy as a concrete means for policy implementation. This can be interpreted as an appreciation of the model.

In the Jamaica context, SBDC is seen as particularly, complementary with community-geared projects funded through the Inter American Development Bank (IDB). The projects’ MSME focus to empower community members combined with the SBDC model seems a powerful tool to address social and economic issues on the island. The Ministry of Industry, Investment and Commerce sees also a possible closer alignment of SBDC to other projects but given its current capacities, a focus on cooperating with the IDB funded project seems a priority.

In Dominica and Belize, a local economic development programme working with municipalities, funded by Canada is on-going and started before the SBDC. The difference in both countries is that SBDC offers a Monitoring and Evaluation (M&E) component which provides quantifiable accountability and shows the economic impact of the donor investment. In Dominica, this comparative advantage gives SBDC a possible coordination role for MSME support in the country.

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11 The CARILED project, which is being undertaken by the Federation of Canadian Municipalities through Canadian International Development Agency funding
Compete Caribbean is a private sector development program that operates in all 5 SBDC program countries. “Compete Caribbean provides technical assistance grants and investment funding to support productive development policies, business climate reforms, clustering initiatives and Small and Medium Size Enterprise (SME) development activities in the Caribbean region. The program, jointly funded by the Inter-American Development Bank (IDB), the United Kingdom Department for International Development (DFID) and the Government of Canada, supports projects in 15 Caribbean countries. The program’s estimated value is US$40.0 million, of which DFID and the Government of Canada contributed US$32.55 million. Projects in the OECS countries are implemented in partnership with the Caribbean Development Bank”.

Source: http://competecaribbean.org/about-us/

Entrepreneurship development support in Belize dates back to 2007 when a government unit was first established. Today over half a dozen donor funded initiatives support MSME development in the country, with Beltraide playing an important coordination role. SBDC partners Caribbean Export for example provides direct MSME support and the US Department of State through the OAS affiliate Pan American Development Fund. The latter provides opportunities for youth self-employment with a strong social and security focus to get youth off the street and into the economy. A model based on citizen security through economic development.

In Saint Lucia MSME support has proliferated across government and multiple donors. Stakeholders struggle to see complementarities between on-going initiatives supported by each of the ministries and a large number of donor funded projects.

The new Permanent Secretary for Trade and Commerce sees a leadership role for SBDC with its results and accountability driven focus for the ministry of Commerce beyond the Small Enterprise Development Unit, which coordinates the SBDC network. However, stakeholders at more operational level that have been involved over the last three years in the SBDC program would not naturally refer to the Small Enterprise Development Unit for leadership and coordination.

In fact, some SBDC main stakeholders seem overwhelmed by the thought that the World Bank would like to engage Saint Lucia in crowd funding, an internet enabled way for businesses to raise money in the form of donations or investments. Though an innovative way to address the MSME’s primary bottleneck of access to affordable financing, the sheer thought of coordination efforts with the SBDC network seem beyond the capacity of some of the main SBDC stakeholders.

2.5 Relevance of entrepreneurship development for women and youth

Finding 3: Relevance of entrepreneurship development for women and youth due to the disadvantaged role of women in the national economies and high youth unemployment.

The relevance of SBDC to underrepresented groups is high in all five-programme countries, these groups being youth and women. In the case of Dominica, indigenous populations are also considered an underrepresented group. The specific underserved role of women in the
Caribbean is underscored by the Caribbean Development Bank\textsuperscript{12}, as shown in the box below.

In Jamaica, high youth unemployment is an issue that government addressed through entrepreneurship development among the youth and to provide start-up assistance. Women are underrepresented in business activities despite the large number of female-headed households. Both groups are targeted through the SBDC in Jamaica, and skills and business needs are high priorities for both underrepresented groups.

Dominica also faces a situation with high skills and business development needs for youth and women. Women specifically in rural areas and indigenous groups are other underrepresented groups.

The government’s budget for small business development recently increased by over 45\%, according to the Dominica Employment and Small Business Development Agency (personal communication), with plans to increase the number of rural business development centres from four to eight by 2017. The activities of the centres are streamlined to form clusters on sewing for a maximum of 40 women. Another cluster includes indigenous communities where tour guides are trained. In total up to 140 women are currently benefiting from the rural business development centres which function as business incubators.

Dominica’s Youth Business Trust is linked to the SBDC movement by providing seed funding loans to young entrepreneurs with benefiting 300 of them to date.

In Belize, 60\% to 65\% of SBDC clientele are women and over 50\% are younger than 35 years of age, according to the SBDC (personal communication). To engage with youth, the SBDC partners with the Young Women’s Christian Association (YWCA), which is also linked to a Pan American Development Fund (PADF) project, supporting young men, women and disadvantaged or at-risk youth. Due to the demographic development of Belize, the need for job creation for an ever-increasing number of youth coming out of school is paramount.

The difference SBDC is making relates to hand-holding/mentoring/guidance for youth, combined with PADF seed funding for business start-ups. This also complements the government’s on-going focus on placing youth into existing jobs in the economy.

In Saint Lucia, members of the SBDC network have diverging views about the specific relevance of SBDC for underrepresented groups.

Even though some network partners did see specific needs for women, SEDU aims to equally target men and women. Some of the needs identified are in sectors where women are strongly represented such as: day care for children or through targeting women business groups in the sector of agriculture; retail; processing and handy crafts.

\textsuperscript{12} Caribbean Development Bank, 2014: Building growth into the Caribbean sustainability agenda – The role of entrepreneurship
Due to youth unemployment reaching 40% to 50%, at an overall unemployment rate of about 25%\(^\text{13}\), targeting youth is envisaged. However, not all stakeholders of the SBDC network share this view.

2.6 SBDC Theory of Change of SBDC: view of CARICOM member states

Finding 5: Based on stakeholders’ consultations, the SBDC theory of change presents some gaps.

The overall theory of change developed by the evaluator with program staff in Washington DC mainly holds true for the five CARICOM member states where SBDC is implemented. However, some important differences emerge:

a) In all five countries, micro enterprises are considered under the SBDC; Belize and Saint Lucia include pre-ventures and informal businesses in its operations;

b) Skills development topics addressed are more basic than in the US;

c) MSME’s are predominantly operating outside the export business and linkages to SBDC global less relevant in all 5 CARICOM member states. In fact export-oriented small and medium sized businesses are outside the mandate of SBDCs for example in Belize or Saint Lucia;

d) The degree of interest of lending institutions in including MSMEs in their client portfolio might increase according to how well prepared and skilled MSMEs are. However, both SBDC and the lending institutions need more sensitizing to better engage in the process;

e) Linkages to the domestic supply chains such as tourism on the island states or food processing in Belize are absent from the SBDC model as drivers of change. This seems of particular relevance for countries with a larger domestic market such as Jamaica, Belize and to some extent Barbados.

More country specific differences related to barriers for MSME development in the countries visited during the evaluation are listed in Annex 6.

Conclusion 1: Relevance of SBDC program in CARICOM member states is given for OAS and U.S. Department of State based on their mandates and strategic planning

Conclusion 2: In a climate of prolonged economic slowdowns in national economies five CARICOM member states see relevance of SBDC model. SBDC plays coordination role due to its accountability element, despite multiple on-going SME support activities. Relevance is given for youth and women

Conclusion 3: Verification of SBDC theory of change showing need to further adapt the SBDC model to the Caribbean context

\(^{13}\) Permanent Secretary of Labour, personal communication
3. Efficiency

This section evaluates the efficiency of program planning and implementation. Program management and the timeliness of program delivery are assessed. For this purpose, a triangulation of the results from stakeholder interviews, program reporting and observations during the country visits were used.

3.1 Roles and responsibilities of partners in the planning and implementation process

Finding 6: Planning process with insufficient needs assessment, stakeholder mapping or analysis of on-going MSME support in the countries

The SBDC program benefits from a comprehensive OAS project profile as a planning instrument. A logframe or theory of change to further explore the logic of the SBDC program was not included in the project profile. Stakeholders were engaged through a consultative process, including a meeting with the University of Texas at San Antonio (UTSA) in San Diego. However, a needs assessment, stakeholder mapping or analysis of on-going MSME support in the countries were not included in the planning documentation.

Findings 7: Implementation

- Hands-on OAS role, particularly after the project manager joined the implementation; timely and quality support by UTSA and diplomatic support through United States Permanent Mission to the Organization of American States and U.S. embassies;
- Caribbean Export less involved as program matured following staff turnover and competing priorities;
- Role of academia less well defined
- Policy cycle in CARICOM member states influenced efficiency, e.g. when new government took charge in Dominica, the implementation was brought close to a stand-still
- Generally good project management
- Implementation required three rather than two years, as originally planned, which constitutes a significant increase

Program partners appreciated the supporting and convening role of OAS, which was even more hands-on once a program coordinator was engaged, however, without micromanaging operations in the five countries. In Saint Lucia, OAS was present but could have further leveraged its political weight to support planned structural changes in the Ministry of Commerce to better position SBDC. The way of SBDC implementation was flexible and “done as we go”. For SEDU this led at times to unclear cost implications and inefficiencies.

The role of the donor was also hands-on and the United States Permanent Mission to the

“The US State Department’s representative really went the extra mile on the SBDC program.”

“Having the U.S. Ambassador at the SBDC launch really helped to give further political weight to this initiative”.

Source: SBDC stakeholders in CARICOM member states
Organization of American States assured accountability by closely following program implementation. The U.S. proactively engaged UTSA and the program countries. The United States Permanent Mission to the Organization of American States was seen as a true partner rather than a donor only. US embassies in the five countries were engaged when needed and this was identified as a major strength of the program by UTSA.

UTSA was closely engaged with OAS on planning the SBDC program in the five CARICOM member states and the quality and timeliness of its technical support was appreciated.

The Caribbean Export Development Agency’s (CEDA) role showed for the SBDC program due to its political weight as a regional organisation. In the early phases of the program, CEDA was engaged with a role assigned for the Association of Caribbean SBDCs. However, this part of the program did not materialise and consequently CEDA became less involved. Other factors included:

a) The late launch of most of the centres
b) Staff changes
c) Competing priorities in the CEDA, this program partner became less involved.

The role of academia in the program was less defined but its full involvement in the SBDC model was paramount for anchoring SBDC capacity building in CARICOM member states. Experiences with involving academia include:

a) In Belize, where SBDC is housed at no cost on the premises of the University of Belize, different working styles between the private sector driven (through government funded) SBDC staff and civil servants of the university administration quickly become apparent. The evaluation finds that this relationship requires attention and careful management.

b) In Saint Lucia, two academic institutions form part of the SBDC network. Now that the centre has been launched, it is for the Small Enterprise Development Unit to reach out more to those two partners.

c) In Barbados, the University of the West Indies sees SBDC as an opportunity and is one of the countries’ SBDCs; funding challenges recently slowed down the university’s engagement.

d) The universities must have a clear incentive to cooperate as an active partner in SBDC networks in general. SBDC opens opportunities for the diversification of the teaching portfolio. Being a partner can offer more exposure and networking with other academic partners in other countries in the SBDC network seems attractive.

e) The staffing situation of universities seems to be limiting the cooperation with SBDC.

The private sector involvement in the SBDC program can be broken down into two categories, the MSME beneficiaries and the lending institutions.

The needs of MSMEs might not be fully known to SBDCs and MSME’s often seem to lack access to knowledge about SBDCs. In Belize, an initially supply side driven SBDC program is continuously reviewed to respond to clients’ needs and to fully become demand driven.
For the lending community, MSMEs are potentially an interesting client segment in their lending portfolios. High interest rates, unpreparedness of MSMEs and limited understanding of MSME needs by lenders constitute some of the challenges to better include lenders in the proximity of the SBDC model.

The Saint Lucia Development Bank (SLDB) is one of two SBDC network partners. SBDC opens the opportunity for SLDB to have long-term mentoring and technical support of potential new MSME clients. This minimizes the risk for the lender. SLDB suggests work sharing with SEDU:

a) The technical assistance of the bank should be outsourced to SEDU and

b) The costs for this service, which are built in the costs for a loan, would be transferred to SEDU

A need emerges for SBDC business advisors to visit SLDB to enhance their understanding of loan process procedures and for the loan advisors to meet entrepreneurs in SBDC trainings to better understand the level of training provided and to better appreciate certified clients.

Apart from academia, public sector involvement also includes, of course, government. The strength of government engagement was closely related to the policy cycle of the five countries. For instance:

a) In Dominica, elections and the change of government with new Permanent Secretary temporarily slowed down the SBDC implementation to the point where the future of SBDC was uncertain. Only recently was the SBDC launched, following strong engagement of the new Permanent Secretary.

b) In Jamaica, the efficiency of SBDC implementation was affected by the decision making process about the institutional set-up of SBDC.

c) In Belize, few existing structures for MSME development facilitated the swift implementation of the SBDC with Beltraide taking the lead.

d) In Barbados, SBDC partners are extending the network following the SBDC launch.

e) In Saint Lucia, the Permanent Secretary of Commerce changed twice and though government support for SBDC did not cease, those changes require readjustments and can affect decision-making. The commitment of the Minister of Commerce and the current Permanent Secretary of Commerce is strong with a vision of using the SBDC model beyond micro and small enterprises to tap into the opportunities to engage with export-oriented small and medium size enterprises in the country. The Minister of Commerce shows ownership and has indicated the possibility of important changes in the ministry to:

i. Use the SBDC model beyond the Small Enterprise Development Unit and possibly subsume both SEDU and TEPA under SBDC

ii. Have a full-time coordinator for SBDC

iii. Enhance the visibility of SBDC by moving the centre to a different location.
3.2 Project management

The evaluation found that the project coordination for planning, technical backstopping, and technical inputs from UTSA, as well as communication and monitoring were efficiently managed. The 50% increase of time for the program implementation can be explained by deficiencies in the planning process (such as lack of needs assessment or program logic) rather than implementation.

Stakeholders were appreciative of OAS’ coordination role and the fact that OAS was just a call away to provide guidance when needed but was not imposing or micro managing the program. Some stakeholders indicated that the project might at times not have advanced as smoothly as envisaged, often due to coordination challenges in the partner countries.

Communication from OAS’ side was good while the responsiveness of partners was at times challenging due to technology issues, staff changes or the limited staffing of government partners.

Technical inputs from UTSA were planned and executed on time. UTSA benefited from OAS’ flexibility when it became clear that the planning for the programme execution had to be amended, for example with regards to the implementation timeframe. Partners in country praised the project management for allowing a flexible application of the model based on adaptation and adaptation in country.

3.3 Could the same results have been achieved for less money or more quickly?

Stakeholders self-critically reflected upon this question but mostly responded with no.

a) In Dominica, the pace of implementation helped to reduce cultural shocks and three years seemed necessary to establish a solid foundation for SBDC. One stakeholder suggested that a better understanding of the country context would have allowed for a more realistic planning and rendered the program implementation more efficient.

b) Stakeholders in Barbados take a similar stand and talk about a cultural change that SBDC introduced to the country. This simply needed time. First, to create awareness, then to harness understanding and appreciation to overcome initial apprehension of stakeholders that might feel threatened through enhanced accountability.

c) In Saint Lucia, stakeholders commented on the long time required to launch the centre, in total about three years, as in the other CARICOM member states with exception of Belize. It seem that stakeholders had different expectations about the speed of setting up the SBDC network.

The use of webinars as a cost-effective way of capacity building was less well received, as the level of interaction offered by this type of communication seemed insufficient.
Conclusion 4: Sub-optimal planning process, lacking important elements as a basis for more efficient implementation.

Conclusion 5: Generally good implementation, with more time required for program implementation to manage the risks of a cultural shock for the region. SBDC model needed careful introduction in the CARICOM context. Hands-on management style form OAS and United States Permanent Mission to the Organization of American States required partly to make up for shortcoming in program planning.

Conclusion 6: While snap elections are unpredictable in democratic systems, the election calendar can guide the selection of program countries to ensure that as much as possible of a legislative period is available for program implementation.
4. Effectiveness

This section evaluates the achievement of SBDC results. The SBDC program objectives are used for this purpose, as well as data from Belize. Furthermore, the effectiveness analysis builds on the objectives of creating SBDC networks, functioning national SBDCs and the overall satisfaction of results achieved to date, complemented by the criteria of organizational strengthening for SBDC.

The SBDC objectives were as follows:

a) Promotion of growth, innovation, productivity and revenue for small businesses through improvements to their business administration

b) Creation of sustainable small business assistance networks based on the proven U.S. SBDC model

c) Understanding of the SBDC Model and support for its adaptation to the Caribbean conditions promoted within governments, higher-education institutions, and private business sectors in countries of the CARICOM region, taking into consideration the particular needs of women entrepreneurs

d) National SBDC pilot programs functioning

e) Improved capacity of emerging Caribbean SBDC to deliver effective and efficient MSME assistance services, taking into consideration the particular needs of women entrepreneurs

4.1 Achievement of project outputs

Finding 8: It is too early to judge the SBDC program based on results related to economic indicators, as four out of five centres were only recently launched and training has only started in Belize.

Finding 9: High ratings for understanding of SBDC model, national SBDC pilot programs functioning, creation of small business networks and the overall satisfaction of results achieved to date, particularly in Barbados and Belize

At the output level, the SBDC program shows good results across the CARICOM member states, as underpinned also by quantitative ratings provided by 16 stakeholders interviewed during the evaluation (see Figure 4). Program management and implementers (OAS and UTSA) largely coincide with those ratings, with differences less than a 10% margin.
Due to the small number of SBDC stakeholders, quantitative ratings might provide less strong arguments. However, differences expressed during interviews in Belize, Barbados and Saint Lucia concurred with the ratings. Overall effectiveness ratings based on stakeholder scorings reached 93% in Belize, 82% in Barbados and 55% in Saint Lucia. This is related to the results in the process of establishing the SBDC pilot program ("the launch") and a related network, as well as the degree of understanding the SBDC model. Indirectly, it is also linked to the strength of the SBDC coordination units.

4.2 General results

SBDC training officially started in Belize, with 328 clients. Over USD$500,000 of capital funding were accessed by SBDC clients and sales of such clients increased by over USD$200,000. Forty-three businesses were registered with 145 jobs retained and 22 new jobs created.

In Barbados, SBDC partners have started training as part of on-going training schedules but have not reported results yet, due to user issues with the Neoserra customer relationship management system. The other countries are in the process of starting skills training for MSMEs in areas such as business planning, bookkeeping or costing of products or services.

In Dominica, for example the scene is set to roll out SBDC training. The Ministry of Commerce supports 4500 businesses. Deficiencies of MSMEs show in productivity, technology and human capital. Now 100 MSME are targeted to become export ready with support in the areas of labelling, packaging, ISO standards or HPCC standards. Products include virgin coconut oil, therapeutic soap, candles, arts and crafts. This is not a result of SBDC but previous on-going activities. However, this kind of work can be subsumed under the SBDC.

As in Dominica, SBDC activities have not started yet in Jamaica and Saint Lucia.
4.3 Results for women and youth

In Belize, SBDC’s youth focus resulted in 45 young people being trained, with a drop out rate of just over 10%. Originally, 80 young people had applied for the training to the Pan American Development Fund (PADF), one of SBDC’s partners.

The business interests include food and beverage, services oriented business, a barbershop, car wash, yard maintenance and air conditioning. The requirements for training youth under the SBDC model are high for trainers confronted with motivational challenges or low literacy rates.

It is too early to report on results for women and youth in the other four countries due to the recent launch of SBDC’s in those CARICOM member states. One example of results for women in Belize is presented in the box below.

**SBDC: A story from Belize**

Marta (name changed) is a keen cook. Family, friends and neighbours like her homemade sauces such as the spicy habanera pepper sauce. Motivated by her religious believe, she approached the University of Belize. Somebody had told her at church about training available for people like her. People who wanted to start a real business.

SBDC linked her to a training funded by the Government of Taiwan. Marta attended the training for over six months. Subsequent SBDC training and mentorship encouraged Marta to go out to the local supermarkets to see how other sauces are presented and to have a look at the range of sauces on offer. She also enquired about the tastes and preferences for sauces. Asking the people around her was easy enough. The SDC business advisor supported Marta in the design of her labels.

Marta now delivers to supermarkets across Belize City and even beyond. The 20% cut (forced discount) the supermarkets take are tough, Marta just about breaks even. SBDC supported Marta to become a honorary member of the Chamber of Commerce where she has access to other business men and women.

To take the next step, Marta is in contact with SBDC to get support in the application process for a small business loan. The mechanisation of sauce making, moving the production from Marta’s kitchen to a dedicated separate building and HCCAP\(^{14}\) certification are clear targets ahead. “One day I would love to export my sauces, to Canada where we have some connections”, says Marta, a women entrepreneur in Belize.

4.4 Organizational strengthening of SBDC coordination units

Finding 10: Organisational strengthening for SBDC implementation was successful in Belize through an entrepreneurial approach taken by Beltraide. In Barbados, SBDC’s are strong and committed to hit the ground running while in Saint Lucia issues of organisational restructuring aim to better place SBDC. Until this process is concluded, the SBDC network might not have the required strength for coordinating multiple on-going initiatives.

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\(^{14}\) Hazard analysis and critical control points
The following section focuses on strengthening organizational structures of SBDC coordination units and network partners for a full implementation of the SBDC model in CARICOM member states. Experience is drawn from the countries visited during this evaluation.

In **Belize**, the SBDC program has adequately laid the foundation for the counterpart to be better positioned and equipped to address SME issues:

a) Beltraide established a powerful SBDC with dedicated staff that does enterprise development like an enterprise itself.

b) Spin-offs are SBDC partners being enabled to also work more effectively. The OAS affiliate PADF was enabled by SBDC to capture lessons learned and share good practices in Saint Vincent and Grenadines, Trinidad and Tobago and Barbados.

c) In Belize, SBDC gained such strength that it supported the partners in Dominica during the drafting of the small business policy.

In **Saint Lucia**, since the launch of SBDC in November 2014, over half a year has passed with impatient partners meeting irregularly and relationships of partners still not fully being interlocked. After a recruitment process, SEDU has now six business development officers and a secretary. In the government’s budget EC$ 73,800 (approximately USD 27,850) have been allocated to SBDC, from an initial budget request of EC$ 131,000 (approximately USD 49,300).

However, the coordination role seems overburdened with competing priorities in SEDU. SBDC seems not sufficiently promoted publically and as a result, perceptions emerge that SBDC lingers in the background. At this stage, SBDC still has not found an identity. Stakeholders saw the evaluation as an opportunity to demand stronger political leadership and commitment to unlock this situation.

The new Permanent Secretary and the Minister herself are fully committed and see SBDC as an opportunity in Saint Lucia to restructure the ministry and to enhance its results focus, given the strains in the government’s budget. Both leaders wish to take the opportunity to broaden SBDC beyond micro and small enterprises and include (mostly small and medium seized) export-oriented businesses under SBDC.

This dynamic attitude has not yet sparked to SEDU with its overstretched staff.

In **Barbados**, the Ministry of Commerce coordinates the SBDC in its Small Business Development Unit with three staff members. Barbados Industrial Development Corporation (BIDC, also under the Ministry of Commerce), the Youth Entrepreneurship scheme (government funded), and the SEED program of the University of the West Indies have signed MoUs to form three more SBDCs. All partners are in the process of getting access to NeoSerra for data entry, with the Small Business Development Unit having an oversight role.

SBDC seems organizationally well rooted in Barbados but streamlining an accountability mechanism encounters resistance. Government bureaucracy is not used to such a system and not all civil servants would understand its use. Stakeholders are convinced that with the first SBDC results, SBDC will set the scene and allow government to asses its progress with addressing MSME development in the country.
4.5 Factors affecting program performance

The evaluation identified the main strengths and weaknesses of the SBDC program in CARICOM member states. Those are complemented by opportunities and threats in the SWOT analysis in Figure 5.

Figure 5: SWOT analysis: SBDC model in CARICOM member states

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Results focus of the model unique to SME development interventions</td>
<td>• Program assumption of high organisational capacities and structures with clear roles and responsibilities in the SME sector in CARICOM member states does not hold true</td>
</tr>
<tr>
<td>• Unique strategic alliance between public sector, private sector (e.g. banks) and academia.</td>
<td>• Program planning lacking more in-depth economic analysis, SME economic development actors mapping and even stronger engagements with ministries for strong high level buy-in</td>
</tr>
<tr>
<td>• Accountability focus highly welcome for governments undergoing prolonged economic depression in the region and under pressure to spend funds more efficiently</td>
<td>• Partner visits to San Antonio and Washington DC took place too late for a full appreciation of the model and certification training</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SBDC actually going beyond SME units in host institutions and driving a results agenda for wider economic development (Saint Lucia, Barbados)</td>
<td>• Other stakeholders might benefit from proliferation of SME interventions and block streamlining to defend their turf</td>
</tr>
<tr>
<td>• SBDC’s potential for systemic change in governments</td>
<td>• Apprehension of stronger accountability in rigid bureaucratic structures with no results culture</td>
</tr>
<tr>
<td></td>
<td>• Government abuses NeoSerra results for blaming and shaming rather than management</td>
</tr>
<tr>
<td></td>
<td>• Use of a results culture to harness fear rather than openness for reflection, learning and management based on results for continuous improvements</td>
</tr>
</tbody>
</table>

Conclusion 7: While impressive results have been achieved in Belize due to a strong SBDC, which successfully coordinates and leverages on-going MSME support activities, the evaluation is inconclusive of the overall effectiveness of the SBDC program in CARICOM member states due to delays in launching the centres in four of the five pilot countries.

Conclusion 8: The groundwork is laid for SBDC’s operating in all five pilot countries.
5. Likelihood of SBDC model’s sustainability in CARICOM

In the absence of results in terms of economic growth of the SBDC program in CARICOM member states, sustainability is difficult to assess. Hence, the likelihood of sustainability was evaluated to identify:

a) To what degree SBDC conditions are fulfilled to date?

b) Which of SBDC results are most likely to materialize in the future?

The evaluation assesses the likelihood of sustainability of the SBDC model in CARICOM member states based on the criteria of understanding and appreciation of the model, ownership in funding, changes in the enabling environment, access to affordable finance and market access. For this purpose results of stakeholder interviews are used, combined with the expert assessment of the evaluator.

5.1 Appreciation of the model and ownership

Finding 11: An appreciation of the SBDC model is well anchored in all five SBDC countries

Its appreciation is due to the relevance of the model for social and economic challenges in the five countries. At the same time, stakeholders underscore the importance of introducing an accountability-driven culture in governments facing prolonged economic difficulties across the region and a need to show economic results.

5.2 Ownership to fund the model

Finding 12: Governments show ownership by funding SBDCs and examples show that funding can be further ensured either through proposals to other donors (Belize) or through dovetailing existing government initiatives (Barbados)

The program clarified from the outset that funding was provided only for the adaptation of the SBDC model to the local context. The running and funding of the centres is the responsibility of the counterparts in country.

At the time of the evaluation, funding for the SBDC was assured to varying degrees as SBDCs are part of existing government structures with funding increased for example in Dominica. In Belize, the SBDC charges for its services to at least recover the costs for its services. This approach makes sense economically to sustain the SBDC and the high unmet MSME demand for SBDC services is an indication that those service charges are acceptable in Belize.

Through the participation in tendering processes SBDC accesses international funding sources for example for MSME seed funding.

5.3 Enabling environment

Finding 13: Sustainability in terms of changes in the enabling environment is observed in Belize and Jamaica while Barbados, Dominica and Saint Lucia are in the final phases to create SME policies.

The SBDC program supported the development of small business policies in the five CARICOM countries to create a lasting enabling environment for SBDC. In Belize, the
implementation of the policy was modified following suggestions from SBDC and in Jamaica the policy was launched in 2013. However, the other three program countries are still in the policy development process and remain hopeful that a SME policy would be in place soon.

5.4 Access to affordable finance

Finding 14: Access to affordable finance is the major bottleneck in all five SBDC countries. Strategies to overcome this barrier emerge in Belize, Barbados and Saint Lucia.

Access to finance is a bottleneck in many SME support programs and SBDC is not an exception. Belize, as the country with the longest experience in implementing the SBDC model among the five countries, provides an interesting insight into this challenge.

Stakeholders identified access to affordable finance as the main challenge to MSME development in the country, though credit unions opened MSME small loans window in 2009 through an EU/IDB program and access to small loans still exist. One important gap emerges: Financial advisors of lending institutions lack awareness of the SBDC model and how it strengthens the skills of potential new clients.

At the same time, SBDC business advisors need better understanding of the lending institutions and their decision-making process and requirements to give out loans. Currently, about 70% of SBDC trained MSMEs in Belize access successfully small business loans, according to the Beltraide. Active clients of SBDC get points in the financial institutions’ risk ratings and get also referred clients back to the centre if considered not strong enough to qualify for a loan.

In Dominica, the need for MSME seed funding emerges, while this is available through other ongoing government initiatives in Barbados. SBDC Barbados is in the process of signing a MoU with FUNDSACCESS to ensure access to small business loans through this government initiative. MoUs with commercial banks are yet to be negotiated.

In Belize, successful proposals to donors and cooperation with other MSME initiatives ensure some level of seed funding, apart from access to funding through lending institutions with MoUs with SBDC.

Small business insurance schemes require systemic change

As discussed with SBDC in Barbados, a systemic problem is that MSMEs lack an insurance system and relates to risk mitigation for banks. Through motor insurance schemes, access to affordable loans to purchase a car is so much easier than access to affordable loans for MSMEs. For a systemic change to boost MSME development through access to affordable finance, business insurance schemes are required.

The importance of small business insurance schemes is highlighted in the box above. A document review undertaken for the evaluation revealed that this topic is still under researched. Small business insurance schemes are rather absent from international

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15 The SBDC program supported the SME policy development but the policies were not yet adopted at the time of the evaluation.
development but also commercial agenda\textsuperscript{16}. The private sector is engaged in countries such as Mexico and Colombia but this seems to be limited to one prominent service provider, which includes services also for small and medium-sized enterprises. However, those services currently don’t cover the Caribbean.

5.5 Market access

| Finding 15: Market access of MSME through the SBDC global platform is only partly relevant in CARICOM countries and not suited to address market access sustainably |

The comparison of the overall SBDC theory of change, developed by the evaluator with OAS staff and the donor USA and reviewed during the field visits with national stakeholders, shows an important difference with regards to market access.

The SBDC model foresees market access of MSMEs through the SBDC global platform where certified SBDC enterprises could link and market services. However, the reality in the program countries shows that the number of export-oriented enterprises among MSME is rather small and other forms of market access are relevant. Only Barbados seems in a position to fully embrace the market access through SBDC global due to its well-established infrastructures and Barbados Industrial Development Corporation (BIDC) with its export orientation as one of the SBDC’s in the country.

The SBDC does not currently foresee linking micro enterprises and start-ups to the domestic market, as the model is export-oriented only. Though domestic markets are small in the five CARICOM countries, gaining experience in the domestic market is the first step for micro enterprises to grow and become small enterprises on a possible path to become export-oriented businesses. Opportunities for linking micro enterprises into supply chains emerge for example in the tourism industry, which is important in all five program countries. An assessment of relevant domestic supply chains and SBDC acquiring acquaintance with those supply chains seems overdue. In Barbados, domestic market linkages are being facilitated through on-going government initiatives and in Saint Lucia access is easy.

A barrier to export for MSMEs in Saint Lucia is the high costs for shipping and shortcomings in the reliability of services, apart from volumes required to make shipping worthwhile beyond the capacity of MSMEs.

5.6 Overall likelihood of sustainability

Those findings coincide with stakeholder perceptions about the likelihood of sustainability of the SBDC model in the five CARICOM member states, as shown in Figure 6. Overall, the appreciation of the model seems ensured with a sustainability rating of 86\%\textsuperscript{17} and no significant differences between the five SBDC countries. The likelihood of sustainability of government funding for SBDCs seems ensured to a lesser extent (66\% sustainability ratings). In Barbados and Saint Lucia doubts are higher while stakeholders in Belize seem

\textsuperscript{16} Insurance schemes in the agriculture sector are addressed as an innovation by the Swiss Agency for Development and Cooperation (SDC), as recently evaluated (Engelhardt A. et al, 2015: External Institutional Evaluation of SDC’s Global Programmes Climate Change, Water Initiatives, Food Security, Migration and Development and Health)

\textsuperscript{17} n=19 (Barbados n=6, Belize n=6, Dominica n=1, Jamaica n=2, Saint Lucia n=6)
confident about SBDC funding due to a diversification of funding sources beyond the government.

The enabling environment for SBDC gets a 69% rating from stakeholders as SME policies are still not in place in Barbados, Dominica ad Saint Lucia. This is a pre-requisite to fully anchor SBDC in the respective legislations.

Access of MSMEs to affordable finance (61% rating) and market linkages (60% rating) are among the factors, which show less likelihood of sustainability for SBDCs. The development and implementation of MoUs with lending institutions is critical to address the “access to affordable finance” gap.

Interesting differences appear in the perception of the likelihood of sustainability between SBDC stakeholders and the SBDC management and implementers (OAS and UTSA). The ratings for the appreciation of the SBDC model and linkages to markets show similarities, while SBDC management and implementers are more optimistic with regard to the likelihood of sustainability of the SBDC funding and enabling environment. However, ratings for the access to affordable finance are 50% lower compared to stakeholder ratings. This shows a less optimistic perception of OAS and UTSA with regard to the likelihood of sustainability to access affordable finance for MSMEs in CARICOM member states.

Figure 6: Perception of SBDC sustainability

Market linkages are left to the web-based platform SBDC global in the SBDC model. This is relevant for MSMEs in Barbados, as SBDC included export-oriented businesses through the SBDC managed by BIDC. In Belize and Saint Lucia, export-oriented MSMEs are to some extent outside the organisational structures of SBDC.
Conclusion 9: Though it is too early to assess the sustainability of the SBDC program in CARICOM member states due to the absence of results in four out of five countries, the likelihood of sustainability can be assessed and results are promising.

Conclusion 10: The enabling environment for SMEs has changed in Belize and Jamaica, while policy processes are in the final stages in the other three countries where OAS still has a role to play in providing high-level diplomatic support.

Conclusion 11: Stakeholders appreciate the model and governments show commitments to fund SBDCs.

Conclusion 12: The bottleneck of access to affordable finance persists and requires strategies in all five countries to overcome this barrier; a potential for cross-country sharing and uptake of innovative models emerges.

Conclusion 13: Market access beyond the focus on export is a reality for MSMEs in the Caribbean and a needs to be included in the SBDC model to ensure a broader basis for commercial sustainability.
Section III: Learning lessons for SBDC phase 2

Based on the analysis of evaluation findings in section III a number of general lessons are identified and summarized for phase 2 of the SBDC program in CARICOM member states.

**Policy cycle:** the likelihood of a steady and strong engagement from partner governments increases if the administration is at the beginning of the policy cycle. Though early elections might be called at short notice, the full engagement of the administration in Belize for example over the program cycle, re-elected in 2012, was helpful for program implementation. This lesson learned is particularly important for the selection of new countries engaging in phase 2 of the program.

**SBDCs often confined to micro and small enterprises:** careful targeting of clients for SBDC is important for major returns on investment. UTSA experiences have shown that growing small or medium size companies with maturity of three or more years is best suited to increase employment and tax revenues. Due to the structure of enterprises in the CARICOM member countries, the majority of SBDC clients seem however to be micro and small enterprises, often pre-ventures or start-ups, as experienced by the evaluator in Barbados, Belize and Saint Lucia. Small or medium-size export-oriented businesses are beyond the reach of SBDCs in Belize, given the institutional set-up of national business development support structures. For SBDC to cover micro, small and export-oriented businesses, the centres’ mandates would require expanding in scope, in the case of Belize to also include ExportBelize.

The **social benefits** of SBDC must not be underestimated. SBDC and its partners in Belize also successfully targeted specific underrepresented pockets of society such as young people dropping out of school, youth living in high-risk neighbourhoods, or single mothers. In Dominica, one focus is on rural women. Particularly the youth focus is highly complementary with the US State Department’s funding through other programs for citizen security in the region.

To enhance the results of SBDC training, grouping trainees adds value. Groupings can be determined for example by the trainees’ educational level and degree of experience in running a business. To better target trainees, a needs assessment of new trainees by the SBDC would be beneficial. This seems relevant for underrepresented groups. For adult learning and training marginalised groups, a specific skills set is required for trainers.

**Sequencing:** The following lessons emerge for changes in sequencing the SBDC program roll out:

1. Negotiation and signature of a Memorandum of Understanding (MoU) between OAS and project country as a starting point for SBDC program engagement in new CARICOM member states. The MoU should include the program scope, implementation arrangements and an indication of commitment of government and the relevant ministry). The enabling environment should be described in the MoU as well as legislative changes required. The MoU should include a timeline, list of stakeholders, including a SBDC “champion”

2. A Minister or Permanent Secretary should lead the project team, the project team leader is instrumental to gets buy in and political will to “make things happen”. This seems possible in the smaller CARICOM member states.
3. More in-depth economic analysis, SME economic development actors mapping and engagements with ministries; identification where is sector growing, where are the strengths for better SBDC targeting
4. MoU for each key stakeholders such as universities, lending community, women organizations or youth organizations to understand their value proposition
5. Joint meeting of all national SBDC stakeholders to get a common language, buy in and strategic direction
6. Visit to UTSA in San Antonio to see the model, then to Washington DC to see the importance of appropriate legislation and to appreciate how Congress works with small businesses
7. Technical visits, certificates training, work on business plans; results to be presented back to government
Section IV: Recommendations

**Recommendation 1.** Continue with planning for phase II of the SBDC program in CARICOM member states to deepen engagement with pilot countries and start engaging with a smaller number of new countries (see also recommendations 13 to 18)

*Action suggested within next 3 months, recommendation targeted at OAS*

**Recommendation 2.** Use the element of accountability as criteria to select additional countries to join the pilot countries in phase II of the program: Only new countries scoring high in the appreciation of the accountability mechanics should be selected for phase II, as this is a precondition for a respected SBDC coordination role, as shown in the pilot countries.

*Action suggested within next 3 months, recommendation targeted at OAS*

**Recommendation 3.** Further adapt the SBDC model to the context of CARICOM member states for phase II of the program. This is particularly relevant for new countries joining the pilot countries.

The theories of change and SBDC program performance should be validated in a light mid-term evaluation 18 months after the start of the program’s phase II

*Action suggested within next 3 months, recommendation targeted at OAS and UTSA*

**Recommendation 4.** For phase II of the programme, planning needs to be strengthened and systematized. Needs assessment, stakeholder mapping and analysis of on-going MSMS support in the countries should be the basis for country theories of change, country logframes and results-monitoring frameworks. Those should be developed in a participatory way with countries joining in phase II.

*Action suggested within next 3 months, recommendation targeted at OAS*

**Recommendation 5.** Allow for a three year cycle for phase II of the SBDC program in CARICOM member states

*Action suggested within next 3 months, recommendation targeted at United States Permanent Mission to the Organization of American States*

**Recommendation 6.** In addition, SBDC partners could be actively involved in the final stage of this evaluation through a presentation of the evaluation report to SBDCs as part of the transition into phase II of the SBDC program in CARICOM member states. This collective process of reflection and exchange seems timely after 3 years of program implementation.

*Action suggested within next 3 months, recommendation targeted at OAS*

**Recommendation 7.** Use the official election calendars of candidate countries for phase II of the SBDC program as a criterion for eligibility. If elections are scheduled within the program cycle, eligibility should decrease

*Action suggested within next 3 months, recommendation targeted at OAS*
Recommendation 8. Engage diplomatically with the Ministry of Commerce in Saint Lucia to ensure that SBDC is placed in the appropriate organisational structures with strong internal leadership for roll out of SBDC trainings with network partners. Issues of wider institutional reform should be supported diplomatically and financially as part of the needs assessment of SBDC Saint Lucia.

**Action suggested within next 3 months, recommendation targeted at OAS and U.S. Embassy in Saint Lucia**

Recommendation 9. All five pilot countries should be included in phase II of the SBDC program in CARICOM member states. The program still has a role to play in the pilot countries for south-south exchange in areas such as:

- a) technical expertise in developing and implementing SME policies,
- b) experiences in the use of NeoSerra,
- c) strategies to involve academia and lending institutions,
- d) experiences in exploring domestic and export markets,
- e) lessons from targeting SBDC training to stakeholder groups and by economic sectors

**Action suggested within next 3 months, recommendation targeted at OAS**

Recommendation 10. Adapt the sequencing of the program:

- invite new countries joining the program early on to a visit to San Antonio and Washington DC for a better understanding of the model and relevance of certified training;
- Engage in the development of SME policies for new SBDC countries in CARICOM member states as early as following the initial visit to the U.S.

**Action suggested within next 3 months, recommendation targeted at OAS and UTSA**

Recommendation 11. Promote the SBDC model with partner governments also as a means of enhancing democratic governance to foster greater accountability of institutions and leaders to the people, in line with the Strategic Plan 2014-2017 of the U.S. Department of State and USAID

**Action suggested within next 12 months, recommendation targeted at United States Permanent Mission to the Organization of American States and U.S. embassies in relevant CARICOM countries**

Recommendation 12. When engaging new countries joining the SBDC program, OAS should emphasise the element of accountability but also explain how such a system should be used to avoid potential future abuse due to misunderstanding the NeoSerra element.

**Action suggested within next 6 months, recommendation targeted at OAS**

Recommendation 13. OAS should facilitate remote mentoring through UTSA support in all pilot countries. For further in-country support after the initial support following the needs assessment, SBDCs in pilot countries should be bound to achieve time-bound milestones as an incentive for SBDC performance. Those milestones should be part of an 18-months national SBDC implementation plan.

**Action suggested within next 6 months, recommendation targeted at OAS**
**Recommendation 14.** OAS should budget for UTSA Training of trainers support to establish certified trainers nationally and decrease external dependencies  
**Action suggested within next 6 months, recommendation targeted at OAS**

**Recommendation 15.** Engage with partners in Barbados, Dominica and Saint Lucia to support the final stages of SME policy development.  
**Action suggested within next 3 months, recommendation targeted at OAS**

**Recommendation 16.** Facilitate the use of experiences in implementing the SME policies in Belize and Jamaica for south-south exchange of practices with other pilot countries and countries joining the SBDC program in phase II  
**Action suggested within next 6 months, recommendation targeted at OAS**

**Recommendation 17.** Facilitate south-south exchanges about the development and implementation of strategies to access to affordable finance  
**Action suggested within next 6 months, recommendation targeted at OAS**

**Recommendation 18.** Explore options to include the insurance industry in the SBDC model to allow for risk sharing and stronger attraction of the commercial lenders.  
**Action suggested within next 12 months, recommendation targeted at OAS and UTSA**

**Recommendation 19.** Proceed with a dual approach of MSMEs trained and mentored by SBDC to engage in domestic markets and domestic supply chains as well as export markets, domestic markets often being the stepping stone to engage in export.  
**Action suggested within next 6 months, recommendation targeted at OAS and UTSA**

The logical flow from key findings to conclusions and the 19 recommendations is shown in detail in Figure 7 below.
**Figure 7: Logical flow from key findings to conclusions and recommendations**

The following table lists main findings, conclusions and recommendations. The purpose is to show the flow from key findings to conclusions and recommendations. At the same time the table aims to underpin the robustness of this logic.

<table>
<thead>
<tr>
<th>Main findings</th>
<th>Conclusions</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relevance:</strong> Are SBDCs doing the right thing in CARICOM?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| OAS: Alignment to the Charter of OAS, the Strategic Plan for Partnership for Integral development 2006-2009, various OAS resolutions and the Declaration of Mar de Plata and Plan of Action | Relevance of SBDC program in CARICOM member states is given for OAS and U.S. Department of State based on their mandates and strategic planning | Short-term – OAS
1. Continue with planning for phase II of the SBDC program in CARICOM member states to deepen engagement with pilot countries and start engaging with a smaller number of new countries (see also recommendations 13 to 18) |
| U.S. State Department: “Strategic Plan FY 2014 – 2017” of the U.S. Department of State and USAID in the areas of economic reach (trade, inclusive economic growth), global security (reaching youth at risk to get dragged into often drug related crime) and rather unexpectedly democratic governance (accountability of governments and leaders to the people) | In a climate of prolonged economic slowdowns in national economies five CARICOM member states see relevance of SBDC model despite multiple on-going SME support activities; coordination role of SBDC due to accountability element; relevance given for youth and women | Short-term – OAS
2. Use the element of accountability as a criteria to select additional countries to join the pilot countries in phase II of the program: Only new countries scoring high in the appreciation of the accountability mechanics should be selected for phase II, as this is a precondition for a respected SBDC coordination role, as shown in the pilot countries. |
| CARICOM member states: SBDC only model to assess results in terms of economic impact of MSMEs, which gives SBDC a coordination role in an environment of multiple, often disperse SME support activities; wider relevance for governments facing prolonged economic slowdowns in national economies and having to invest scare resources strategically | | |
| Relevance of entrepreneurship development for women and youth due to the disadvantaged role of women in the national economies and high youth unemployment | Verification of SBDC theory of change showing need to further adapt the SBDC model to the Caribbean context | Short-term – OAS and UTSA
3. Further adapt the SBDC model to the context of CARICOM member states for phase II of the program. This is particularly relevant for new countries joining the pilot countries. The theories of change and SBDC program performance should be validated in a light mid-term evaluation 18 months after the start of the program’s phase II |
<p>| Relevance of entrepreneurship development for women and youth due to the disadvantaged role of women in the national economies and high youth unemployment | | |
| Inclusion of micro enterprises, pre-ventures and informal businesses in SBDC, unlike in the U.S. model | | |
| Skills development topics addressed are more basic than in the US | | |
| MSME’s are predominantly operating outside the export business and linkages to SBDC global less relevant | | |
| Challenges to engage lending institutions as the main bottleneck | | |
| Linkages to the domestic supply chains absent from the SBDC model | | |</p>
<table>
<thead>
<tr>
<th>Planning process with insufficient needs assessment, stakeholder mapping or analysis of on-going MSMS support in pilot countries</th>
<th>Sub-optimal planning process, lacking important elements as a basis for even more efficient implementation</th>
<th>Short-term – OAS 4. For phase II of the programme, planning needs to be strengthened and systematized. Needs assessment, stakeholder mapping and analysis of on-going MSMS support in the countries should be the basis for country theories of change, country logframes and results-monitoring frameworks. Those should be developed in a participatory way with countries joining in phase II.</th>
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<tbody>
<tr>
<td>Implementation:</td>
<td>Generally good implementation, with more time required for program implementation to manage the risks of a cultural shock for the region; SBDC model needed careful introduction in the CARICOM context. Hands-on management style form OAS and United States Permanent Mission to the Organization of American States required partly to make up for shortcoming in program planning</td>
<td>Short-term – United States Permanent Mission to the Organization of American States 5. Allow for a three year cycle for phase II of the SBDC program in CARICOM member states</td>
</tr>
<tr>
<td><strong>•</strong> Generally good project management</td>
<td><strong>•</strong> Hands-on OAS role, particularly after project manager joined; timely and quality support by UTSA and diplomatic support through United States Permanent Mission to the Organization of American States and U.S. embassies; Caribbean Export less involved as program matured following staff turn over and competing priorities; role of academia less well defined</td>
<td><strong>•</strong> Implementation required three rather than two years, as originally planned</td>
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<td><strong>•</strong> Implementation required three rather than two years, as originally planned</td>
<td><strong>•</strong> Communication: SBDCs and SBDC network partners would have liked to further explore learning across the five CARICOM member states in the process of setting up the centres</td>
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<td>See recommendations 15 and 15 on south-south exchange of experiences, expertise and knowledge.</td>
</tr>
<tr>
<td>Policy cycle in CARICOM member states influenced efficiency, e.g. when new government took change in Dominica, which brought implementation close to a stand-still</td>
<td>While snap elections are unpredictable in democratic systems, the election calendar can guide the selection of program countries to ensure that as much as possible of a legislative period is available for program implementation</td>
<td>Short-term – OAS 7. Use the official election calendars of candidate countries for phase II of the SBDC program as a criteria for eligibility. If elections are scheduled within the program cycle, eligibility should decrease</td>
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</table>
### Effectiveness: were program results achieved and how?

| **It is too early to judge the SBDC program based on results related to economic indicators, as four out of five centres were only recently launched and training has only started in Belize** | **While impressive results have been achieved in Belize due to a strong SBDC, which successfully coordinates and leverages on-going MSME support activities, the evaluation is inconclusive of the overall effectiveness of the SBDC program in CARICOM member states due to delays in launching the centres in four of the five pilot countries. The groundwork is laid for SBDC’s operating in all five pilot countries. However, in Saint Lucia the momentum for change might pass if SBDC is not swiftly activated** | **Short-term – OAS and U.S. Embassy in Saint Lucia**
8. Engage diplomatically with the Ministry of Commerce in Saint Lucia to ensure that SBDC is placed in the appropriate organisational structures with strong internal leadership for roll out of SBDC trainings with network partners.
Issues of wider institutional reform should be supported diplomatically and financially as part of the needs assessment of SBDC Saint Lucia.** |
| Organisational strengthening for SBDC implementation was successful in Belize through an entrepreneurial approach taken by Beltraide. In Barbados, SBDC's are strong and committed to hit the ground running while in Saint Lucia issues of organisational restructuring aim to better place SBDC. Until this process is concluded, the SBDC network might not have the required strength for coordinating multiple on-going initiatives | **High ratings for understanding of SBDC model, national SBDC pilot programs functioning, creation of small business networks and the overall satisfaction of results achieved to date, particularly in Barbados and Belize** | **Short-term – OAS**
9. All five pilot countries should be included in phase II of the SBDC program in CARICOM member states. The program still has a role to play in the pilot countries with regard to: south–south exchange in areas such as a) technical expertise in developing and implementing SME policies, b) experiences in the use of NeoSerra, c) strategies to involve academia and lending institutions, d) experiences in exploring domestic and export markets, e) lessons from targeting SBDC training to stakeholder groups and by economic sectors** |
| **Strengths:**
- Results focus of the model unique to SME development interventions
- Unique strategic alliance between public sector, private sector (e.g. banks) and academia. | **The groundwork is laid for SBDC’s operating in all five pilot countries** | **No direct recommendation** |
| **Weaknesses:**
- Program assumption of high organisational capacities and structures with clear roles and responsibilities in the SME sector in CARICOM member states does not hold true
- Partner visits to San Antonio and Washington DC took place too late for a full appreciation of the model and certification training
- Emphasis was put too late on changes in the enabling environment. | **For phase II, options for concrete changes in the sequencing of rolling out the SBDC model in CARICOM member states emerge**
Existing capacities for SME development in CARICOM member states are now clearer for program management | **Short-term – OAS and UTSA**
10. Adapt the sequencing of the program:
- invite new countries joining the program early on to a visit to San Antonio and Washington DC for a better understanding of the model and relevance of certified training;
- Engage in the development of SME policies for new SBDC countries in CARICOM member states as early as following the initial visit to the U.S.** |
### Opportunities
- SBDC actually going beyond SME units in host institutions and driving a results agenda for wider economic development (Saint Lucia, Barbados)
- SBDC’s potential for systemic change in governments

### Threats
- Other stakeholders might benefit from proliferation of SME interventions and block streamlining to defend their turf
- Apprehension of stronger accountability in rigid bureaucratic structures with no results culture
- Government abuses NeoSerra results for blaming and shaming rather than management
- Use of a results culture to harness fear rather than openness for reflection, learning and management based on results for continuous improvements

### Likelihood of sustainability: Are conditions for lasting results created?
- An appreciation of the SBDC model is well anchored in all five SBDC countries
- Governments show ownership by funding SBDCs and examples show that funding can be further ensured either through proposals to other donors (Belize) or through dovetailing existing government initiatives (Barbados)

<table>
<thead>
<tr>
<th>Effectiveness (Continued)</th>
<th>OAS and the U.S. Department of State have the opportunity to stipulate systemic change in CARICOM member states. The accountability element of SBDC opens options for positive unintended impact on wider governance in the region.</th>
<th>Long-term – United States Permanent Mission to the Organization of American States and U.S. embassies in relevant CARICOM countries: 11. Promote the SBDC model with partner governments also as a means of enhancing democratic governance to foster greater accountability of institutions and leaders to the people, in line with the Strategic Plan 2014-2017 of the U.S. Department of State and USAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treats to SBDC’s accountability element are related to its improper use and misunderstanding how to manage such a system and how to interpret results.</td>
<td>Medium-term – OAS 12. When engaging new countries joining the SBDC program, OAS should emphasis the element of accountability but also explain how such a system should be used to avoid potential future abuse due to misunderstanding the NeoSerra element.</td>
<td></td>
</tr>
<tr>
<td>Though it is too early to assess the sustainability of the SBDC program in CARICOM member states due to the absence of results in four out of five countries, the likelihood of sustainability can be assessed and results are promising</td>
<td>Short-term – OAS See recommendation 4</td>
<td></td>
</tr>
<tr>
<td>Stakeholders appreciate the model and governments show commitments to fund SBDCs</td>
<td>Medium-term – OAS 13. OAS should facilitate remote mentoring through UTSA support in all pilot countries. For further in-country support after the initial support following the needs assessment, SBDCs in pilot countries should be bound to achieve time-bound milestones as an incentive for SBDC performance. Those milestones should be part of a 18-months national SBDC implementation plan.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium-term – OAS 14. OAS should budget for UTSA Training of trainers support to establish certified trainers nationally and decrease external dependencies</td>
<td></td>
</tr>
<tr>
<td>Likelihood of sustainability (continued)</td>
<td>Sustainability in terms of changes in the enabling environment is observed in Belize and Jamaica while Barbados, Dominica and Saint Lucia are in the final phases to create SME policies</td>
<td>The enabling environment for SME’s has changed in Belize and Jamaica, while policy processes are in the final stages in the other three countries where OAS still has a role to play in providing high-level diplomatic support</td>
</tr>
<tr>
<td></td>
<td>Access to affordable finance is the major bottleneck in all five SBDC countries. Strategies to overcome this barrier emerge in Belize, Barbados and Saint Lucia. A role merges for the insurance industry in this respect to facilitate risk sharing for commercial lenders through SME insurances</td>
<td>The bottleneck of access to affordable finance persists and requires strategies in all five countries to overcome this barrier; a potential for cross-country sharing and uptake of innovative models emerges. A role for the insurance industry could be one innovative strategy to address the problem</td>
</tr>
<tr>
<td></td>
<td>Market access of MSME through the SBDC global platform is only partly relevant in CARICOM countries and not suited to address market access sustainably</td>
<td>Market access beyond the focus on export is a reality for MSMEs in the Caribbean and a needs to be included in the SBDC model to ensure a broader basis for commercial sustainability. The domestic markets and domestic supply chains play an important role.</td>
</tr>
</tbody>
</table>

Key: Short-term = action suggested within next 3 months, medium-term = action suggested within next 6 months, long-term = action suggested within next 12 months
Annex 1: Terms of Reference

SECRETARY GENERAL OF THE
ORGANIZATION OF AMERICAN STATES

PROJECT EVALUATION

TERMS OF REFERENCE

WASHINGTON DC
(Individual Consultancy)

Evaluation of the Small Business Development Centres Program in the Caribbean
1. **Background**

**Evaluation of Project Results at the OAS**

Through the US Permanent Mission to the OAS, the Department of Planning and Evaluation has been requested to coordinate an external evaluation of the project entitled “Establishment of Small Business Development Centres (SBDCs) in CARICOM Member States”. This evaluation forms part of the wider programme of formative and summative evaluations of projects executed by the OAS General Secretariat. These efforts coordinated by the Department of Planning and Evaluation began over five years with the evaluation of initiatives financed by the Spanish Fund for the OAS and has been extended to operations financed by other donors, such as Canada and the United States of America. These evaluations, in addition to systematizing and documenting the results of the interventions, have the goal of capitalizing on these experiences for the improvement of future project and programme formulations and designs, and institutionalize best practices in monitoring and evaluation within the Organisation.

**The Caribbean SBDC Project**

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

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

1. The absence of a specific legislative framework for SMEs or inadequate legislation and the lack of structures to efficiently support regional and national policies on SMEs
2. Limited access to capital markets
3. SME initiatives that are often fragmented and uncoordinated
4. Low levels of productivity and quality which impact on the overall competitiveness of Caribbean countries
5. Limited research and technology
6. Difficulties in internationalization of the sector
7. The inadequacy of special support programmes to assist vulnerable groups such as women, youth and rural producers.
8. Programmes for the development of the sector are often tied to social programmes which are often unsustainable.

In recognition of these and several other issues, the Department of Economic and Social Development in partnership with Caribbean Export Development Agency and the University of Texas in San Antonio organized the Regional Workshop “Promoting and Improving SME Competitiveness and Productivity in the Caribbean” which was held in San Diego California in September 2011. The purpose of the workshop was to strengthen the capacity of institutions that support, assist and train micro, small and medium sized enterprises in the Caribbean through the sharing of best practices and success stories on international trade and innovation in the United States and Latin America.

It was also at this workshop that the U.S. SBDC model was presented and the seeds for the Caribbean SBDC project were sown, resulting in a pilot programme being adapted in five countries namely, Barbados, Belize, Dominica, Jamaica and Saint Lucia. This pilot project, which was funded by the United States Government through the U.S. Permanent Mission to the OAS, was conceptualized to focus on the transfer of the U.S. Small Business Development Centre model to the Caribbean and was designed to provide a vast array of technical assistance to small businesses and aspiring entrepreneurs. The model has successfully been in existence in the United States for over thirty – five (35) years and has contributed to the enhancement of economic development in the United States through the provision of critical management and technical assistance to small businesses. As a result of the no cost, extensive, one-on-one, long term professional business advising,, low – cost training and other specialized services to SBDC clients, the programme remains one of the United States’ largest small business assistance programmes in the federal government. The strength of the programme is also derived from the cooperative effort of the private sector, the educational community and federal, state and local governments.

In the context of evaluating the compatibility of the SBDC model with other existing business development programmes in beneficiary countries, it is important to emphasize the flexibility and capacity of the model to successfully expand SBDCs not only in the United States but also throughout Latin America. The model has proved flexible enough to operate in different cultural, economic and social settings,
as well as coexist and integrate with other business development programmes such as business incubators in Mexico and a cluster programme in El Salvador.

The approach of the SBDC model is simple but in many ways powerful as it:

1. Thrives on the joint investment of three key sectors; academia, public and private sectors to combine efforts and funds in order to guarantee the sustainability of the programme and eliminates inefficiencies and duplication of efforts among agencies.

2. Focuses on high value, long-term, one-on-one assistance to help clients generate sustained economic impact that would lead to the establishment of new businesses, job creation, increases in sales and access to capital.

3. Promotes a results oriented culture where SBDCs and the service professionals are continuously evaluated in terms of the economic impact generated through client work.

Since the introduction of the SBDC model in 2012, Belize has been diligent in its implementation progress and has been able to successfully adapt the SBDC model and launched its first pilot in October 2012. SBDC-Belize was created as a specialized unit within the framework of the overarching Belize Trade and Investment Development (BELTRAIDE) organization. To date the unit is serviced by a staff of four persons including a Director, Senior Business Advisor, Business Advisor and Training and Administrative Assistant. During the two years since its inception the Unit has been providing services to four tiers of clients; pre-ventures, informal businesses, start-ups and established businesses, and has been able to achieve the following promising results at the output and outcome levels:

<table>
<thead>
<tr>
<th>Belize SBDC Statistics</th>
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</thead>
<tbody>
<tr>
<td>Total Number of Clients</td>
</tr>
<tr>
<td>Total Active Clients</td>
</tr>
<tr>
<td>Total In-Active Clients</td>
</tr>
<tr>
<td>Total Client Advisory Hours to date</td>
</tr>
<tr>
<td>Total Capital Funding Accessed</td>
</tr>
<tr>
<td>Total Capital Funding in Progress</td>
</tr>
<tr>
<td>(2014)</td>
</tr>
<tr>
<td>Total Change in Sales</td>
</tr>
<tr>
<td>Total Business Plans Created</td>
</tr>
</tbody>
</table>
The pace has been somewhat protracted in the remaining four pilot countries, namely Barbados, Dominica, Jamaica and Saint Lucia. This was due in many instances to a slow legislative process, which required cabinet approvals for certain key activities, the lack of a dedicated core team in the initial stages of the project, changes in the country’s focal point/ points of contact and lack of inter-agency coordination have all contributed to miring the advancement of the project in these four pilot countries. Further, the lack of financial and human resources and a sobering economic outlook has also been a critical point of concern hindering progress and has also to some extent dampened the enthusiasm for the project.

In an effort to address these challenges it was recognized that more time was needed to conduct technical visits in country to ensure the successful transference and adaptation of the model was achieved. To achieve this objective additional funding was redirected towards these tasks in the project to provide greater support. Additionally to ensure greater communication with and responsiveness to country needs a consultant was contracted charged with the responsibility for consistent monitoring and reporting. With this further “handholding” the project seems to have been revitalized in the remaining four countries which have exhibited greater confidence in launching their SBDC pilots.

As the pilot project draws to a close it is important to note that the U.S. Government through the U.S. Permanent Mission to the OAS has signalled its commitment to providing further financial support to a second phase of the project. This phase would not only seek the expansion of the model to new recipient countries, but will also build on the assistance given to the pilot countries in the first phase, however in more targeted areas.

2. Objective
Thus the purpose of the evaluation exercise is to assess the performance of the SBDC model in the beneficiary countries, by reviewing its results and comparing them to those established in the project objectives. It will serve to evaluate the process of the project design and formulation, its relevance to the CARICOM region, and to assess the efficiency and effectiveness with which resources have been used to generate results. More generally, the findings of the evaluation will help the OAS Secretariat and the participating Member States to draw lessons for future support in the development of the Small and Medium Enterprises Sector in the Caribbean region. The evaluation report is also expected to measure the effects of the project upon the SME support institutions in the beneficiary countries, including the results of the project’s institutional capacity building programme.

Additionally, the evaluation would seek to answer where possible the following questions:

1. Has the project adequately laid the foundation for organizations to be better positioned and equipped to address SME issues in the respective countries?
2. To what extent have the partnerships contemplated by the model (i.e. public, private and academia) to promote MSME support and development been strengthened?
3. To what extent have these partnerships contributed to the support and increased participation of vulnerable groups like women and youth?
4. To what extent is the model compatible with existing locally funded MSME support initiatives?

3. Specific Objectives of the Evaluation

The primary objectives of the evaluation are as follows:

1. Determine the extent to which the project outputs and outcomes have been achieved taking into account the completed activities.
2. Develop indicators where they are lacking to be used in assessing the achievements of the project so far in the beneficiary member states.
3. Assess the relevance, effectiveness and efficiency of the interventions as well as the sustainability of the results, and the degree of satisfaction of the beneficiaries as defined in the project document.
4. Evaluate the appropriateness of the methodologies used for implementing the project, paying particular attention to sustainability issues.

5. Critically review the roles and responsibilities played by various partners and stakeholders in the project implementation. The review of the roles and responsibilities should also offer recommendations for institutional mechanisms and implementation arrangements that would improve the delivery of the Caribbean SBDC project’s objectives.

6. Assess the effectiveness and efficiency of coordinating mechanisms between the OAS Secretariat and Member States to plan, implement and monitor the project.

7. Identify major internal and external factors that influenced or impacted on the implementation of the project and evaluate their implication on future interventions.

8. Highlight lessons learnt from the project and make recommendations for future policies and/or strategies for SME intervention in the region.

9. Assess the effectiveness of the intervention in addressing issues of exclusion of vulnerable groups, including women and youth, and to the particular influence of the intervention upon these groups.

10. Assess if and how the project addressed the crosscutting issue of gender perspective and to what result.

As a part of this evaluation is the intention to develop, where possible, indicators against which progress towards achieving results can be measured in the future. Thus, an important product of the evaluation will be to identify information needs and propose a framework and/or mechanism for collecting empirical data for future monitoring and evaluative work.

4. SCOPE OF EVALUATION

The evaluation will provide a general assessment of the achievements to date within the Caribbean SBDC Programmes across all five (5) pilot countries, including a more in-depth focus on three (3) of the five (5) countries. During the inception mission the criteria for selection of the countries will be discussed with the consultant. The evaluation will also look for examples of how SMEs are supported within other
programme areas. The report shall include references to background information and existing analysis of the context and trends in the sector in the relevant countries.

5. ACTIVITIES

The consultant shall work in close cooperation with SEDI/DED, who will in turn designate a member of their staff to facilitate the evaluation process. The evaluation process will take a participatory approach and take account of the views of all key stakeholders. In general the evaluation will be based on interviews, analysis of documents, field visits, use of relevant evaluation instruments (i.e. application of surveys, focus groups etc.) and all available data sources as required. In addition the consultancy shall:

1. Develop a brief work plan and evaluation framework, for the consultancy, including the description of the activities to be performed and the products as well as the order and focus of each. Such work plan will start with the inception mission.

2. Conduct an inception mission to OAS headquarters to meet with key stakeholders directly related to the execution of the programme.

3. Develop an evaluation plan to include: i) a brief description of the methodology; ii) a plan for the collection and analysis of information; iii) a simple evaluation matrix for the collection and evaluation of information that will assess the main areas of the project regarding: relevance, efficiency, efficacy, and sustainability (to the point where it is possible to gain that information) this evaluation will include face-to-face and phone interviews, so this matrix will include the questionnaire to be used as a tool for those interviews; iv) a timeline for information collection, analysis, and production of reports; and v) a tentative table of contents for the final evaluation, among other things. The evaluation should be based on qualitative and quantitative (statistics gleaned from analysis of documents) and the opinions of key stakeholders.

2. Review of key documents in the execution of the project, among them: the project proposal, logical framework used for the design and implementation of the project, indicators, and results achieved to date; progress reports on the execution of the project to date, and financial documents, among other things. The submission date and quantity of documents to be reviewed will be fixed before the signature of the contract.

3. The consultant will also develop a logical framework for the project against which the SBDC model adaptation and implementation can be monitored and reviewed. This will be representative of the programme’s objectives and theory of
change and will include quantifiable outputs and outcome indicators and targets, appropriate means of verification and risks/assumptions.

4. The consultant will measure the performance of the project in terms of its efficiency and in any way possible, its efficacy. The consultant will use the indicators of the project, project documents, interviews with key actors, and field visits to achieve this. In particular the consultant will establish if the actions taken in the name of reaching the objective of the project generated changes in the actions and ways of doing things within the areas involved and beneficiaries of the project.

5. Conduct an analysis of the achievement of project objectives, design, and general conceptualization of the problems and project actions taken to offer a solution to such issues. In doing so the consultant will determine if the interventions as originally designed in the project are adequate approaches for addressing the principle causes of the problems identified in the sector targeted by the project.

6. Evaluate the viability of the model of intervention used (distinct organizational areas participate in the development, design, execution, monitoring, and evaluation of a project), identify lessons learned, and make relevant recommendations that could improve this type of project. Make recommendations for outcome indicators to be used in the future of this project.

7. Critically analyse the compatibility of the SBDC model with other existing small business support and development programmes within the individual country context.

1. OUTPUTS, DELIVERY REQUIREMENTS AND SCHEDULE OF PAYMENTS

The consultancy will generate the following products:

i) A draft detailed work plan

ii) An evaluation framework to assess the efficiency and effectiveness of the program.

iii) Logical framework for the project, representative of the programme’s objectives and theory of change and including quantifiable outputs and outcome indicators and targets, appropriate means of verification and risks/assumptions.

iv) An analysis of the viability of the model of intervention used.
v) An analysis of the compatibility of the SBDC model with other existing small business support and development programmes within the individual country context

vi) A mid-term report and PowerPoint presentation including all analysis.

vii) A final assessment of the project. The final report: (i) should not exceed 70 pages (letter size and font Times New Roman 12); (ii) should be accompanied by an executive summary of no more than 5 pages; (iii) should include without limitation, any annexes the consulting team deems appropriate; and (iv) should be delivered in electronic format.

1.1. The consultancy will have the following payment schedule and perform the following deliveries:

i) 20% upon the signing of the contract.

ii) 20% upon the delivery and approval by OAS of an evaluation framework, including the work plan and the protocol and instruments for the evaluation of program results.

iii) 30% upon the delivery and approval by OAS of a mid-term report including, among others a brief summary of the planning and progress on the measurement of program results and indicators, and a PowerPoint presentation in OAS headquarters.

iv) 30% upon the delivery and approval by OAS of a final report on program results, and a PowerPoint presentation in OAS headquarters.

2. QUALIFICATIONS AND SELECTION OF THE CONSULTANT

The Consultant will ideally be an individual with post graduate qualifications in international development, business development, economics or any other relevant discipline from an accredited institution and must demonstrate at least ten (10) years of experience in the areas of programme and project evaluation. Experience in Small Business Development, MSME support programmes, and the institutional strengthening of MSME support institutions is a plus. Strong proficiency in English and experience working in the English Speaking Caribbean is required.
3. PROCUREMENT PROCESS AND EVALUATION CRITERIA

3.1. The selection process will follow the procurement policies and procedures contained in the various policy documents of the GS/OAS, thus ensuring the application of the principles of competitiveness and transparency with the ultimate goal of awarding the contract to the individual with more merit.

3.2. The Department of Economic Development will put together a team of at least four OAS officials, with at least one representative from the Department of Planning and Evaluation, to assess the CVs. The team will assess the following criteria:

1. Specific experience of the individual pertinent to the tasks within the TORs;
2. Qualification of consultants and work competency, considering the following sub – criteria: General Qualifications; work competency; experience in the region; and oral and written knowledge of the English Language

DURATION

The consultancy shall consist of at least forty (40) non consecutive working days between March and May 2015.
Annex 2: Full evaluation methodology

In the absence of a program logframe, the Lotus M&E Group coincided with the choice of a theory based evaluation, as partly stipulated in the evaluations ToR.

Figure 1: Concept of theory-based evaluation

Theory-based evaluation specifies intervention logics, also called “theories of change” that are tested in the evaluation process. The theory of change is built on a set of assumptions and how the program designers think change will happen. Logically it is linked to the reconstructed logframe of the SBDC program.

The added value of theory-based evaluation is that it further elaborates the assumptions behind the Program, as well as linkages between output, outcomes and impact. In addition, the approach highlights stakeholder needs as part of a situation analysis. The situation analysis also identifies barriers to MSME’s growth, innovation, productivity and revenue. Analyzing the Programs’ response as well as results follow. Figure 2 outlines the theory-based evaluation approach, based on a concept developed by the University of Wisconsin.

The Consortium of International Agricultural Research Centers (CGIAR, 2014) underscores the importance of learning stipulated by the theory-based evaluation approach: “A key premise is that testing assumptions during implementation will help us learn, improve, contribute to adaptive management, and so increase our likelihood of achieving development outcomes. Hence an important part of our M&E system is developing theories of change and testing them through cycles of reflection, planning, and action.”

18 The Lotus M&E Group’s evaluation specialist Dr Achim Engelhardt repeatedly and successfully applied this approach for evaluations on behalf of the UK’s Department for International Development (DFID) and most recently for the evaluation of five global programs, a new aid instrument of the Swiss Foreign Ministry’s Development Cooperation (SDC).

The following *evaluation tools and processes* were used for this program evaluation:

1. Document review;
2. Inception mission to OAS to meet the Department of Planning and Evaluation, the Department of Economic and Social Development implementing the program and the representative of the United States Permanent Mission to the Organization of American States;
3. Theory of Change focus group interview with program stakeholders in OAS and in the project countries to be visited;
4. Program evaluation questionnaire for individual interviews during the field visits to three out of the five program countries; feedback meeting in OAS, followed by a teleconference as part of preparing the mid-term or “inception report”;
5. Use of the same questionnaire for telephone interviews with stakeholders in the other two program countries and other relevant program stakeholders such as the University of Texas in San Antonio;
6. Presentation of emerging evaluation findings to OAS via Skype conference call, following the field visits and data analysis;
7. Draft evaluation report for feedback to OAS;
8. Finalization of evaluation report and presentation to OAS in Washington DC.

**Annex 3: Bibliography**

Caribbean Development Bank, 2014: Building growth into the Caribbean sustainability agenda – The role of entrepreneurship


U.S. Department of State and USAID, 2013: Strategic Plan FY 2014 – 2017 of the U.S. Department of State and USAID

Charter of the Organization of American States; Inter-American Democratic Charter; Strategic Plan for Partnership for Integral Development 2006-2009 (in force through 2011);

AG/RES. 2089 (XXXV-O/05) Strengthening of Micro, Small, and Medium-Sized Enterprises

AG/RES. 2591 (XL-O/10) The Importance of Tourism Cooperation in the Americas;
AG/RES. 2561 (XL-O/10) Promotion of Women’s Human Rights and Gender Equity and Equality;

Declaration of Commitments of Port of Spain (VI Summit of the Americas, 2009);

Declaration of Mar de Plata and Plan of Action (V Summit of the Americas, 2005).

**Annex 5: Evaluation questionnaire**

**For project managers and implementation partners** (public sector, private businesses and academia)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organization/Enterprise</th>
<th>Date</th>
</tr>
</thead>
</table>

(A) Relevance

To what extent does the SBDC model and choice of activities relate to skills/business needs priorities in your organization/country?

<table>
<thead>
<tr>
<th></th>
<th>Very high</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Very low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance for</td>
<td></td>
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<tr>
<td>skills needs</td>
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<tr>
<td>Relevance for</td>
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<td></td>
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<tr>
<td>business needs</td>
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</tbody>
</table>

*Please explain:*

2. Is the SBDC model specifically responding to the needs of female entrepreneurs, youth or other groups underrepresented in SBDC countries' MSME sector? Yes or no? Please explain.

<table>
<thead>
<tr>
<th>Female entrepreneurs</th>
<th>Yes</th>
<th>No</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2a. Relevance to</td>
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<td></td>
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<tr>
<td>skills needs</td>
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<td>2b. Relevance to</td>
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<tr>
<td>business needs</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Youth</th>
<th>Yes</th>
<th>No</th>
<th>No answer</th>
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</thead>
<tbody>
<tr>
<td>2c. Relevance to</td>
<td></td>
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<td></td>
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<tr>
<td>skills needs</td>
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<tr>
<td>2d. Relevance to</td>
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<tr>
<td>business needs</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Others (please</th>
<th>Yes</th>
<th>No</th>
<th>No answer</th>
</tr>
</thead>
</table>
2c. Relevance to skills needs

2d. Relevance to business needs

3. How does the project relate to those needs?

*Please explain:*

4. Is the project complementary to government’s or other donor initiatives to stipulate the MSME sector in your country? Yes or no? Please explain.

*Please explain your assessment:*

(B) Efficiency: appropriate use of resources

5. Were the roles and responsibilities played by various partners and stakeholders in the project planning and implementation appropriate to achieve results? Yes or no? Please explain.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UTSA</td>
<td></td>
<td></td>
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<tr>
<td>Caribbean Export</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public sector partner(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academia in country</td>
<td></td>
<td></td>
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<tr>
<td>Private sector partner(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor USA</td>
<td></td>
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</tbody>
</table>

*Please explain your assessment, especially where difference in the performance during planning and implementation occur.*
6. Have these partnerships (public, private and academia) contributed to the support and increased participation of vulnerable groups like women and youth? Yes or no? Please explain.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UTSA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caribbean Export</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public sector partner(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academia in country</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector partner(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor USA</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain your assessment:

7. To what extent did the coordinating mechanisms function between the General Secretariat of the Organization of American States and Member States to plan, implement and monitor the project?

<table>
<thead>
<tr>
<th>Coordination for:</th>
<th>Very high</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Very low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical backstopping</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Technical inputs from UTSA</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Please explain your assessment:

8. To what extent could the same results have been achieved for less money or more quickly?

Please explain:
### Effectiveness: achievement of project results

9. To what extent have project activities achieved the planned objectives?

<table>
<thead>
<tr>
<th>Achievement of planned objectives</th>
<th>Very high</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Very low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of growth, innovation, productivity and revenue for small businesses through improvements to their business administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creation of sustainable small business assistance networks in your country based on the proven U.S. SBDC model</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understanding of the SBDC Model and support for its adaptation to the Caribbean conditions promoted within governments, higher-education institutions, and private business sectors in countries of the CARICOM region, taking into consideration the particular needs of women entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National SBDC pilot programs functioning in your country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved capacity of emerging Caribbean SBDC to deliver effective and efficient MSME assistance services, taking into consideration the particular needs of women entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results for youth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results for women</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall satisfaction with results achieved</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Please explain your assessment and the reasons influencing the progress made to date:**

10. Has the project adequately laid the foundation for organizations to be better positioned and equipped to address SME issues in the respective countries? Yes or no? Please explain. Please explain.

11a. What are major internal or external factors that influenced or impacted on the implementation of the project?

**Please explain your assessment**
11b. What are their implication on future interventions?

*Please explain your assessment*

12. What are the major strengths of the project and what are the major weaknesses?

*Please explain your assessment*

(D) Sustainability: lasting results?

13. To what extent are SBDC results lasting in your country once OAS support ceases?

<table>
<thead>
<tr>
<th>Ownership over SBDC model: appreciating the approach</th>
<th>Very high</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
<th>Very low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership over SBDC model: funding the approach?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policies and frameworks in place to enable the implementation of the model</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSME’s access to finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linking to domestic or foreign markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. Have exit strategies been agreed with project implementers to fully hand over responsibilities at the end of the SBDC program? Yes or no? Please explain.

*Please explain your assessment:*
Annex 6: SBDC logframe

<table>
<thead>
<tr>
<th>PROJECT TITLE</th>
<th>OAS Establishment of Small Business Development Centers in CARICOM Member States (SBDC) (version 31 March 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPACT (the global change we wish to contribute to)</td>
<td></td>
</tr>
</tbody>
</table>
| Contribution to promoting of growth, innovation, productivity and revenue for small businesses through improvements to their business administration | Growth related: a) Number of new businesses opened (male/female managed)  
b) $ in new sales generated                                                                 | a) 0                                                                                             |                                                                                                 |                                                                                               | [Applicable only at “output to outcome” and “outcome to impact” level].                           |
<p>| Source                                                                        | SBDC tracking                                                                                             |                                                                                                  |                                                                                                 |                                                                                                 |                                                                                               |
| Employment related: a) Number of jobs created (Male/female, employees &lt;25 years of age); b) Number of jobs retained (Male/female, employees &lt;25 years of age); | a) 0                                                                                             | b) 0                                                                                             |                                                                                                 |                                                                                                 |                                                                                               |
| Source                                                                        | SBDC tracking                                                                                             |                                                                                                  |                                                                                                 |                                                                                                 |                                                                                               |
| Access to finance and tax related: a) $ new financing obtained; b) $ new tax revenues/ration to initial project investment | a) 0                                                                                             | b) 0                                                                                             |                                                                                                 |                                                                                                 |                                                                                               |
| Source                                                                        | SBDC tracking                                                                                             |                                                                                                  |                                                                                                 |                                                                                                 |                                                                                               |
| OUTCOME (what will change and who will)                                       | Indicator P.1                                                                                             | Baseline – 2011                                                                                   | Milestone 2012                                                                                   | Milestone 2013                                                                                   | Target – 2014                                                                                   | Assumptions                                                                                   |
| (outcome measure)                                                             |                                                                                                            |                                                                                                  |                                                                                                 |                                                                                                 |                                                                                                 | Developmental assumptions                                                                       |</p>
<table>
<thead>
<tr>
<th>Benefit</th>
<th>Number of SBDC clients in the Caribbean linked with established SBDCs via SBDCGlobal.com network.</th>
<th>a) 0</th>
<th>Source: SBDC tracking</th>
<th>(Linking Outcomes to Impact)</th>
<th>Partners in education, public and private sectors with the mandate, willingness and capacity to cooperate SBDC is accepted as a means to eliminate duplication and inefficiency by dovetailing MSME support under one model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator P.2</td>
<td>Baseline – 2011</td>
<td>Milestone 2012</td>
<td>Milestone 2013</td>
<td>Target – 2014</td>
<td>Number of countries with SBDC Accreditation and Quality Standards</td>
</tr>
<tr>
<td>Indicator P.3</td>
<td>Baseline – 2011</td>
<td>Milestone 2012</td>
<td>Milestone 2013</td>
<td>Target – 2014</td>
<td>Number of member countries of newly established and funded Caribbean Association of SBDCs</td>
</tr>
</tbody>
</table>

### OUTPUT 1 (Specific Direct Deliverable of the Project)

<table>
<thead>
<tr>
<th>Indicator 1.1</th>
<th>Baseline – 2011</th>
<th>Milestone 2012</th>
<th>Milestone 2013</th>
<th>Target – 2014</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding of the SBDC Model and support for its adaptation to the Caribbean conditions</td>
<td>a) Number of stakeholders from government, academia and private sector with understanding of the model (Per project country)</td>
<td>Source</td>
<td></td>
<td>Academia has the capacity to play its important role in the implementation of the SBDC model</td>
<td></td>
</tr>
</tbody>
</table>
Other government partners such as UN organizations or IFI’s are willing to coordinate their MSME assistance with OAS.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Number of countries with model adaptations undertaken based on feasibility studies/country assessments</td>
<td>a) 0</td>
<td>a) 1</td>
<td>a) 3</td>
<td>a) 5</td>
</tr>
</tbody>
</table>

Source: Project monitoring

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Number of key stakeholder groups completing training in SBDC Councilor and Director Certificate Program per country (government officials, chambers of commerce, universities, banks, export promotion agencies, future SBDC professionals)</td>
<td>a) 0</td>
<td>a) 3</td>
<td>b) 5</td>
<td>a) 6</td>
</tr>
</tbody>
</table>

Source: Project monitoring

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Number of women completing training in SBDC Councilor and Director Certificate Program; b) % of women trained in SBDC Councilor and Director Certificate Program</td>
<td>a) 25%</td>
<td>a) 35%</td>
<td>a) 40%</td>
<td>a) 50%</td>
</tr>
</tbody>
</table>

Source: Project monitoring
## EVALUATION OF THE SMALL BUSINESS DEVELOPMENT CENTRES PROGRAM IN THE CARIBBEAN

### OUTPUT 2

<table>
<thead>
<tr>
<th>Indicator 2.1</th>
<th>Baseline – 2011</th>
<th>Milestone 2012</th>
<th>Milestone 2013</th>
<th>Target – 2014</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>National SBDC pilot programs functioning in the Caribbean</td>
<td>a) Number of countries with legal/policy framework/cabinet note developed</td>
<td>a)</td>
<td></td>
<td>a) 5</td>
<td>Countries willing to undertake legal/policy framework development to enable SBDCs</td>
</tr>
<tr>
<td></td>
<td>a) Number of countries with at least one SBDC pilot center</td>
<td>a) 0</td>
<td>a)</td>
<td>a) 5</td>
<td>Project monitoring</td>
</tr>
<tr>
<td>Indicator 2.3</td>
<td>Baseline – 2011</td>
<td>Milestone 2012</td>
<td>Milestone 2013</td>
<td>Target – 2014</td>
<td>Source</td>
</tr>
<tr>
<td></td>
<td>a) Percentage of trained NEOSERRA users capable to apply the system</td>
<td>a) 0</td>
<td></td>
<td>a) 90%</td>
<td>Project monitoring</td>
</tr>
<tr>
<td>Indicator 2.4</td>
<td>Baseline – 2011</td>
<td>Milestone 2012</td>
<td>Milestone 2013</td>
<td>Target – 2014</td>
<td>Source</td>
</tr>
<tr>
<td></td>
<td>a) Percentage of countries with operational documents for SBDC’s developed</td>
<td>a) 0</td>
<td>a)</td>
<td>a) 100%</td>
<td>Project monitoring</td>
</tr>
<tr>
<td>Indicator 2.5</td>
<td>Baseline – 2011</td>
<td>Milestone 2012</td>
<td>Milestone 2013</td>
<td>Target – 2014</td>
<td>Source</td>
</tr>
<tr>
<td></td>
<td>a) Percentage of future advisors that graduate in certificate training</td>
<td>a) 0</td>
<td></td>
<td>a) 90%</td>
<td>Project monitoring</td>
</tr>
<tr>
<td>Indicator 2.6</td>
<td>Baseline – 2011</td>
<td>Milestone 2012</td>
<td>Milestone 2013</td>
<td>Target – 2014</td>
<td>Source</td>
</tr>
<tr>
<td></td>
<td>a) Number of countries with operational Steering Committee &amp; Project Implementation Team</td>
<td>a) 0</td>
<td>a)</td>
<td>a) 100%</td>
<td>Project monitoring</td>
</tr>
</tbody>
</table>
### Evaluation of the Small Business Development Centres Program in the Caribbean

<table>
<thead>
<tr>
<th>OUTPUT 3</th>
<th>Indicator 3.1</th>
<th>Baseline – 2011</th>
<th>Milestone 2012</th>
<th>Milestone 2013</th>
<th>Target – 2014</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a) Number of countries with more than one pilot SBDC center</td>
<td>a) 0</td>
<td></td>
<td></td>
<td>a) 5</td>
<td>Country willingness to finance SBDC and ensure their sustainability</td>
</tr>
<tr>
<td></td>
<td>Source</td>
<td>Project monitoring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Number of active members of the Regional Women’s mentorship program</td>
<td>a) 0</td>
<td></td>
<td></td>
<td>a) 10</td>
<td>Country capacity to comply with SBDC standards to be an accepted member of the regional network</td>
</tr>
<tr>
<td></td>
<td>Source</td>
<td>Project monitoring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Number of countries represented in the Regional Women’s mentorship program</td>
<td>a) 0</td>
<td></td>
<td></td>
<td>a) 5</td>
<td>Adapted SBDC models responding to the particular needs of women entrepreneurs in the Caribbean</td>
</tr>
<tr>
<td></td>
<td>Source</td>
<td>Project monitoring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 7: Barriers identified for MSME development in Barbados, Belize and Saint Lucia

<table>
<thead>
<tr>
<th>Category</th>
<th>Barbados</th>
<th>Belize</th>
<th>St. Lucia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to affordable finance</td>
<td>Partly addressed through access to public funding but still no access to commercial lenders</td>
<td>Access to seed funding from donor programs; engagement with La Imaculda Credit Union promising</td>
<td>Engagement with the Saint Lucia Development Bank but not yet with the commercial sector</td>
</tr>
<tr>
<td>Cost of doing business</td>
<td>Port charges, utilities</td>
<td>Utilities</td>
<td>High production costs (utilities, rent, materials, expensive testing overseas e.g. of nutritional facts)</td>
</tr>
<tr>
<td>Enabling environment</td>
<td>Perception of high levels of bureaucracy</td>
<td>Layers of taxation, cost and time for business registration encourages informality</td>
<td>Government policies: bankruptcy legislation; financial regulations; no one-stop shop for business registration; weak intellectual property protection</td>
</tr>
<tr>
<td>Capacities</td>
<td>Timely and accurate business information; communication of services</td>
<td></td>
<td>Gaps in expertise to engage in global market opportunities; gaps in technology; Standards as barriers to access foreign markets and use of standards not encouraged by cooperatives</td>
</tr>
<tr>
<td>Culture</td>
<td>Accountability system might not be welcomed by multiple stakeholders benefiting from less coordinated approach to SME development</td>
<td></td>
<td>Entrepreneurship as a necessity rather than an opportunity; not seen as long-term option with growth orientation; fear of becoming taxed</td>
</tr>
<tr>
<td>Shift in economy</td>
<td>Economic partnership agreement with European Union interesting but beyond the reach of most SMEs due to high quality standards and other non-tariff barriers</td>
<td>Preferential trade agreements with European Union are due to expire for sugar industry with significant job losses being anticipated</td>
<td></td>
</tr>
</tbody>
</table>
### Annex 8: Country specific strengths and weaknesses of SBDC model in CARICOM member states

This table outlines country specific strengths and weaknesses and complements Figure 5 in the main text where overarching strengths, weaknesses, opportunities and threats are identified.

<table>
<thead>
<tr>
<th>Barbados</th>
<th>Main strengths</th>
<th>Main weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Coordination</td>
</tr>
<tr>
<td></td>
<td>- Ability of coordinate, collaborate, avoid duplication; less waste of financial and technical resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Documented systems and procedures that can be followed and adapted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Political commitment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- SBDC not yet anchored in legislation; accountability driven model a threat to some in the bureaucracy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Size of public sector could diminish pioneers in the Ministry of Commerce</td>
<td></td>
</tr>
<tr>
<td>Access to knowledge</td>
<td>- Exposure to good practices in the U.S. and CARICOM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Learning from partners</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Capacities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Insufficient length of UTSA trainings; new staff of SBDC partners still to be trained</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- University of the Western Indies held back in its engagement due to budget cuts and related uncertainties</td>
<td></td>
</tr>
<tr>
<td>Research agenda</td>
<td>- SBDC as a chance to shape national research agenda in the area of entrepreneurship development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Public relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Public relations: insufficient publicity and awareness of potential clients</td>
<td></td>
</tr>
<tr>
<td>Human resources</td>
<td>- Entrepreneurial staff in parts of government relevant to SBDC</td>
<td></td>
</tr>
<tr>
<td>Belize</td>
<td></td>
<td>Political commitment</td>
</tr>
<tr>
<td></td>
<td>- CEO of Ministry of Trade, Investment Promotion, Private Sector Development and Consumer Protection leading the program, direct access to the minister</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Cooperation between SBDC and the University of Belize where SBDC is housed is seen as problematic by both sides, partly due to differing working styles</td>
<td></td>
</tr>
<tr>
<td>Human resources and partnerships</td>
<td>- Passionate individually hired and partners carefully selected</td>
<td></td>
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<tr>
<td></td>
<td>- SBDC having the budget but not physical space to increase staffing</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Dominica</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Physical location of SBDC and human resources</td>
</tr>
<tr>
<td></td>
<td>- Challenges in keeping skills set in SBDC due to payment structure</td>
</tr>
<tr>
<td>Potential for broadening markets</td>
<td>Capacities</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Credibility, standardized training, quality</td>
<td>Targeting</td>
</tr>
<tr>
<td>Addressing also the enabling environment</td>
<td>Public relations</td>
</tr>
</tbody>
</table>

**Jamaica:**

**Wide range of benefits**
- Social and economic benefits deriving from model
- Physical location of SBDC
- Time-consuming decision-making about where best to house SBDC

**Saint Lucia**

**Coordinating**
- SBDC as one-stop-shop for MSME in an otherwise proliferated environment
- Ability to reach out to and include academia
- Opportunity for academia to broaden services
- SEDU as a coordinator with skills set and strong commitment of Minister of Commerce
- Dedicated full-time coordinator of SBDC required to show Ministries’ prioritization of SBDC
- Insufficient training of SEDU staff

**Political commitment and alignment**
- Close link to governments commercial policy agenda
- Need to migrate all client data pre SBDC in NeoSerra