

# **Combined External Evaluation of three SPARK held Projects for Year 2009**

## **Final Report**

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## LIST OF ABBREVIATIONS

BPC	Business Plan Competition
BSC	Business Start-up Centre
BSCK	Business Start-up Centre Kosovo
EU	European Union
ICT	Information & Communication Technology
LED	Local Economic Development
M & E	Monitoring & Evaluation
MOU	Memorandum of Understanding
NLMFA	The Netherlands Ministry of Foreign Affairs
PSD	Private Sector Development
SEBSN	Southeast European Business Start-up Network
SEE	South East Europe
SENSI	Southern European Network of Start-up Centres & Incubators
SME	Small & medium size enterprise
TOR	Terms of Reference
ToT	Training of Trainers
UNS	University of Novi Sad
USAID	United States Agency for International Development
ZEDA	Zenica Economic Development Agency
ZE-DO BSC	Business Service Centre of the Government of Zenica-Doboj Canton

# 1 EXECUTIVE SUMMARY

The following report is the result of the findings of an evaluation on-site mission to the Western Balkans conducted by the external consultant on behalf of SPARK. It was to review three separate projects implemented by SPARK and to report on their progress in relation to criteria set out in the Terms of Reference (TOR) for the assignment. The first and main project for scrutiny was the **Southeast European Business Start-up Network Project (SEBSN)** covering four locations: Kragujevac, Serbia; Zenica, Bosnia; Bar, Montenegro and Bitola, Macedonia. This involved the setting up and management in each location of a Business Start-Up Centre and Business Incubator (BSC/BI) under one umbrella organisation. Local Partners were brought on board and contributions secured by a signed Memorandum of Understanding (MOU) between SPARK and each Partner (the numbers differing in each location). The intended beneficiaries of the Project were aspiring entrepreneurs, existing SMEs, university/college students and local Partner institutions among others, all of whom would benefit from a range of business support advice and assistance including business plan preparation, training courses in business skills development and capacity building of departments identified by the project. The end result would be an overall increase in the number of business start-ups, increased employment opportunities for graduates or unemployed people, higher levels of income for those in employment or running their own businesses and a greater acceptance in the wider community of entrepreneurship and private sector development in general. The **Business Start-Up Centre Kosovo (BSCK)** under the umbrella of the 'Enabling Private Sector Development in the Western Balkans' project had similar objectives and is a follow-on initiative from a previous one started several years earlier. The third project for review was the **Regional MA Program and Bachelor Course in Entrepreneurship at Novi Sad University in Serbia**, also within the remit of the 'Enabling Private Sector Development in the Western Balkans'. The primary objective of this project was to contribute towards the integration of entrepreneurship courses in several universities in the region including the above countries as well as Kosovo. All three projects are in some way inter-connected in terms of having entrepreneurship as a common denominator but different in their delivery regimes and funding mechanisms. Nevertheless, collectively they contribute towards a common cause, namely, a wider acceptance of entrepreneurship among local communities as a route to an alternative career path for those not yet in the job market or for those considering a change in direction in their employment prospects.

In overall terms, from the evidence available during the mission gathered from documented sources, interviews with Project staff, trainers, Partners, entrepreneurs and SMEs and focus group sessions with current and graduated students, it is possible to conclude that in terms of their operational obligations all three projects have made significant steps towards implementing planned objectives and reaching targets to date. From modest beginnings and with a clear lack of previous experience in these matters Project teams together with their selected Partners have managed to enter uncharted waters and effect real change, not only with respect to beneficiaries in improving their skills and expertise in their relevant areas but in changing the mindsets of previously sceptical parties among the population at large. This is supported by the reporting requirements of each of the projects and for the SEBSN in particular via the BSC/BI Quarterly Monitoring & Evaluation Reports. It is certainly supported by the views and comments of the above-mentioned parties met by the evaluator and especially those enterprises now in existence which would not otherwise have started had it not been for the Project's support. Along the way, it can be argued that events did not necessarily go according to plan, with difficulties experienced with Partners in some instances, particularly regarding the Business Incubator component and how it should be managed. Lack of experience among Project team members in managing a BSC/BI was apparent in other cases where tendencies by individual staff often veered towards basic administrative activities and not much more. This on occasion has had the effect of delaying initiatives or reports being prepared on time but says just as much about local directors' lack of management skills in delegating responsibilities. When reporting in July 2010 the main evaluator found that the Policy Making and, to a lesser extent Capacity Building, initiatives were weak points in the SEBSN Project's interventions. It should, however, be noted that only 14 per cent of the total budget was allocated for these two areas combined and it is to be expected that much less work was done in them; this was always the intention as the focus of BSCs was business development and job creation. At the time of the evaluation there were significant difficulties in finding a verifiable means to measure results in Capacity Building and Policy Making and the main evaluator recommended separate assignments be carried out to attempt to measure achievements in these two areas. This was subsequently done and the results have been included in this report (see references 67 and 68).

In terms of the BSCs/BIs, including BSCK, becoming self-sustainable post-SPARK involvement the picture is varied. Bitola and Kragujevac are in a strong position to become self-sustaining and have sufficient guaranteed funding to see them reach the end of 2013 and 2012 respectively. Bar has funding for 2011 and this will allow it to seek additional

finances thereafter. Zenica, however, is in a poor position with little more than a quarter of the funds it needs to survive to the end of 2011. There are a number of reasons for these differences which are addressed in the narrative of the report and indeed in the recommendations at the end and these should be reviewed for reference purposes. With regard to the Novi Sad project this has largely been a positive intervention with clear evidence that major steps forward have been initiated in integrating entrepreneurship courses within a regional context - Kosovo notwithstanding due to political influences.

The conclusions drawn within each of the three projects lead to recommendations by the evaluator in addressing some of the issues that have perhaps detracted from SPARK's involvement being more productive. These are based on the evaluator's findings on this mission and on experience gained in similar previous assignments. They are intended as guidelines only with respect to minimising the possibility of similar problems arising in similar projects potentially planned for the future although they would have to take account of the geographic location and prevailing political, social, economic and cultural circumstances at the time. In brief, has SPARK and the ultimate donor, the Dutch government received value for money through its investment? This is always difficult to prove but what is clear is that without these three project interventions all who have benefitted up until now would probably not have otherwise done so and that is a significant endorsement in itself.

## 2 INTRODUCTION

### 2.1 Mission overview

This evaluation report has been commissioned by SPARK, a registered Foundation from the Netherlands based in Amsterdam, acting on behalf of the Netherlands Ministry of Foreign Affairs (NLMFA) which is financing a number of activities in the Western Balkans. It represents the findings of an external assessment of three SPARK implemented projects in the region for 2009. The first is the “Southeast European Business Start-Up Network (SEBSN) Project (From Idea to Business)”. The second is the “Business Start-up Centre Kosovo (BSCK)” and the third is the “Regional MA Program and Bachelor Course in Entrepreneurship”. Although each of these Projects will be evaluated separately the overall findings will allow for a comparison to be made between them in terms of performance. As this is the first occasion on which such an all-encompassing evaluation has been conducted and for ease of understanding of the issues at hand it is worth focusing in a little more detail on the background to each of these Projects as outlined in the Terms of Reference (TOR) for the external evaluator.

#### 2.1.1 Southeast European Business Start-up Network Project (SEBSN)

SEBSN was launched by SPARK in 2007 in four countries – Serbia, Montenegro, Macedonia and Bosnia-Herzegovina – supported with a grant from the NLMFA. The Project was to last for 4 years, ending on 31<sup>st</sup> December 2010. The Business Start-up Centres within this program and supervised by SPARK are located in Bar (*Montenegro*), Bitola (*Macedonia*), Kragujevac (*Serbia*) and Zenica (*Bosnia-Herzegovina*). These centres are further supported by local ‘stakeholders’ including Ministries, Chambers of Commerce, business associations, academic establishments etc. The overriding aim of these centres is to contribute towards the promotion and development of the concept of entrepreneurship within local communities especially among the young. The SEBSN Project has 3 main components: *Direct Poverty Reduction, Capacity Building and Policy Making*.

#### 2.1.2 Business Start-Up Centre Kosovo (BSCK)

BSCK is one of eight initiatives falling under the umbrella of the “Enabling Private Sector Development in the Western Balkans Project” (October 2008 – February 2011) awarded to SPARK with funding from the Netherlands Embassy to Serbia. Within this remit, in October 2008, SPARK launched the second phase of the “Business Start-Up Centre Kosovo Project” due to end in March 2011. The aim of the BSCK Project whilst similar to that of SEBSN is more focused on *Direct Poverty Reduction*. Whilst the first phase in the development of

BSCK (2005-8) established a centre in the premises of the Chamber of Commerce and an outreach desk in the Faculty of Law of the University of Pristina, the second phase had the following main objectives: transform the centre by November 2008 into a local legal entity managed by a local board; achieve self-sustainability by the end of the Project period, i.e. 31<sup>st</sup> December 2010; full inclusion of minorities as represented by Kosovo demographics.

### **2.1.3 Regional MA Program and Bachelor Course in Entrepreneurship**

This particular initiative, also under the umbrella of the above-mentioned Western Balkans Project, has the primary aim of improving the employability prospects of young graduates as well as their entrepreneurial attitude and expertise via focused academic studies. It is anticipated that this will serve to institutionalise progress made in business education and the role of internship, all with a view to achieving sustainability. In brief, a regional MA program has been developed by faculties of Partner Universities in South East Europe (SEE) together with an optional BA course in entrepreneurship for undergraduate students from 7 faculties. The University of Novi Sad is the host for this initiative through regional funds of the Netherlands Embassy to Serbia.

## **2.2 Rationale for evaluation mission**

According to the external evaluation TOR the rationale for commissioning this report, “is to assess the three SPARK Projects in terms of their success in achieving durable business start-ups/assisting young existing enterprises, job creation, developing entrepreneurship in the communities, capacity building of local Partners and reduction of business barriers and obstacles over a three year collaborative effort by SPARK and local partners”. This exercise can obviously only be carried out where clear objectives exist for the evaluation mission and these have been identified in the TOR as the following and are worth noting here for reference:

☞ To assess *progress made to date* towards reaching the desired outcomes, outputs and impact of the three Projects.

☞ To provide *recommendations for future Project implementation* based on progress to date, lessons learnt, input of staff, Project Partners and target group of the three Projects.

☞ To suggest to donors (NLMFA and Netherlands Embassy to Serbia & Montenegro) and Project implementers (local Partners and SPARK) adjustments to Project objectives, expected outcomes, outputs and sustainability as relevant to meeting the aims of the Project after 3 years of implementation of SEBSN activities and 1.4 years BSC Kosovo and Regional MA and Bachelor Course in Entrepreneurship Projects. Recommendations

should also address how to design an M & E system for similar future programs.

In order to facilitate the evaluation of the design and implementation of the three Projects three main criteria have been identified as the basis on which questions should be posed and answered so that meaningful conclusions and findings may be drawn, namely, *efficiency, effectiveness and relevance*. In short, the purpose of this exercise is to measure performance to date against pre-determined targets relative to those criteria using a set of quantifiable indicators. This report therefore focuses more on the review of available published data which has been accumulated for each of the Projects from all relevant sources including that acquired by the evaluator during the mission and less on seeking the opinion of staff, Partners or stakeholders, although their views and comments provide a useful insight into why something may or may not have happened. In other words, emphasis is on determining the facts rather than relying on speculative (and often subjective) comments as to why things have happened/are happening. In short, this evaluation will provide SPARK and other relevant stakeholders with an informed perspective as to whether these three Projects are individually and collectively on track to deliver the planned objectives within the allocated time frames. More specifically, do they offer value for money for the funds invested in the Project by the main donor NLMFA, have the activities of the Projects achieved real impact in terms of contributing towards relevant objectives and are they sustainable in the long term?

When the evaluation first reported in July 2010 it found that at the time there was insufficient data on direct poverty reduction, capacity building and policy making in the SEBSN Project to allow performance in the areas of effectiveness and relevance to be properly assessed. Since then three impact studies have been carried out which provide much of the required data (references 66, 67 and 68). This data has been drawn upon and incorporated in the present report.

## 3 METHODOLOGY

### 3.1 Overall approach

In order to effectively carry out the mission it was determined by SPARK, in collaboration with the external evaluator, that a number of activities should take place for the purposes of gathering the data and information needed to complete a final and conclusive report and these are outlined below for reference:

☞ The evaluator undertakes a field trip (31<sup>st</sup> May to 2<sup>nd</sup> July 2010) to the Balkans (Serbia, Montenegro, Macedonia, Kosovo and Bosnia-Herzegovina) for the purpose of conducting face-to-face meetings, discussions and interviews with representatives from SPARK, the BSCs, BSCK, Novi Sad University (Regional MA Program and Bachelor Course in Entrepreneurship), local Partners and other relevant stakeholders from the community.

☞ The evaluator reviews relevant documentation associated with the Project supplied by SPARK and each of the Projects primarily for 2009 but also takes account of achieved activities since SEBSN's inception in 2007 (see Appendix 1 for full list of documentation).

☞ The evaluator sits in on pre-organised focus group sessions at the BSCs with attendees such as training participants in order to obtain their views on how they have benefited from training sessions as well as their assessment of the professionalism and expertise of training consultants.

☞ The evaluator conducts a number of site visits to selected companies which have utilised the services of the BSCs including start-ups to obtain their views on how the BSCs supported their activities (or otherwise).

☞ The evaluator completes his final report at home by 8<sup>th</sup> July 2010 having assessed all the information and data gathered during the mission.

The primary purpose of adopting this approach is to ensure that the evaluator has access to first hand information either from published data, from respondents directly associated with the organisation and management of BSCs, BSCK and Novi Sad University or from beneficiaries of the services of these organisations. This will allow conclusions to be drawn by the evaluator based on facts and evidence through clear chains of reasoning and transparent value judgements. This report is prepared based on this premise. Whilst each of

the individual Projects will be assessed separately the evaluation mission will address how collectively all three Projects, with similar objectives, have performed relative to their respective remits. Where differences occur between the Projects these will be commented upon with suggestions as to how they can effectively be addressed.

At the time the main evaluator carried out his field activities in May 2010 there was insufficient impact data for the SEBSN Project to allow full reporting on its effectiveness and relevance. The three impact studies referred to above which were produced in December 2010 provide this data and it has been incorporated in the present report, as has additional data which became available later in the same month.

In terms of the initial overall evaluation of the SEBSN Project the focus of the investigation (as agreed with the Project Manager at a meeting between him and the external consultant in Belgrade on the first day of the mission) would be on the Direct Poverty Reduction component, as the performance of the activities of the BSCs can be fairly readily measured to the extent where evidence (already published or acquired during the mission) can verify the facts as presented. As mentioned above, this has subsequently been extended by the additional evaluator using the three December impact studies. In this regard, it should further be noted that all data and information provided to the main evaluator by interviewed parties during his investigation *is taken at face value*, in particular with regard to financial expenditures, budget allocations etc. This is especially relevant with respect to 'in kind' contributions as described, for example, in the MOUs signed between Partners and SPARK (and more associated with the Capacity Building component), as it is simply not possible to verify or equate equivalent time spent on an activity relative to its financial value as provided by Partner institutions.

### **3.2 Report format**

This report has been prepared based on a model provided by SPARK in the TOR for the external evaluator prior to the start of the mission. The format has been modified to some extent by the evaluator to take account of previous experience in similar exercises and with a focus on making the document easier to comprehend. In short, the report is a combination of written text together with a series of matrices within the body of the report which highlight results, observations and recommendations in tabulated form. This approach has been adopted in order to limit the number of annexes which would normally be attached to a report of this nature and which would otherwise disturb the flow of the narrative within such a

fairly complex analysis. Individual matrices have been prepared for each of the three Projects, i.e. SEBSN, BSC Kosovo and MA and BA in Entrepreneurship are based largely on quantitative data gathered from the evidence. The evaluation criteria depicted in the matrix tables below have been defined as follows for the purposes of this report:

**Efficiency:** Comparison between INPUT and OUTPUT

**Effectiveness:** Degree to which OUTPUT leads to OUTCOME

**Relevance:** Degree to which OUTCOME leads to IMPACT

As the evaluation mission essentially involved the review of three separate projects these are tackled separately in the structure of the report. Recommendations appear at the end of the report and reflect the main and additional evaluators' views and opinions as to how certain problems may be resolved or issues dealt with in order to determine how future endeavours may benefit from lessons learnt.

## 4 SOUTHEAST EUROPEAN BUSINESS START-UP NETWORK (SEBSN)

### 4.1 SEBSN Project Monitoring & Evaluation Matrix

The structure of the matrix in Table 1 below is depicted as follows. The first section directly reflects the data as outlined in the evaluation TOR. The following sections under the *efficiency, effectiveness and relevance* headings have the same format except for the last two columns which are headed Level of Achievement and Comments/Reasons for Deviation (if any). The data and information in these columns reflects whether the expected results have been achieved and if not, why not. A more detailed explanation is provided in Sections 4.2 to 4.6 in text format. In preparing the matrix it is important to note that all the quoted figures in the TOR are aggregated statistical numbers for specific activities. This report therefore makes the assumption that the figures provided can simply be divided by 4 in order to allocate an equal proportion to each of the 4 BSCs. Therefore, where an objective states for example that 240 trainers should be trained by the end of the Project by December 2010 this means a target of 60 for each of the centres. In fact this is the format of the quarterly Monitoring & Evaluation Reports that the BSCs currently complete for SPARK. However, where this data appears unclear or where the allocation of targets for activities appears questionable this will be referred to in the text together with the assumptions that have been made and the issue at hand will be addressed. The main evaluator's TOR specify results up to the end of 2009 so performances referred to in the chart reflect aggregate totals for that period only, although where appropriate comments are made regarding likely future performance extending into 2010. However, the matrix has been enriched with data from the three impact studies on poverty reduction, capacity building and policy making which were delivered in December 2010 and to which we have referred above. The data drawn from these studies is highlighted in grey to distinguish it for the reader.

**Table 1: SEBSN Evaluation Matrix**

Objectives/Means	Performance Indicators	Sources of Verification	Research Methods
<b>INPUT</b>			
<p><b>Direct Poverty Reduction</b></p> <ul style="list-style-type: none"> <li>• Time investment of international expert MFS</li> <li>• Office space (Incl. teaching facilities, incubators) below commercial rates</li> <li>• Financial contributions by Partners and non-NLMFA donors</li> </ul> <p><b>Capacity Building</b></p> <ul style="list-style-type: none"> <li>• Financial contributions by Partner institutions</li> <li>• Staff made available by Partner institutions</li> </ul> <p><b>Policy Making</b></p> <ul style="list-style-type: none"> <li>• NL individuals/donors willing to co-finance debates &amp; conferences</li> <li>• Contributions by Partner institutions &amp; other donors</li> <li>• Contributions by individuals &amp; businesses participating</li> </ul>	<ul style="list-style-type: none"> <li>• Day fees below market rate (total in EUR)</li> <li>• Save rent in EUR</li> <li>• Financial contribution in EUR</li> <li>• Amount in EUR received</li> <li>• Days contributed towards the Project</li> <li>• % of budget for debates &amp; conferences</li> <li>• Financial contribution in EUR</li> <li>• Financial contribution in EUR</li> </ul>	<ul style="list-style-type: none"> <li>• Timesheets &amp; other declarations by Head of Finance</li> <li>• Verified by PM/PO by means of site visits, interim reports &amp; policy meetings with Partners</li> <li>• Head of Finance reports financial contributions from Partners (half yearly)</li> <li>• Head of Finance reports financial contributions from Partners (half yearly)</li> <li>• Timesheets or other sorts of declarations fte contributions</li> <li>• Head of Finance (HoF) report through financial statements, contracts made with donors</li> <li>• HoF reports through financial statements, contracts made with donors</li> </ul>	<ul style="list-style-type: none"> <li>• Desk study &amp; interviews with SPARK/BSC staff &amp; local Partners</li> <li>• Review of M &amp; E reports, Monitoring protocols, SME databases</li> <li>• Review of MFS Project documents</li> <li>• Review of MFS budget vs. spend</li> <li>• Review of staff capacities</li> <li>• Site visits to 4 MFS BSCs (Bar, Montenegro; Bitola, Macedonia; Kragujevac, Serbia; Zenica, BiH)</li> <li>• Impact assessment (carried out by SPARK to collect quantitative/ qualitative information in advance of external evaluation)</li> </ul>
<b>EFFICIENCY – comparison between OUTPUT and INPUT</b>			
Objectives/Means	Performance Indicators (Plan)	Level of Achievement (Actual)	Comments/Reasons for Deviation (if any)
<p><b>Direct Poverty Reduction</b></p> <ul style="list-style-type: none"> <li>• Business Start-up Centres (BSC) established</li> </ul>	<ul style="list-style-type: none"> <li>• 4 BSCs opened, furnished &amp; equipped</li> </ul>	<ul style="list-style-type: none"> <li>• All 4 centres opened</li> </ul>	<ul style="list-style-type: none"> <li>• Objective achieved</li> </ul>

<ul style="list-style-type: none"> <li>• SEE BSC Network est.</li> <li>• Improved skills of trainers &amp; students</li> <li>• Improved (practice-orientated) curricula</li> <li>• Suitable credit facility developed which can be used as part of the Business Plan Competition</li> <li>• Business Plan Competitions organised</li> <li>• SMEs are undertaking, or have completed ISO certification</li> </ul>	<ul style="list-style-type: none"> <li>• 4 Co-ordination Committee meetings per year and 20 stakeholders attending</li> <li>• 240 trainers &amp; 11,040 beneficiaries participate in training sessions</li> <li>• 16 workshops on curricula adoption organised</li> <li>• 4 credit facilities developed</li> <li>• 480 SMEs started up or strengthened</li> <li>• 40 SMEs are undertaking ISO certification</li> </ul>	<ul style="list-style-type: none"> <li>• Target met for both although variations in different locations</li> <li>• 175 aggregate total of trainers &amp; 9394 beneficiaries</li> <li>• 18 workshops completed</li> <li>• Credit facilities opened in all 4 locations</li> <li>• 378 aggregate total – 194 start-ups + 184 existing SMEs assisted</li> <li>• Aggregate total to date = 138 signed contracts with 63 having completed the process</li> </ul>	<ul style="list-style-type: none"> <li>• Objective achieved so far and overall target likely until end of 2010</li> <li>• Objectives achieved so far and overall target likely until end of 2010</li> <li>• Objective achieved</li> <li>• Objective achieved</li> <li>• Objective achieved so far and overall target likely until end of 2010</li> <li>• Objective achieved</li> </ul>
<b>Capacity Building</b>			
<ul style="list-style-type: none"> <li>• Upgraded ICT Management System</li> <li>• Partner institution staff members trained</li> </ul>	<ul style="list-style-type: none"> <li>• 8 contracts with local software development companies</li> <li>• 8 upgraded ICT systems in operation</li> <li>• 128 participants at training sessions</li> </ul>	<ul style="list-style-type: none"> <li>• 11 contracts signed in total</li> <li>• 11 ICT systems in operation</li> <li>• 147 participants from partner institutions trained in total</li> </ul>	<ul style="list-style-type: none"> <li>• Objective achieved to date</li> <li>• Objective achieved to date</li> <li>• Objective achieved to date</li> </ul>
<b>Policy Making</b>			
<ul style="list-style-type: none"> <li>• Annual reports on SME sector (local &amp; regional) published (identification of obstacles to doing business)</li> <li>• Annual conferences held in Amsterdam</li> <li>• Conferences organised on SME development in SEE</li> <li>• Policy influencing meetings organised</li> </ul>	<ul style="list-style-type: none"> <li>• 4 annual reports distributed annually – 12,000 reports in 4 years</li> <li>• No. of conferences held</li> <li>• No. of individuals &amp; no. of businesses that have participated</li> <li>• 4 policy influencing</li> </ul>	<ul style="list-style-type: none"> <li>• 9 reports (annual + conference) prepared between 4 BSCs and 3900 copies distributed</li> <li>• Two organised by SPARK in Netherlands in 2009 and 2010. Another in Skopje in 2009.</li> <li>• 1045 individuals &amp; 329 businesses participated (Zenica had combined total of 59 to be added)</li> <li>• Total of 11 policy meetings organised</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely for target to be achieved by project end due to limitations in targetable audiences</li> <li>• Evaluator does not know why none were held in 2007 or 2008. (Evening meeting on outsourcing to Balkans for NL ICT companies held in 2008).</li> <li>• Kragujevac had none whilst Zenica had one. Bar most with 8</li> </ul>

	meetings organised	between 4 BSCs	
<b>EFFECTIVENESS – degree to which OUTPUT leads to OUTCOME</b>			
<b>Objectives/Means</b>	<b>Performance Indicators (Plan)</b>	<b>Level of Achievement (Actual)</b>	<b>Comments/Reasons for Deviation (if any)</b>
<p><b>OUTCOME</b></p> <p><i>Direct Reduction</i>      <i>Poverty</i></p> <ul style="list-style-type: none"> <li>• Employment generated through start-ups &amp; enhanced employability of target group</li> </ul> <p><i>Capacity Building</i></p> <ul style="list-style-type: none"> <li>• Partner institutions better serve their clients due to more efficient working</li> </ul> <p><i>Policy Making</i></p> <ul style="list-style-type: none"> <li>• Partner institutions have adopted policies that better enhance regional SME development &amp; trade; regional trade enhanced</li> </ul>	<ul style="list-style-type: none"> <li>• No. of jobs created</li> <li>• Increased level of income (%) of newly started SMEs within 6 months after start</li> <li>• Increased level of income of employees (%) of newly started SMEs within 6 months after start</li> <li>• % of satisfaction increase in clients of Partner institutions (after 1 year of operation at 2 Partner institutions)</li> <li>• Increased efficiency of Partner institutions measured by % increase of ratio of Partner institution turnover vs. overhead</li> <li>• % satisfaction increased among SMEs on services provided by Partner institutions</li> <li>• Ministerial Policies adjusted &amp; operational addressing obstacles to SME development &amp; trade</li> <li>• % of identified obstacles removed</li> </ul>	<ul style="list-style-type: none"> <li>• 1,909 new jobs 2007-2010 (866 in start-ups and 1,043 in existing companies)</li> <li>• 40% of BSC alumni surveyed in March 2010 (strongly) agreed their income had increased as a direct result of BSC participation</li> <li>- 60% or more in 2 BSCs (Kragujevac, Zenica), almost 40% in 1 (Bitola); 0% in Bar</li> <li>• Increased satisfaction varies from 48% to 78% (averaging 67% for all four BSCs).</li> <li>- Efficiency increased between 10% and 40% in Bar, Kragujevac and Zenica (insufficient data available for Bitola at time of capacity building impact study).</li> <li>• Satisfaction is “high” to “very high” in all except in Bar (where it is too early to say)</li> <li>• None</li> <li>• No percentage figures available. In Kragujevac and Bitola: establishment of companies was facilitated; Zenica: none; Bar: too early to</li> </ul>	<ul style="list-style-type: none"> <li>No absolute figures or precise % available</li> <li>• No absolute figures available. No aggregate figure possible. See narrative for explanation.</li> <li>• Efficiency measured by ratio of new time: old time needed to produce fixed output. See narrative.</li> <li>• No % figure available in most BSCs (only Kragujevac)</li> <li>• Partners not attempting to change policy but support and implement existing (e.g. ISO when legally required).</li> </ul>

		say	
<b>RELEVANCE – degree to which OUTCOME leads to intended IMPACT</b>			
<b>Objectives/Means</b>	<b>Performance Indicators (Plan)</b>	<b>Level of Achievement (Actual)</b>	<b>Comments/Reasons for Deviation (if any)</b>
<b>IMPACT</b>			
<b><i>Direct Poverty Reduction</i></b>			
<ul style="list-style-type: none"> <li>• No. of start-ups that continue to exist after 4 years</li> <li>• No. of Business Plan Competition organised by the Partner institutions after 4 years</li> <li>• No. of curricula updated</li> <li>• Self-sustainability of BSCs after 2010</li> <li>• No. of incubated businesses graduated</li> <li>• % increase in sales of ISO/HACCP certified businesses</li> </ul>	<ul style="list-style-type: none"> <li>• 75% of start-ups existing after 4 years</li> <li>• BPCs organised after 2010</li> <li>• Entrepreneurship integrated into university curricula</li> <li>• Economically independent after 2010</li> <li>• 20% of incubator business successfully graduated in 2011</li> <li>• 25% increase of international sales</li> </ul>	<ul style="list-style-type: none"> <li>• 94% after two years</li> <li>• 15 BPCs (2007-2009)</li> <li>• Implemented in all 4 BSC locations</li> <li>• 3 of 4 BSCs financially sustainable in 2011; 1 (Kragujevac) to 2012 and 1 (Bitola) for 2012-13 too.</li> <li>• 17.5% graduated by December 2010</li> <li>• Not known</li> </ul>	<ul style="list-style-type: none"> <li>• Requires ongoing follow-up surveys to acquire up-to-date information</li> <li>• Objective met</li> <li>• See relevant sections below in narrative of each BSC under Direct Poverty Reduction</li> <li>• See relevant sections below in narrative of each BSC under Direct Poverty Reduction</li> <li>• Insufficient data available. See narrative below for explanation.</li> </ul>
<b><i>Capacity Building</i></b>			
<ul style="list-style-type: none"> <li>• % increase Partner turnover/overhead rate</li> </ul>	<ul style="list-style-type: none"> <li>• 3% Partner turnover/overhead rate (due to ICT/Partner training)</li> </ul>	<ul style="list-style-type: none"> <li>• 24% SMEs said they had benefited from BSC through decreased overheads; a different 23% benefited from increased turnover.</li> </ul>	<ul style="list-style-type: none"> <li>This data was not collected by any of the impact studies but it is probable that the 23% and 24% overlapped by at least 3% (target)</li> </ul>
<b><i>Policy Making</i></b>			
<ul style="list-style-type: none"> <li>• % increase in satisfaction rate with policies among SMEs</li> <li>• Ministerial policies adjusted on SME development</li> <li>• % of national/international obstacles removed</li> </ul>	<ul style="list-style-type: none"> <li>• 5% increase</li> <li>• End of 2010: 50% (of national I obstacles), 25% (of international obstacles)</li> </ul>	<ul style="list-style-type: none"> <li>• No data collected on this indicator</li> <li>None</li> <li>• No percentage figures available. In Kragujevac and Bitola: facilitated establishment of companies; Zenica: none; Bar: too early to say</li> </ul>	

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## 4.2 Project Overview – Aggregate Summary

The following analysis elaborates on the aggregate performance of the 4 BSCs as depicted in the above matrix in terms of whether or not overall targets have collectively been met in relation to the pre-determined objectives set at the start of the project. The project has three main parameters against which results are measured: Direct Poverty Reduction; Capacity Building; Policy Making. In addition, emphasis is on three evaluation yardsticks, namely, Efficiency, Effectiveness and Relevance and these are reflected in the design of the above matrix. In real terms the evaluation process is largely dependent on the quality of information and data already available for review or that which is readily accessible within the timeframe of the mission. In this case, a substantial amount of documentation, reports and other publications were indeed made available (see List of References in the appendices) for scrutiny before and during the assignment. Additional information was sought from a variety of sources including interviews with relevant ‘stakeholders’ and focus group sessions with training participants and trainers among others. These provided feedback more on attitude towards the BSCs rather than statistical data and as such are not reflected in the matrix. However, the comments and suggestions from these sources do serve to explain to some degree why BSC initiatives may or may not have been relevant, successful or useful and these are included where appropriate in the individual BSC analyses below.

### Direct Poverty Reduction

The direct poverty alleviation component of the project is by far the largest in terms of budget with 86% of the total MFS contribution (compared with 9% for policy making and 5% for capacity building). In terms of how efficiently the BSCs have used the available resources to achieve the desired results there appears to be little argument that this has been accomplished in all 4 locations. The primary effect of this is that 1,909 new jobs have been created so far via the various modes of intervention implemented through the project including business skills training, support in starting a business and availability of micro-loans to entrepreneurs and SMEs (new and existing).

Some differences exist between the BSCs in terms of individual performances relative to the aggregate totals, for example, in number of jobs created, number of companies started/strengthened and number of trainers trained and beneficiaries participating in training

sessions. Comparative analysis is not always useful however as there may be prevailing local circumstances which can have an affect on performance in specific areas such as size of population, target audiences and extent of Partner involvement. Nevertheless, what is of note is that of all new jobs created around 50% were in Zenica which also had slightly more than a third of the companies started or strengthened. With regard to number of trainers trained Bar had a third of the total whilst Kragujevac had a third of the training participant aggregate total. The performance of individual BSCs in each of these areas is outlined in the relevant section below with an account of how figures were arrived at although no comparison is made in relation to the other BSCs.

40% of newly started SMEs surveyed in March 2010 reported increased incomes as a result of participation in a BSC.

Income levels of their employees also improved in many cases and increased too though this varied from zero in Bar to 60% or more in Kragujevac and Zenica.

### Capacity Building

Under this component all 4 BSCs have contributed towards the achievement of objectives regarding the number of contracts awarded to local software development companies with a view to upgrading systems in Partner organisations. In addition, the requisite number of Partner staff who have received training has been met and exceeded. All four BSCs have also created substantial client satisfaction in their capacity building activities though the level varies from activity to activity. At the same, some of the Partners in receipt of ICT training are government departments or NGOs where turnover is not relevant as activities are carried out relative to allocated public budgets.

Increased efficiency of partner institutions has not been measured in the way originally indicated in the M&E framework. It was to have been measured by the percentage increase of the ratio of Partner institution turnover to overhead. The capacity building impact study produced in December 2010, however, measures the amount of time needed to produce a certain output before and after using a BSC service (finance being held constant). This measure produced a range of results across the four BSCs of between around 2% - 10% increase in efficiency though in some cases the efficiency gain was found to be "unclear".

### Policy Making

This component essentially deals with events that are designed and implemented with a view to ultimately influencing the policies of key decision makers in your favour. This includes the publication of findings from studies on a particular subject, conferences or

seminars organised to discuss and debate specific fields of interest or direct lobbying of the government on behalf of institutions or members of institutions. In this respect the BSCs were required to publish annual reports on the SME sector with a particular emphasis on the removal of obstacles to starting or running a business. The December impact study on policy making found that policy was changed by none of the BSCs and that their work was not geared towards doing so. Instead they were promoting and implementing existing policies. With respect to the removal of obstacles Kragujevac and Bitola reported some successes; Zenica did not and in the case of Bar it is too early to say. Zenica BSC did advise that an obstacle to acquiring Municipal funds for BPS was removed following representations but this is more to do with Partner co-operation rather than policy change. In fact no discernible progress has been made in this area and no further comment is therefore appropriate. The issue is however addressed in the section on Recommendations at the end of the report.

## **4.3 Efficiency**

### **4.3.1 KRAGUJEVAC**

#### **4.3.1.1 Direct Poverty Reduction**

BSC opened, furnished and equipped

The Kragujevac BSC first opened for business on 1<sup>st</sup> June 2007, occupying premises in the offices of the Regional Economic Development Agency for Sumadija and Pomoravlje (REDASP) under the auspices of a Memorandum of Understanding (MOU) signed on 18<sup>th</sup> June 2007 between REDASP and ATA (subsequently and hereafter referred to as SPARK), effectively assigning REDASP the role of Project Partner. The BSC continued to conduct its activities from there until December 2008 before relocating to the premises of Biznizi Inovacioni Centar, referred to in the project literature as Business Innovation Centre (BIC) which to all intents and purposes functions as a Business Incubator, as defined in the Contract signed between the Municipality of Kragujevac (owner of the BIC premises) and SPARK on 7<sup>th</sup> August 2007. The reason for the BSC move from REDASP was ostensibly due to having outgrown the premises available to them and the fact that BIC was also perceived as a more suitable longer term partner for BSC in terms of potential synergies for effective collaboration. The original MOU was subsequently amended with an annex absolving REDASP of its obligations towards providing space for BSC and re-allocating the same responsibility to BIC.

However, following ongoing operational differences of opinion between the management of BSC and BIC regarding the way in which BIC should function, the decision was taken by BSC to seek alternative accommodation which it succeeded in doing in January 2010 to the

same building housing the Chamber of Commerce and Industry Kragujevac. The rationale for this move was for BSC to capitalise on the opportunity that the Chamber could offer, not only in terms of office accommodation but in starting the process towards achieving self-sustainability following the end of the SPARK Project in December 2010. To that end, the Chamber and BSC agreed on a more formal cementing of ties and effectively created a revised version of BSC in January 2010, retaining the BSC name but with 4 stakeholders, the Chamber itself with 40% of the voting rights and three other institutions with 20% each, namely, University of Kragujevac, 'Association of Entrepreneurs 'SLOGA' and Association of Entrepreneurs 'Sumadija'. The new BSC is a non-profit making organisation wholly owned by the Chamber.

It is perhaps worth noting that neither REDASP nor BIC claim to have fully understood the reasons for the BSC relocating from their respective premises which appears to suggest that neither move was mutual. However, with regard to REDASP it does appear evident that they themselves initiated the BSC move to the BIC building when it opened in December 2008. With regard to BIC it also appears that SPARK offered them the option of registering under the umbrella of the BSC which was declined. According to the BSC Director, BIC seemed to have little interest in establishing cooperative relations with the BSC nor of absorbing it. When BSC moved to the BIC premises in December 2008 it paid full rent and was considered a tenant rather than a project co-implementer with the BIC. The Chamber was the only local partner willing to co-operate with registration, not least as it offered the possibility of some kind of financial support after 2010. In this respect it is not difficult to draw the conclusion that options were provided by SPARK to both REDASP and BIC in terms of future sustainability but that these were not actively pursued by either of them.

SEE BSC Network established

In 2007 the management of BSC Kragujevac attended 12 Steering Committee meetings primarily to agree a modus operandi between Project Partners. 5 similar meetings were held in 2008 and 4 in 2009. The number of meetings in the early months significantly exceeded the planned number of meetings but was apparently necessary due to the difficulties experienced by the BSC in getting the parties to 'sing off the same hymn sheet'. In 2010, a Steering Committee meeting was held in March. A further meeting is planned for June 2010.

Improved skills of trainers and students

According to SPARK's aggregated M&E report in December 2010 the BSC succeeded in training a total of 52 trainers, starting in September 2007 and continuing until the end of 2009. This falls somewhat short of the 60 identified as the original target but was not

significant in the sense that the number of those trained appears to adequately meet the level of demand for their services within a local context. In terms of training participants a total of 3,177 have attended courses through to the end of 2009 with a further 200 or so planned for 2010. The aggregate number allocated for all the BSCs is 11,040 which equates to 2,760 per BSC. However, for the first year the number expected has been reduced to take account of the actual start date of the component. Thus with 420 planned for 2007 the remaining 3 years would set a target of 3,210 (780 per year). To date, BSC Kragujevac is on track to deliver the required result.

#### Improved (practice-orientated) curricula

The following workshops have been organised and delivered under this component:

1. Science Alliance workshop in Kragujevac on the subject of needs assessment for curricula development (CD); 22<sup>nd</sup>-27<sup>th</sup> October 2007
2. CD conference in Kragujevac; 20<sup>th</sup> May 2008
3. CD study visit to Holland; 26<sup>th</sup>-30<sup>th</sup> January 2009
4. Workshop organised during SME conference, 'Entrepreneurship Skills Development – Cooperation between Universities and Business; 7<sup>th</sup> May 2009
5. Study visit to Holland; 25<sup>th</sup>-31<sup>st</sup> October 2009

The end result of these activities was the practical introduction of initiatives at the University of Kragujevac including; the establishment of a Centre for Student Entrepreneurship at the Faculty of Mechanical Engineering; a course in Entrepreneurship started in the same faculty; a network established between the universities of Kragujevac and Bitola resulting in an agreement being made regarding a Tempus project proposal; a campaign for the promotion of career development and entrepreneurship conducted by the Centre for Career Development.

#### Credit Facilities

To meet its obligations in contributing towards the development of a credit facility which would essentially become an integral part of the Business Plan Competition (BPC) process BSC Kragujevac first attempted a working relationship with the Micro Development Fund (NGO) in co-operation with the Commercial Bank of Serbia on 20<sup>th</sup> December 2007 to establish a micro-credit fund. When this was not successful BSC management began negotiations with Pro-Credit Bank with whom a contract was eventually signed in August 2008. The structure of the relationship effectively allows for the creation of a fund which would act as a bank guarantee for clients in receipt of loans following application as a result

of being a BPC winner in the event of a loan default. Details provided by BSC indicate that since the inception of this arrangement 65 enterprises from 196 BPC participants were awarded loans under the scheme, ranging from 1,000 to 10,000 EUR with average loans around 6,000 EUR. Of those 65 companies approximately 50% were new start-ups whilst the rest had been in business for 12 months or less. To date defaults are few (meaning that the bank has had to be reimbursed for the loan from the guarantee fund). None have completed the loan cycle yet as the term for the various types of loans has not yet expired for any of the companies. 23 businesses in total are behind with repayments but the most significant amount is 6,600 EUR. Only two others are over 1,000 EUR, the rest are much smaller sums. By December 2010 only 3% of the total fund was at risk from default. This effectively indicates that the scheme appears to be operating relatively smoothly (to date).

#### SMEs started-up or strengthened

According to BSC Kragujevac's 2009 M & E last quarterly report of 2009 a total of 82 businesses have benefited from participation in the Business Plan Competition (BPC) since 2007 of which 36 were new start-ups. Data from the 2nd BPC was not available at the time of writing but 6 new businesses started and 14 companies assisted have still to be inserted into the database when it is next updated. This would take the cumulative number of companies started or assisted to 102 which would fall short of the original final end of project target of 120. However, the management of BSC advise that one more BPC is planned which would almost certainly contribute towards the above target being reached.

#### SMEs undergoing or have completed ISO certification (quality management system all types)

At the time of writing BSC Kragujevac has 47 companies (signed) going through the ISO/HACCP certification process with financial support from the BSC for coverage of auditing expenses. Up to 10,000 EUR and 50% refund to companies for these costs is reimbursable. At the time of writing 27 companies had completed the certification process.

### 4.3.1.2 Capacity Building

#### Upgraded ICT Management Systems

BSC management has approached this component in a different way. Rather than attempting to meet specific targets they have allocated funds to various capacity building initiatives as follows: 26,000 EUR to the Municipality for the upgrading of their ICT system and verified by the Head of the Administration; 12,000 EUR to the RDA for assistance with their application for ISO accreditation; 15,000 EUR to the Chamber of Commerce and

Industry for website development and 14,000 EUR towards the monthly cost of publishing 'BILTEN', a magazine for members of SLOGA.

Partner Institution staff members trained

A target of approximately 32 established (128/4). According to BSC a total of 42 members of staff from Partner organisations have received training to date. Training of Partners staff was organised according to their needs in project proposals development according to EU standards and in the implementation of Geographic Information System (GIS).

#### 4.3.1.3 Policy Making

**Annual Reports on SME Sector** (1 per year for 4 years to 12,000 recipients in total)

To date, BSC Kragujevac has commissioned and distributed 3 reports as follows:

1. 'SME Sector Status Report – Status of and Obstacles Faced by Local SME Sector in Kragujevac and Sumadija District'. Published by Gordana Matovic, April 2008. (600 copies printed).
2. 'Local Labour Market in Kragujevac: Current Situation and Potentials'. Published by BSC Kragujevac, October 2009 (600 copies printed).
3. 'Development of the SME Automotive Supplier Network in Central Serbia'. Published by Regional Chamber of Commerce in Kragujevac, November 2009. (600 copies printed).
4. Report on SME Conference (600 copies printed).

An additional report due to be commissioned has been postponed with the agreement of SPARK, the funds for which will be reallocated to increase the distribution of the existing publications.

Annual conferences held in Amsterdam

SPARK organised two conferences in The Netherlands in 2009 and 2010. Another was organised in Skopje in 2009. In addition, two meetings were held on outsourcing possibilities in 2008 and 2010.

Conferences organised on SME development in SEE

According to BSC's last M & E 2009 quarterly report 520 individuals and 165 businesses have participated in conferences and fairs on SME private sector development (PSD) since 2007. They organised a conference on EU Accession possibilities for SME sector development in SEE in May 2009.

Policy influencing meetings

In September 2010 the BSC planned to organise a meeting in the EuroChamber in Brussels in association with the Chamber of Commerce and Industry Kragujevac. The purpose of the deliberations is for the delegates to agree on the nature and extent of policy changes sought and to plan a strategy to lobby the government accordingly to bring about the required changes.

#### 4.3.2 ZENICA

##### 4.3.2.1 Direct Poverty Reduction

BSC opened, furnished and equipped

Zenica BSC opened for business on 17<sup>th</sup> May 2007 in office accommodation within the premises of the University of Zenica in accordance with a contract signed between the University of Zenica and ATA (subsequently SPARK) on the same date. This agreement outlined the obligations and commitments of both parties to their mutual collaboration up to 31<sup>st</sup> December 2010. The accommodation is comprised of two adjoining rooms which effectively act as office space for BSC staff. In the grounds of the university is a separate, refurbished building which has been established as a business incubator with 4 fully serviced units for incubatees. At the time of the evaluation visit 3 of the units had been rented out although only one seemed to have any operational presence and in fact whose owner agreed to be interviewed as part of the evaluation exercise. The original MOU between partners was also signed on 17<sup>th</sup> May 2007 and included the following: Municipality of

Zenica, the Zenica Economic Development Agency (ZEDA); the University of Zenica and three separate faculties (mechanical engineering, metallurgy and materials science & economics); Ministry of Economy of Zenica-Doboj Canton; the Business Service Centre of the Government of Zenica-Doboj Canton (Ze-Do BSC); the Regional Development Agency for Central BiH Region; Chamber of Economy of Zenica-Doboj Canton (Ze-Do CoE).

#### SEE BSC Network established

According to the management of BSC Zenica 6 Steering Committee meetings were held in 2007, 4 in 2008 and 3 in 2009. Over time however, the active participation of many of the partners in this consortium appears to have fallen away leaving only three which have hands-on participation with the BSC, namely the University of Zenica, the Municipality and Ze-Do BSC. Reasons offered for this development are that it was felt by BSC that some of the Partners wanted more control over its operational activities and budget allocations. This is difficult to verify as none of the other Partners outside of the above-mentioned three were either available for interview or during the schedule proposed by BSC for the evaluator. Although a request was made to meet some of these Partners during the visit the tight schedule did not permit many last minute changes.

#### Improved skills of trainers and students

According to BSC's March 2010 Quarterly Report 29 trainers had undergone training of trainer courses (ToT), 24 of whom were retained to deliver BSC in-house courses. The reason this falls short of reaching the target of 60 by the end of the project is that only those trainers involved in the preparation of specific modules and courses received training with a view to delivering them for BSC when required. BSC management understood that this was their brief and not to generally train trainers who would thereafter be equipped to practice as trainers outside of the project. This issue seems to be a matter of interpretation as BSC Kragujevac, for example, appears to have adopted a different approach. In terms of training participants (mostly current or recently graduated students), 2,152 had attended training courses since 2007 when the project started on 29 different subjects. During a focus group session with some of these participants it was clear that all valued the information acquired from the sessions they attended and that they now had a better grasp of the concept of private sector development and the meaning of entrepreneurship. All believed that the courses offered an insight into a new way of thinking such as starting your own business.

#### Improved (practice-orientated) curricula

In terms of improved curricula BSC have held a number of workshops with the University of Zenica to develop ideas for the inclusion of business-orientated courses. In that regard, the

university has approved the introduction of a new 'polytechnic' faculty focusing on combining technical with business courses with curricula already developed. The government has been asked to contribute and the parties concerned are awaiting their answer.

#### **Credit Facilities**

Regarding credit facilities an agreement was signed between SPARK and LIDER, a micro-credit institution, on 25<sup>th</sup> June 2007, to financially support the winners of the BPC organised by BSC Zenica. To date 17 companies have received loans with no defaults registered which appears to suggest that those enterprises in receipt of the loans are committed to making their businesses work. The loan guarantee scheme has a budget of 150,000 EUR administered by SPARK. With an average loan size of 10,000 EUR it is encouraging that businesses in general are making sufficient operating profit to repay loan instalments. One of the issues raised by the BSC was what would happen to the money at the end of the project (similarly raised by Kragujevac) with the hope that SPARK would allow any remaining guarantee funds to be passed on to the BSC for use after the project ends in December 2010. To date this issue has not been completely settled although it is evident that ownership of these funds will have to remain under the auspices of SPARK until the BSC's sustainability status has been clarified, not least to ensure that monies would be disbursed for the purpose originally envisaged.

#### **SMEs started-up or strengthened**

The total number of businesses to date which started up or were assisted through participation in the BPC is 140 which already exceeds the 120 target and which suggests that the BSC has more than effectively tackled this component. A review of BSCs start-up company database of BPC winners as of April 2010 reveals 119 actual new start-ups covering a wide range of sectors. The remaining companies were those which were already established and seeking assistance with business plan preparation.

#### **SMEs undergoing or have completed ISO certification**

In terms of companies being assisted with ISO certification to date 22 enterprises have signed up with BSC of which 12 have already been reimbursed for 50% costs. This exceeds the 10 initially projected for assistance. The BSC has a time parameter of 18 months for completion of the ISO certification process with the latest start date of June 2009 in order for completion by December 2010 (the end of the project).

#### 4.3.2.2 Capacity Building

##### Upgraded ICT Management Systems

The BSC signed two contracts under this component. The first was to work with ZE-DO Canton to improve its existing database and the second to provide the University of Zenica with integrated software designed to facilitate administrative procedures including student applications, information on examinations etc. Both institutions have indicated that the BSC's contribution has significantly improved their respective operations in terms of efficiency and this can only be regarded as positive.

##### Partner Institution staff members trained

The BSC has organised two workshops to deal with this issue. One 5-day workshop was held in May 2009 on the subject of quality assurance for public institutions (21 participants) and another in September 2008 on the subject of EU funding opportunities for public institutions (18 participants). Participants were from various Partner organisations including those from the other 3 BSCs within the SEBSN network.

#### 4.3.2.3 Policy Making

##### Annual Reports on SME Sector

BSC Zenica has commissioned two reports on SMEs as follows:

1. MSP Sector 2008 – Status and Obstacles faced by SMEs in ZE-DO Canton; prepared by the Regional Development Agency for Central BiH Region (REZ) (400 copies).
2. SME Status Report 2009; prepared by BSC staff with external consultants (500 copies).

The first report surveyed 200 SMEs in the region regarding their views on obstacles to setting up and registering a business. The second report followed up the findings of the first offering suggestions and recommendations on how to address the identified obstacles and for use as a lobbying instrument to influence government policy makers.

##### Annual conferences held in Amsterdam

SPARK organised one conference in Rotterdam in October 2009 but the Director of BSC Zenica did not attend due to work commitments although the BI manager did attend.

##### Conferences organised on SME development in SEE

According to BSC Zenica they were collectively involved with 2 other BSCs in organising 3 conferences and 2 fairs. For the various events attended between 2007 and 2009 a total of

59 individuals and businesses participated.

#### Policy influencing meetings

The BSC attended a policy making meeting in 2008 organised by USAID and the Cantonal Government on removing obstacles in registering SMEs and issuing construction permits.

### 4.3.3 BAR

#### 4.3.3.1 Direct Poverty Reduction

##### BSC opened, furnished and equipped

Following the signing of an MOU in May 2007 between SPARK and the Municipality of Bar as well as 9 other Montenegrin Partners, BSC Bar opened for business on 18<sup>th</sup> July 2007 in private premises provided by the Municipality and remained there until January 2010 when they relocated to their present offices also provided (and owned) by the Municipality. On 28<sup>th</sup> July 2009 BSC Bar decided to re-register as a non-governmental organisation officially operating under its new name NGF 'BSC' Bar in October 2009. Founding members were essentially the same as those within the original MOU with the exception of the Association of Olive Producers, Forum of Unemployed Women and Agricultural Association all of whom were deemed to be non-contributors to BSC activities. The same premises houses the Business Incubator under the auspices of BSC Bar which can accommodate up to 17 enterprises all occupied except one.

##### SEE BSC Network established

According to BSC Bar records and referenced in its last aggregated quarterly report of 2009 a total of 10 Steering Committee meetings were held within the time period August 2007-December 2009 which were attended by a total of 67 Partner organisations. At the time of writing a further meeting had taken place in May 2010. Almost full Partner attendance occurred in 2007 levelling off at an average of 7 for most of the follow-up meetings. In terms of active Partner involvement in the Project over the duration this appears to be an acceptable number of meetings and attendance rates.

##### Improved skills of trainers and students

Between 2007 and 2009 a total of 66 trainers received training and 2,377 participants trained in a wide variety of business skill course modules held in both Bar and Podgorica. Subjects included How to Register a Company, Coaching, Business Plan writing, Business English and Corporate Social Marketing (the highest number of attendees). In both cases original targets have either already been met or planned to be achieved by December 2010.

A focus group session in BSC Bar offices with a sample population of training course participants revealed a high level of satisfaction both with course content and instructor delivery. All indicated that they were able to apply knowledge gained to their respective roles within their organisations (all were currently employed either as teachers or in civil service positions). In addition, one of the trainers who had received training via the Training of Trainers (ToT) programs was interviewed. She advised that she found the training in topics such as developing a business idea and how to register a business highly relevant. As a result she was able to secure a teaching position at the university based largely on the skills acquired via BSC training courses.

#### Improved (practice-orientated) curricula

In 2008 a workshop was held at Fontys University in Bar on 'Curriculum Development and Entrepreneurship' on how to adapt curricula to the market. A second study trip to Holland took place in 2009 to visit Tourism Faculties and Hotel Schools. This was attended by the Director of BSC Bar. In 2008, a Science Alliance (a company commissioned to write) Report based on research conducted in 5 faculties at 3 universities was prepared and accepted by. In a workshop in 2009 attended by teaching staff at the Mediterranean University 2 courses were accredited with the new methodology at the Faculty of Tourism, Mediterranean University in Bar. 2 new topics including visits to the Business Incubator for final year Masters students will be implemented in 2010. As indicated in the last quarterly report of 2009 the target of hosting 4 curricula development workshops has been achieved. No other workshops considered as discussions not favourable.

#### Credit Facilities

In December 2007 an agreement was signed between SPARK and NLB Montenegrobanka, Podgorica, regarding the setting up of a credit facility for BSC Bar with the purpose of financially supporting the winners of the BPC. The total amount of loans would be 200,000 EUR offered to a maximum of 40 entrepreneurs. Whilst acting effectively as a form of risk guarantee the bank has the right to request 2 additional guarantors prior to facilitating a loan. According to BSC Bar records 30 loans have been disbursed to date with no recorded repayment defaults. 7 companies received between 10,000 EUR - 15,000 EUR with the rest averaging around 5,000 EUR. Three enterprises interviewed benefited from the scheme. 2 suggested that they would have gone ahead anyway with their plans although these would probably have been delayed whilst the third indicated that he only started his business following participation in the BPC which provided the necessary motivation.

#### SMEs started-up or strengthened

From the first BPC in 2007 to date a total of 88 companies (51 start-ups and 37 existing) received support as a result of being one of the winners of the competition. However, additional data from the last BPC in 2009 still has to be added to these statistics as indeed for future planned BPCs in 2010 which will need even more. BPC Bar advises that reaching its target of 120 by the end of the Project is unrealistic given the take up among the population to enter the BPCs and the amount of loans already disbursed. Interviews with BPC winners indicated that they received additional support as winners including free company registration and vouchers for advice on management accounting.

#### SMEs undergoing or that have completed ISO certification

Since the beginning of the Project a total of 15 companies have signed up for ISO accreditation with 4 having completed the process so far, 2 of which have already been reimbursed by the BSC for 50% of the costs involved. It is anticipated that at least companies in total will have completed the process thus meeting the projected target of 10.

#### 4.3.3.2 Capacity Building

##### Upgraded ICT Management Systems

According to BSC Bar it has signed 7 ICT contracts to date with local companies to deliver various projects on behalf of the BSC including supply of software for the Municipality – secretariat for economics – specifically on land tax issues, Microsoft Project software for the MBA program and e-Learning for the Faculty of Tourism. Software for the Municipality – Tax Office and Civil Office Provided with computers and equipment. BSC provided software but this was installed by GTZ. Purchased computers for Euro Office in the Municipality.

##### Partner Institution staff members trained

This initiative started in 2008 with staff from Partner organisations attending study tours and training workshops in several locations. So far, 24 members of staff in total have received training in various matters including how to manage EU funding. Targets will be met with 16 additional participants training in PR still to be reported following the event in April 2010.

#### 4.3.3.3 Policy Making

##### Annual Reports on SME Sector

In December 2008 the Municipality of Bar together with BSC Bar organised a regional

conference on 'Successful Experiences in Removing Obstacles for SMEs in the Western Balkans' which was attended by 80 participants from the region representing a cross-section of business related institutions. The topics and conclusions from the conference were published in 2009 and 300 copies were distributed to all 'stakeholders'. The previous year a Study Report on Business Barriers was published with a distribution of 600 copies. In total 1,400 copies have been distributed which would not meet the target of 2,600 for the duration of the Project. However, this is not a contentious issue as the population of Bar would probably not justify the printing and distribution of so many copies. However, during the site visit to BSC Bar an additional report had been published by them on 'Analysis of the labour market in Bar, Budva and Ulcinj', 2010, with a distribution of 600 copies. Under target – no money left.

#### Annual conferences held in The Netherlands

SPARK organised one conference in Rotterdam in October 2009. The BSC Director attended as well as the Director of the incubator in Podgorica, Investnost, and Velibor Boskovic.

#### Conferences organised on SME development in SEE

From 2008 a number of conferences and fairs have been attended by both individuals and companies from Bar. In total 180 individuals and 67 companies attended the following: Adriatic Fair in Budva in 2008, the BAZA Fair in Belgrade also in 2008, the Kragujevac Fair in 2009, ZEPS Fair in Zenica and the BAZA in Belgrade and Adriatic Fair which were both in 2009? These events are annual.

#### Policy influencing meetings

In 2008 a policy meeting was held in the Chamber of Commerce regarding the barriers to SMEs and industrial parks as well as LED meetings (6) on eliminating business barriers at local level together with developing a strategy for the same. A further meeting with the president of the Chamber of Commerce took place in 2009 on eliminating business barriers in the Municipality. A 3 day workshop on ISO 9000-2001 on how to become an internal auditor. 15 participants awarded. Target of 4 met.

### 4.3.4 BITOLA

#### 4.3.4.1 Direct Poverty Reduction

BSC opened, furnished and equipped

The BSC officially opened in March 2007. In May 2007 an MOU was signed between ATA (SPARK) and the Municipality of Bitola as well as 5 other Partners: the University of Kliment & Obridski; the Faculty of Biotechnical Sciences; the Faculty of Technical Sciences; the Regional Chamber of Bitola and the Regional Enterprise Support Centre. Originally located in the Faculty of Technical Sciences, the BSC relocated in November 2008 to its current premises owned by the Municipality which also houses the Business Incubator with space for 8 incubatees all of which are rented out.

#### SEE BSC Network established

Between 2007 and 2009 a total of 9 Co-ordination Committee meetings were held which were attended by 52 Partner representatives. This was slightly less than the average of 4 per year originally planned sufficient for the operational needs of the BSC according to them.

#### Improved skills of trainers and students

Between 2007 and 2009 a total of 51 trainers received training and 1688 participants attended training courses on business planning, e-marketing, entrepreneurship and other business-related topics, some of which were conducted in the neighbouring town of Prilep. The numbers achieved were less than for other BSCs but adequately met local market demand.

#### Improved (practice-orientated) curricula

To date BSC Bitola has been involved in 7 curriculum development workshops, mostly in 2007 and 2008 with a view to integrating entrepreneurship courses within the education system in Bitola and in particular within the University of Kliment-Obridski which in fact became a legal requirement following legislation in 2009 to re-align courses towards more business-orientation. This followed a joint survey by BSC and the university to determine whether entrepreneurship should be introduced (it is now mandatory).

#### Credit Facilities

In March 2010 an agreement between SPARK and the EUROSTANDARD Bank of Skopje was signed to set up a credit facility for BSC Bitola for BPC winners and existing companies. An amount of 150,000 EUR was earmarked for this initiative. There was already an amount of 100,000 EUR for the same purpose at STOPANSKABANKA of Skopje. By 30<sup>th</sup> June 2010 this whole amount of 250,000 EUR had been disbursed to 33 beneficiaries (20 from EUROSTANDARD Bank and 13 from STOPANSKABANKA).

#### SMEs started-up or strengthened

According to BSC records a total of 54 companies were started and 66 existing companies

assisted with business support from the beginning of the project until the end of 2010. This exactly meets the final target of 120 for the period ended December 2010.

SMEs undergoing or have completed ISO certification

To date the BSC has signed 53 contracts with companies for ISO accreditation with 23 having so far completed the process which more than adequately exceeds the target set for each centre.

#### 4.3.4.2 Capacity Building

Upgraded ICT Management Systems

In 2009 a contract was signed between SPARK and DOO Ohrid for the 'manufacture and installation of the software; integrated overview of the financial responsibilities to the Municipality Bitola and public companies'. The purpose of this initiative was to assist the Municipality to combine the payment of utility bills within one invoice, thus reducing administration costs and speeding up the process of bill collection. According to the Municipality this action is necessary and vital for the management and control of public funds.

Partner Institution staff members trained

To date the number of Partner representatives who have received training is 17, with 15 additional members of staff scheduled for 2010. According to its last aggregated quarterly report for 2009 training included attendance for 2 at an Incubator Conference in Seville in 2007, for 5 on a study tour to Poland in 2008 again regarding incubators and 10 in total for conferences in Macedonia, Serbia and Bosnia. Targets were therefore partially met but were not expected to be completed by the end of the project.

#### 4.3.4.3 Policy Making

Annual Reports on SME Sector

One annual report was completed and distributed in 2008 with a circulation of 500. BSC believe the target of 3000 set at the beginning of the project was unrealistically high. Copies of the report were not available at the time of the site visit.

Annual conferences held in Amsterdam

SPARK organised one conference in Rotterdam in October 2009 which was attended by the Director.

Conferences organised on SME development in SEE

Between 2007 and 2009 a total of 345 participants and 197 companies participated in conferences and fairs – no specific details provided. Targets met.

Policy influencing meetings

None to date although 2 meetings were held in 2010. No details provided. Target met.

Policy making activities managed by SPARK's Amsterdam office

Besides the policy making events that were organised by the different BSCs, SPARK's Amsterdam office also organised or co-organised and (partially) financed several policy making events during the last few years. These are detailed in Sarah Ringler's impact report on policy making (pp.14-16). In summary, and as mentioned above, SPARK organised two conferences in The Netherlands in 2009 and 2010. Another was organised in Skopje in 2009. In addition two meetings were held on outsourcing possibilities in 2008 and 2010.

## **4.4 Effectiveness**

### **4.4.1 KRAGUJEVAC**

#### **4.4.1.1 Direct Poverty Reduction**

##### **Employment generated through start-ups**

The 41 start-ups in Kragujevac had by October 1<sup>st</sup> 2010 generated 124 new jobs. (The corresponding figure for existing companies was 107).

According to the Poverty Reduction Impact Report income levels rose in 40% of newly started SMEs surveyed in March 2010 as a result of participation in a BSC, although this figure is not disaggregated by BSC. Income levels of employees also improved in many cases. In Kragujevic over 60% of employees reported higher earnings since they began working for the BSC.

#### **4.4.1.2 Capacity Building**

Partner institutions better serve their clients

Almost all activities in Kragujevac were rated satisfactorily by clients. The highest rating was 100% for the Training in EU Project Development and Funding Opportunities in Zenica, Bosnia and Herzegovina, and the Training in SME Finance in Mavrovo, Macedonia given to

the SLOGA association of trade shops and small enterprises. The same training given to the Sumadija association had not yet produced any results at the time of the capacity building impact study but might be expected to do so in due course. All other interventions scored between 12% and 50%. Overall client satisfaction was estimated at 47.55% by Sarah Ringler in her Capacity Building Impact Report. (It should be noted that it seems from the capacity building impact study that what is measured is satisfaction rather than *increase* in satisfaction which is the SEBSN indicator).

Increased efficiency of Partner institutions was to have been measured by the % increase in the ratio of Partner institution turnover to overheads. In the event the impact study used an indicator of time needed after the intervention compared with before it to produce a certain output (all other factors, such as financial cost, being held constant). In Kragujevac this indicator was applied to the ICT project and it was found that efficiency had risen by 10%.

#### 4.4.1.3 Policy Making

##### **Partner institutions adopting policies to better enhance regional SME development**

This component seeks to determine the satisfaction level among SMEs on services provided by Partner institutions as well as the extent to which Ministerial policies regarding the removal of obstacles to SME development have been addressed and amended. The main evaluator concluded that neither of these can realistically be ascertained. Regarding the first, it was argued that percentages are involved to measure increases in subjective matters such as 'satisfaction' and that this approach would be unworkable and yield no useful results. Regarding whether government policy has been influenced, this could only be verified by the official publication of legislation to that effect and at the time of writing no such undertakings had been provided. Since then an attempt has been made to provide such measurements.

The Micro-Credits and Loans Project and the ISO Certification of SMEs are the two main Policy Making Projects the BSC Kragujevac has undertaken and these were the ones measured in the policy making impact study. It found that for the credits and loans project almost 100% of beneficiaries were satisfied or very satisfied with the project. 31% were able to start their own business and 63% were able to expand their business in terms of staff and output and 10% used the loan to purchase equipment. Regarding the ISO certification, virtually all (100%) SMEs that profited were satisfied or very satisfied. 33% of SMEs experienced an increase in production and exports, whereas one company reported production to have gone up by 200% and another that exports rose by 50%.

As for policy change, the author of the impact study, Sarah Ringler, states that, “tangible political adjustments toward a more business friendly environment for SMEs cannot be attributed to the funds and loans project with certainty. However, political stakeholders [*no details are given of who these are*] at the Chamber of Commerce reported to have a greater understanding of the needs of SMEs due to cooperation with the BSC and that their and the BSC’s interests were congruent. She says the same for the ISO certification project and adds that it corresponds to a policy implementation project rather than one that aims to alter policies (ISO Certification is demanded by Serbian law but this is not always adhered to).

The micro-credits and loans project did lead to the reduction of business barriers and obstacles (BBOs) for those SMEs and entrepreneurs that profited from the ISO Certification Project as it led to the obtaining of licences and contributed towards making their business competitive in the national and especially international market.

#### **4.4.2 ZENICA**

##### **4.4.2.1 Direct Poverty Reduction**

###### **Employment generated through start-ups**

By October 2010 there had been 119 start-ups in Zenica which created 261 new jobs. (Meanwhile existing companies generated 449 new jobs).

The Megan Price report on poverty reduction states that “40% of BSC alumni surveyed in March 2010 (strongly) agreed their income had increased as a direct result of BSC participation” but this figure is not broken down by BSC.

No data is available for the indicator:

- *Increased level of income of employees (%) of newly started SMEs within 6 months after start.*

It is SPARK’s experience that no SME will give information on employees’ salary levels nor will employees reveal this information.

#### **4.4.2.2 Capacity Building**

##### **Partner institutions better serve their clients due to more efficient working**

The University of Zenica received training on and certification regarding ISO and the ICT project “UNZE Software Integrated”. The ISO procedure produced client satisfaction of 66, 6% while the ICT project registered 50%. The BSC’s other projects rated between 25% and 100% except for the “Training in EU Project Development and Funding Opportunities in Zenica, Bosnia and Herzegovina” provided to the Chamber of Commerce where it was zero. However, the latter was attributed to the sole beneficiary being unable to work after the training. Overall client satisfaction in Zenica was 78.32% according to the capacity building impact study.

Two projects were measured for efficiency (time savings). The first, the ICT project “UNZE Software Integrated” saved staff slightly over 23 minutes on a daily basis during a working day of eight hours and led to an estimated increase in efficiency of just over 5%. The other project, ICT: “WEB Interactive” provided to the Regional Service Centre (BSC ZDK) was calculated as 6.6%. Overall efficiency was calculated in the capacity building impact study as 11.63%.

#### **4.4.2.3 Policy Making**

##### **Partner institutions adopting policies to better enhance regional SME development**

The Business Development Conferences and the SME Reports are the main Policy Making Projects undertaken by the Zenica BSC. The policy making impact study concluded that these were able to strongly raise the satisfaction of partner SMEs although the evidence is not clearly presented.

As in Kragujevac, tangible political adjustments towards a more business friendly environment for SMEs could not be attributed to the Business Development Conferences and the SME Reports.

Moreover, they did not produce a reduction in BBOs. The study points out that most laws can only be changed at national level and this is extremely difficult to influence locally. However, due to the project SMEs are now much more aware of the existing BBOs, such as when registering their SME, and can prepare for these in advance.

#### **4.4.3 BAR**

##### **4.4.3.1 Direct Poverty Reduction**

###### **Employment generated through start-ups**

51 start-ups were achieved in Bar by October 1<sup>st</sup> 2010 which created 110 new jobs. (Meanwhile existing companies generated 252 new jobs).

As mentioned earlier, the Megan Price report on poverty reduction states that “40% of BSC alumni surveyed in March 2010 (strongly) agreed their income had increased as a direct result of BSC participation” but this figure is not broken down by BSC.

No data is available for the indicator:

- *Increased level of income of employees (%) of newly started SMEs within 6 months after start.*

##### **4.4.3.2 Capacity Building**

###### **Partner institutions better serve their clients**

Some of the major projects delivered to clients by the Bar BSC were as follows, with client satisfaction ratings in brackets:

ICT and Training: “E-Municipality/Improving IT Skills” (75%)

ICT: “Software Update” (not measurable)

IT Equipment for the Establishment of the Office for European Integration (100%)

Training in EU Project Development and Funding Opportunities in Zenica, Bosnia and Herzegovina (could not be measured because of floods)

Training in SME Finance in Mavrovo, Macedonia (18.75%)

Training in Public Relations and Communication with Media and Training (18.75%)

The ICT: “Software Update” project was reported to have led to citizens being served faster and better at the Municipality of Bar. The study was unable to assess client satisfaction for this project but overall satisfaction in Bar was 77.5%.

Efficiency gains (rounded up) were calculated as follows for two of the above projects.

ICT and Training: “E-Municipality/Improving IT Skills” (25%)

IT Equipment for the Establishment of the Office for European Integration (8%)

Overall efficiency was calculated as 39.71% in the capacity building impact study.

#### **4.4.3.3 Policy Making**

##### **Partner institutions adopting policies to better enhance regional SME development**

Bar's two main policy projects are the SME Study and Roundtable Discussions Concerning the Creation of Entrepreneurship Zones. Regarding the satisfaction of partner SMEs the impact study concludes that it is too early to assess, as the project had not been fully completed. It also states that the project "has attracted the attention of political stakeholders and there seems willingness for political adjustments" citing the fact that currently, the government is looking for ways to attract foreign investors as evidence.

Some of the main BBOs for this project regard special planning and the receipt of licences. The study concludes that it is too early to determine whether the project will lead to their reduction.

#### **4.4.4 BITOLA**

##### **4.4.4.1 Direct Poverty Reduction**

###### **Employment generated through start-ups**

By 1<sup>st</sup> October 2010 there had been 54 start-ups in Bitola which produced 73 new jobs. (Meanwhile existing companies generated 235 new jobs).

The Megan Price report on poverty reduction has been cited when presenting employment data for the other BSCs. She says that "40% of BSC alumni surveyed in March 2010 (strongly) agreed their income had increased as a direct result of BSC participation" but unfortunately this figure is not broken down by BSC.

As in the case of the other BSCs no data is available for the indicator:

- *Increased level of income of employees (%) of newly started SMEs within 6 months after start.*

It is SPARK's experience that no SME will give information on employees' salary levels nor will employees reveal this information.

#### 4.4.4.2 Capacity Building

##### **Partner institutions better serve their clients**

Major projects delivered to five clients were as follows. Client satisfaction figures (rounded up) appear in brackets.

Municipality of Bitola: ICT Project: “Central Connection of Data” (could not be measured) and Study Visit: Incubator Visit to Poland (100%)

University of St. Kliment Ohridski: Training in EU Project Development and Funding Opportunities in Zenica, Macedonia and Incubator Visit to Sevilla, Spain (combined rating: 58%)

Chamber of Commerce: Training in EU Project Development and Funding Opportunities in Zenica, Bosnia and Herzegovina, and Incubator Visit to Poland (combined rating: 38%)

Regional Enterprise Support Centre (RESC): Training in SME Finance in Mavrovo, Macedonia (not measured) and Incubator Study Visit to Sevilla, Spain (25%)

Agency for the Promotion of Entrepreneurship of the Republic of Macedonia: Training in SME Finance in Mavrovo, Macedonia (100%)

Overall satisfaction in Bitola was calculated in the capacity building impact study as 55.2%.

No data is presented in the capacity building impact study on increased efficiency of partner institutions in Bitola as a result of BSC projects because the only ICT project there was not fully implemented at the time of the study.

#### 4.4.4.3 Policy Making

##### **Partner institutions adopting policies to better enhance regional SME development**

The Micro-Loans and Credits and the ISO/HACCP Certification projects were the two assessed by the policy making impact study at the BSC in Bitola. The study finds that the “satisfaction of partner SMEs is very high as they do not have to – and in many cases simply could not – rely on regular loans from banks, which demand the paying of a very high interest rate”. However, no figures are provided.

As in the cases of the other BSCs it is found that there is no discernible policy change towards a more business friendly environment for SMEs. However, the author points out that this project “has captured the attention of many stakeholders in Bitola” and makes reference

to certain developments which suggests there are small changes which may eventually influence policy makers.

The study also finds that the micro-credits and loans project led to the reduction of BBOs for its beneficiaries as it considerably facilitated the establishment of their company or business, fostered employment and supported entrepreneurship development in general.

## 4.5 Relevance

### General

The direct poverty reduction data are provided in the Direct Poverty Reduction (DPR) and Capacity Building (CB) Impact Reports. Figures are disaggregated for all the indicators except number of BPCs organised. The aggregate picture for this indicator is only presented here and not in the respective sections on BSCs.

#### **No. of start-ups that continue to exist after 4 years**

As businesses sustain and grow, they contribute more to the growth of the local private sector by hiring more employees, creating demand for production and/or services, and accruing tax revenue for the local municipality. Thus, it is important to provide evidence that a significant portion of BSC-supported businesses are surviving beyond their initial years and, thereby, impacting on the local economy.

While it has only been 2 years since most SMEs registered (thereby precluding reports on 4-year survival rates), the average 94% success rate thus far surpasses the 80% target and portends strong survivability. Individual data for each BSC is given in the corresponding sections.

#### **No. of curricula updated**

Entrepreneurship was incorporated into the university curriculum in all the BSC cities.

## Self-sustainability of BSCs after 2010

Ringler, in her Capacity Building Impact Report measures financial sustainability in the following way:

### Stakeholders' Own Financial Resources

#### Total Financial Resources Required by the Intervention

Financial sustainability was measured for 2011 by dividing each BSC's financial resources by the total amount of resources required, which includes those that each BSC had been able to raise during 2010. The results are varied with two of the BSCs in a strong position to become self-sustaining and two which were not. Bitola and Kragujevac are the strongest. The former has income from the EC and USAID, amongst others, who hired the BSC for their projects. Bitola has almost a million euros from USAID which will guarantee its continuation for the three years up to and including 2013. Of the remaining two BSCs Bar has guaranteed funds until 2011

during which time it will be able to seek additional finances. Zenica is in the worst position with little more than a quarter of the funds it needs to survive to the end of 2011.

Table 2 summarises the situation. It should be noted that some of this data only became available after the report by Ringler had been submitted and so are not included in it.

There is reason to be more optimistic about BSC sustainability than the figures above reveal. In the next 1-3 years SPARK expects the BSCs to expand on their donor and commercial activities. 2007-2010 were the years in which they were being established and BSCs faced much pressure to meet tangible targets for Spark. This left them relatively little time to prepare as fully as they might for sustainability. The BSCs have now established themselves in their communities, have excellent reputations and are being noticed by donors, existing businesses and local/national governments. The groundwork has been done and Spark expects that sustainability will not be a major problem (except possibly in the case of Zenica).

**Table 2: Description of income to be earned by 5 Business Start-up Centres (through awarded projects or other activities)**

Business Start-up Centre	Amount	Description of financing
Bitola, Macedonia	\$1.3 million	USAID donor – extension of BSC activities to rural areas, years 2011-2013.
Kragujevac, Serbia	200,000 euro	EU (RSDEP II) – extension of BSC activities in central Serbia, years 2011-2012. Project awarded on December 31 <sup>st</sup> 2010.

	250,000 euro	DEKRA donor – vocational employment agency engaging BSC Kragujevac as business skills training agency in central Serbia. Award notice, 3 <sup>rd</sup> quarter of 2010.
	60,0000 euro	BSC income earned to date in commercial trainings in savings for use in 2011.
Bar, Montenegro	34,000 euro	Euro Info Information and Innovation Center (EIIC), years 2011-2012.
	30,000 euro	Incubation space – 1,100 m <sup>2</sup> comprising 34 units for tenants, to be earned on an annual basis.
	50,000 euro	BSC income earned to date in training in savings for use in 2011.
Zenica, Bosnia	25,000 euro	BSC income earned to date in training in commercial activities and events for use in 2011.
Pristina, Kosovo	\$19,390	US Embassy – business start-up trainings around Kosovo, years 2010-2011.
	\$1.2 million	USAID donor - <i>Youth Employment Creation through Coaching, Youth Innovation Fund 2010</i> (BSCK is consortium partner - lead for Kosovo), years 2010-2012.
	450,852 euro	EU funded project, <i>Facilitating Business Friendly Environment through One-stop Shops and Business Advisory Services</i> (BSCK is lead organisation, 6 municipalities are partners and beneficiaries), December 2010-December 2012.

Source: SPARK (2011).

### **No. of Business Plan Competitions organised by the Partner institutions after 4 years**

15 Business Plan Competitions were organised between 2007 and 2010 which have yielded 727 business plans, and 475 winners were awarded support from the BSC. These figures have been increasing annually over the three years. As Megan Price observes, “This is the single BSC activity that leads most directly to SME creation. Should local partners be able to continue this activity, the outputs produced heretofore (i.e. business and job creation) can also be reasonably expected to persist in the foreseeable future. The growing trend in participation over the last 3 years indicates that both local interest and the BSC’s capacity to answer it are building”.

### **No. of incubated businesses graduated**

This indicator aims to offer insight into the viability of businesses created with BSC support. Moreover, it provides evidence that the incubators are hosting businesses, helping them grow, and eventually out-grow the start-up offices. To date, 7 of the 40 incubator residents have graduated. As pointed out above, many of the new start-ups are around two-years old. The incubators themselves are also young. The earliest, in Bitola and Kragujevac, opened two years ago (Nov. & Dec. 2008, respectively). Zenica’s incubator was opened one and a half years ago (Jun 2009), and in Bar, the incubator is less than a year old (opening Jan.

2010). Since the minimal expected length of stay in an incubator is three years, it is not surprising that few businesses have been ready to graduate out yet. In fact, it is somewhat ahead of schedule that any have graduated so far. Bitola's strong outputs in this category are therefore something of an anomaly.

### **% increase in sales of ISO/HACCP certified businesses**

This activity aims to facilitate the international certification of larger businesses. The assumption is that this will enable the businesses to breach market borders and increase (or initiate) export sales. The logical result of this would be an increase in turnover and growth. Unfortunately, an unanticipated consequence of working with larger businesses has been a lack of willingness on the part of the businesses to transparently report data on turnover and export figures. This has obstructed the collection of reliable data to indicate if or how the outputs of the programme (businesses who gain certification with BSC-assistance) have brought about anticipated impacts.

The Direct Poverty Reduction Impact Report lists results per BSC and these are presented in the respective sections on BSCs. Because each BSC collected different sets of data, it was not possible to create a single aggregated indicator. Moreover, the reporting of each BSC was also highly irregular. Bar and Bitola, in particular, could not deliver any reliable figures. Responsibility for this lies with the BSCs themselves, but can be partially explained by the aforesaid reticence of the participating companies.

### **Capacity Building**

#### **% increase Partner turnover/overhead rate**

The DPA Impact Study found that SMEs which had participated in BSC activities had received a number of benefits. 24% reported a decrease in overheads and another 23% had experienced an increase in turnover. While respondents were allowed one answer only it is likely that at least 3% of them could report benefits of both kinds so that the target of "3% Partner turnover/overhead rate (due to ICT/Partner training)" is met. The indicator as such was not directly measured and there is no disaggregation of these data by BSC available to the additional evaluator.

## **Policy Making**

### **% increase in satisfaction rate with policies among SMEs**

There is no available data on SME satisfaction with policies.

### **Ministerial policies adjusted on SME development**

As explained above under “Relevance” no BSCs have attempted to change policy, much less

Ministerial (national) policy. It seems likely that this indicator was over-ambitious.

### **% of national/international obstacles removed**

No figures are available on the percentage of national or international obstacles removed but two of the four BSCs report progress in one or both; Zenica reported no progress and in Bar it is too early to say. Details appear below under the respective BSCs.

#### **4.5.1 KRAGUJEVAC**

##### **4.5.1.1 Direct Poverty Reduction**

### **No. of start-ups that continue to exist after 4 years**

The DPR Impact Report presents figures on SME survival rates after two years. For Kragujevac it is 94%. Further information on the viability of SMEs data was also collected on the default rate for BSC sponsored loans. In Kragujevac this was 13% or 7 out of 51 loans. It is the only BSC where there have been any defaults though it also accounts for by far the largest number of loans amongst the BSCs.

### **No. of curricula updated**

The performance indicator (target) of having entrepreneurship integrated into university curricula has been met.

### **Self-sustainability of BSCs after 2010**

On 31<sup>st</sup> December 2010 BSC Kragujevac won a two year grant of € 200,000 from the European Commission for continuance of the activities. This secures the BSC's sustainability for the near future and provides it time to develop its sustainability strategy further.

### **No. of incubated businesses graduated**

Kragujevac's incubator is only two years old. SMEs using it are expected to leave after three years so it is unsurprising that none have yet done so.

### **% increase in sales of ISO/HACCP certified businesses**

The ISO and HACCP quality management systems are expected to lead to increased sales in the companies which are accordingly certified. Although the systems do not aim specifically to increase turnover or exports these are two figures which would help determine whether sales had increased or not. However, as explained above, the larger businesses have been unwilling to transparently report data on turnover and exports.

In addition, each BSC collected different sets of data for this indicator. In Kragujevac these were about changes in employment from 2009 to November 2010 in the companies which had participated in the ISO/HACCP projects. The data do not cover all companies as some did not provide information as requested.

From these figures, no significant impact can be noted. While one company did increase its employees by 18 (a 72% increase) and another by 7 (a 13% increase), one company downsized by 10%. Such a reduction may even be an indication of the success of the quality management systems rather than the opposite: employees may be reduced as a result of greater efficiency and rationalisation. But there is no data to tell us whether this is so or not. In any case, the majority of certified businesses reported no change whatsoever in the number of employees at their company. No verifiable trend can be determined.

Assessment of this component's impact has been hampered by a number of issues. Firstly, the participants of ISO courses and HACCP courses have been lumped together, despite

the fact that the programs are different and have distinct aims. The aforementioned reluctance of the participating companies to report on results presents another obstacle to conducting a transparent evaluation. It was also argued that more time was needed for actual results to become visible. Finally, the indicators themselves may not accurately reflect actual results. Price argues that this would warrant, in the future, an indicator development exercise that included input from beneficiary companies. Such participation and cooperation could also help to mitigate future participants' disinclination to report on resultant changes within their company.

#### **4.5.1.2 Capacity Building**

##### **% increase Partner turnover/overhead rate**

As explained above this indicator was not measured directly and, while it is likely that across

the four BSCs the target was met, no disaggregated data is available to confirm this.

#### **4.5.1.3 Policy Making**

##### **% increase in satisfaction rate with policies among SMEs**

There is no available data on SME satisfaction with policies.

##### **Ministerial policies adjusted on SME development**

As explained above under “Relevance” no BSCs have attempted to change policy, much less Ministerial (national) policy.

##### **% of national/international obstacles removed**

The micro-credits and loans project have led to a reduction of BBOs for those SMEs and entrepreneurs that profited from the Funds and Loans Project as it considerably facilitated the establishment of their company or business, fostered employment and access to technology and supported entrepreneurship development in general. This is a finding of the Policy Making Impact Report though no more precise figures are offered.

The micro-credits and loans project also led to the reduction of BBOs for those SMEs and entrepreneurs that profited from the ISO Certification Project as it led to the obtaining of licences and contributed towards making their business competitive on the national and especially international market. While ISO Certification is demanded by Serbian law, many companies have been slow to implement this obligation as the law is not sufficiently enforced. As one SME founder has reported the implementation of ISO it can thus also have negative consequences as it is costly to implement, but does not guarantee that it will yield immediate success in terms of profit.

#### **4.5.2 ZENICA**

##### **4.5.2.1 Direct Poverty Reduction**

###### **No. of start-ups that continue to exist after 4 years**

The DPR Impact Report presents figures on SME survival rates after two years. For Zenica it is 97%. Further information on the viability of SMEs data was also collected on the default rate for BSC sponsored loans. In Zenica this was 0% (of 13 loans).

###### **No. of curricula updated**

The performance indicator (target) of having entrepreneurship integrated into university curricula has been met.

### **Self-sustainability of BSCs after 2010**

The continued existence of the BSC in Zenica, after the termination of Spark funds, is very doubtful. During 2010, the BSC applied for many European and international funds, but unfortunately without success. It was, however, able to raise income through different services it provided, such as ISO training and conference fees. This income, which is reserved for 2011, amounts to a total of 22,500 Euros and shall be used to cover office expenditure and staff salary. Financial Sustainability of the BSC Zenica has been calculated as 48% (or 0.48)

### **No. of incubated businesses graduated**

Zenica's incubator is only 18 months old (it was established in June 2009). SMEs using it are expected to leave after three years so it is surprising that one has already graduated. While this gives a figure of 50% - well above the target of 25% - the universe is very small and therefore unreliable.

### **% increase in sales of ISO/HACCP certified businesses**

As explained above, the larger businesses have been unwilling to transparently report data on turnover and export figures so it has been difficult to gather data on how or if businesses who gain certification with BSC-assistance have been able to increase their sales.

Each BSC collected different sets of data for this indicator. In Zenica these were about changes in the number of their outgoing invoices from the beginning of their participation in the programme to May 2010. No consistent trend is found. Of the five companies reporting reliably none showed progressive increases and three reported a significant decline over the whole period.

### **4.5.2.2 Capacity Building**

#### **% increase Partner turnover/overhead rate**

As explained above, this indicator was not measured directly and, while it is likely that across the four BSCs the target was met, no disaggregated data is available to confirm this.

### **4.5.2.3 Policy Making**

#### **% increase in satisfaction rate with policies among SMEs**

There is no available data on SME satisfaction with policies.

### **Ministerial policies adjusted on SME development**

As explained above under “Relevance” no BSCs have attempted to change policy, much less

Ministerial (national) policy.

### **% of national/international obstacles removed**

A reduction of BBOs has not followed from the Business Development Conferences and SME Reports in Zenica. As one employee of a large research institute noted, most laws that have to change are on the national level, which is extremely difficult to influence. However, due to the project SMEs are now much more aware of the existing BBOs, such as when registering their SME, and can prepare for these in advance.

## **4.5.3 BAR**

### **4.5.3.1 Direct Poverty Reduction**

#### **No. of start-ups that continue to exist after 4 years**

The DPR Impact Report presents figures on SME survival rates after two years. For Bar it is 96%. Further information on the viability of SMEs data was also collected on the default rate for BSC sponsored loans. In Bar this was 0% (of 24 loans).

#### **No. of curricula updated**

The performance indicator (target) of having entrepreneurship integrated into university curricula has been met.

#### **Self-sustainability of BSCs after 2010**

The Bar BSC has been strategically planning for eventual independence of the institution from Spark funding, strongly marketing its activities and has managed to be in a position where it is not only able to survive financially during 2011, but is programmatically expanding. About 50,000 Euros have been raised during 2010, which are reserved for 2011. Business incubation has been so successful for the BSC that it is currently acquiring a whole new floor, which will double revenue.

Financial Sustainability of the BSC Bar has been calculated as 1.19 (119%).

#### **No. of incubated businesses graduated**

Bar's incubator is less than a year old, having opened in January 2010. As SMEs using it are expected to leave after three years, it is unsurprising that none of the 16 has yet done so.

### **% increase in sales of ISO/HACCP certified businesses**

As explained above, the larger businesses have been unwilling to transparently report data on turnover and export figures so it has been difficult to gather data on how or if businesses which gain certification with BSC-assistance have been able to increase their sales.

Each BSC collected different sets of data for this indicator though in Bar these were so unreliable it has not been possible to find any data to measure this indicator.

### **4.5.3.2 Capacity Building**

#### **% increase Partner turnover/overhead rate**

As explained above this indicator was not measured directly and, while it is likely that across the four BSCs the target was met, no disaggregated data is available to confirm this.

### **4.5.3.3 Policy Making**

#### **% increase in satisfaction rate with policies among SMEs**

There is no available data on SME satisfaction with policies.

#### **Ministerial policies adjusted on SME development**

As explained above under "Relevance" no BSCs have attempted to change policy, much less Ministerial (national) policy.

#### **% of national/international obstacles removed**

Some of the main BBOs in Bar's SME Study and Roundtable Discussions revolve around special planning and the receipt of licences, which are often dealt with at a national level. In general it is too early to determine whether this project will lead to a reduction of BBOs as it had not been completed at the time of the Policy Making Impact Report.

### **4.5.4 BITOLA**

#### **4.5.4.1 Direct Poverty Reduction**

##### **No. of start-ups that continue to exist after 4 years**

The DPR Impact Report presents figures on SME survival rates after two years. For Bitola it is 90%. Further information on the viability of SMEs data was also collected on the default rate for BSC sponsored loans. In Bitola this was 0% (of 33 loans).

#### **No. of curricula updated**

The performance indicator (target) of having entrepreneurship integrated into university curricula has been met.

#### **Self-sustainability of BSCs after 2010**

Over the course of the three years 2011 – 2013 the Bitola BSC will receive a total of US\$ 1,336,857 (approximately 968,736 Euros). This money will be provided by USAID for projects that target economic growth with the support of new and existing SMEs, technology transfer for supporting SMEs with tools for innovation and lastly, the establishment of different forums for various private and non-governmental agencies. As Ringler says in the CB Impact Report, “this should not be equated with true sustainability as one donor (Spark) is essentially superseded by another donor (USAID).” However, Ringler believes Bitola BSC will use the breathing space offered by these funds to develop a strategic plan which includes financial sustainability. Financial sustainability is over 100% for the next three years.

#### **No. of incubated businesses graduated**

Bitola’s incubator is just over two years old having opened in November 2008. As SMEs using it are expected to leave after three years it is surprising that 6 of the 8 have already done so. It is unclear to the additional evaluator how this has come about.

#### **% increase in sales of ISO/HACCP certified businesses**

As explained above, the larger businesses have been unwilling to transparently report data on turnover and export figures so it has been difficult to gather data on how or if businesses which gain certification with BSC-assistance have been able to increase their sales.

Each BSC collected different sets of data for this indicator though in Bitola these were so unreliable it has not been possible to find any data to measure this indicator.

#### **4.5.4.2 Capacity Building**

##### **% increase Partner turnover/overhead rate**

As explained above, this indicator was not measured directly and, while it is likely that across the four BSCs the target was met, no disaggregated data is available to confirm this.

#### **4.5.4.3 Policy Making**

##### **% increase in satisfaction rate with policies among SMEs**

There is no available data on SME satisfaction with policies.

##### **Ministerial policies adjusted on SME development**

As explained above under “Relevance” no BSCs have attempted to change policy, much less Ministerial (national) policy.

##### **% of national/international obstacles removed**

In Bitola there was a reduction in the number of BBOs for those SMEs and entrepreneurs that profited from the Funds and Loans Project as it considerably facilitated the establishment of their company or business, fostered employment and supported entrepreneurship development in general. This is a finding of the Policy Making Impact Report though it does not say which of the BBOs were overcome.

The ISO/HACCP project also led to a reduction in BBOs for participating SMEs and entrepreneurs as it helped them obtain licences and contributed towards making their business more competitive on the national and especially international market in the near future. The impact has been rather slight on the national market, as ISO is not yet required by national law. However, HACCP is required and companies that have received it as a result of the BSC’s intervention are now free of BBOs in this regard.

## **4.6 Conclusions & summary**

SEBSN is a substantial and complex undertaking not least due to the 4 different countries in which the BSCs are located. Although in the same Western Balkan region they have different economies, political systems and cultures. Since 2007 and the start of the SPARK Project all have progressed at different rates relative to the criteria against which they are to be measured. This has mainly to do with the extent to which local Partners have collaborated in carrying out their obligations to the Project as well as the extent to which each BSC has understood or interpreted the performance indicators. It also concerns the accumulation of large amounts of data mainly on a quarterly basis for reporting purposes. Pre-determined targets within different components (Direct Poverty Reduction, Capacity Building and Policy Making) and within different parameters (Efficiency, Effectiveness and Relevance) add a further dimension to the scope of the Project. Budgets for each BSC have to be disbursed and managed in accordance with guidelines set out in MOUs between SPARK/BSCs and Partners or other agreements as well as those relating to loan credit guarantee funds. As local discretion in this respect is limited in terms of expenditures

allowable without SPARK approval it is possible that delays in plans by BSCs to implement local initiatives may occur (actually all BSC directors held this view). In addition, one has to consider the nature and extent of the skills and expertise of Project teams to deliver planned objectives and whether BSC directors have the requisite knowledge and experience to manage and motivate staff to that end. Finally, one also has to consider the extent of perceptions held by local communities and target audiences, in particular regarding business-orientated initiatives such as business start-up centres and/or business incubators and therefore their propensity to take a favourable view of or participate in a project such as SEBSN.

It is therefore against this background that SEBSN should be viewed and from information gathered from both primary (existing data and information) and secondary (on-site interviews and focus groups) sources during the mission. It essentially has two parts: BSC operational activities and sustainability post-SPARK input. The first involves the setting and achievement of pre-determined overall aims of the Project together with the establishment of specific targets in pursuit of those aims and the second, the implementation of measures designed to help the BSCs become self-sustainable after the end of the Project in December 2010.

From the above analysis of the available data and information gathered during the evaluation site visit from all sources the following can be determined. It should be noted that these conclusions are based on those of the main evaluator as made in July 2010 but have been modified and added to by the additional evaluator on the basis of three subsequent impact studies in the areas of poverty reduction, capacity building and policy making.

1. In general, within the component Direct Poverty Reduction, most of the objectives and targets were achieved by the end of 2010.
2. On closer inspection of the facts as presented it is clear that differences in performance between the BSCs exist in terms of delivering set targets, for example, in the number of businesses started/strengthened, trainers trained, training course participants and jobs created. However, this has not detracted from the overall aims although it does raise the issue of whether or not a simple division of set targets by 4 is appropriate given the point raised earlier that each of the BSC geographic locations has its own idiosyncrasies which are bound to have an impact on performance.
3. Progress in the area of Policy Making has been less than in the other two (poverty reduction and capacity building). In July 2010 the main evaluator stated that there was no way of knowing whether actions taken during the lifetime of the Project to that time

had resulted in any changes in government policy; this was because there was no data available. Since then data has indeed been collected in this area. SME satisfaction with BSC services has generally been high and some of the obstacles to business have been reduced. However, the changes foreseen in international, national and even local policies have not been realised. It was probably too ambitious to expect that they would be in the lifetime of this project; nor do BSCs appear prepared to labour in this area.

4. In terms of the contribution of Partners regarding their obligations to the Project as defined in signed MOUs between them and SPARK at the beginning of the Project, this has had mixed results which are often dependent on the role played by the Municipality in taking the lead in supporting the BSC. The relevance of this is that the Municipalities' in kind contribution usually involves the allocation of space or premises for the use of the BSC and Business Incubator. In Kragujevac co-operation between the BSC and Municipality has become tenuous not least because the BSC and Business Incubator are now housed in separate locations, with the latter managed by a Municipality appointee. In Bar the premises hosting the BSC/Business Incubator are owned by the Municipality who have not officially committed to maintaining this status quo after the end of the Project. This appears due to politics rather than economics but could have an impact on sustainability. Bitola had a similar issue but no longer appears to be the case given the BSC's very recent award of a substantial USAID funded project which will now ensure its survival and current premises for the foreseeable future. Zenica BSC is located within the premises of the university together with the incubator in another part of the grounds. This relationship appears solid although the accommodation is not ideal.
5. From discussions with BSC directors and staff (separately and together) it is clear that differences of opinion exist between them regarding the roles and responsibilities of both parties. The prevailing view in all centres is that everyone 'works for' the director and acts according to instruction. There is no scope or motivation for pro-active initiative. This has resulted in lack of delegation of responsibilities which is often reflected in slow or late delivery of actions requested by the director (usually apropos deadlines set by SPARK).
6. In terms of life after the Project the situation has improved since the July evaluation report though much still needs to be done. At that time emphasis appeared to be focused on tendering and winning new donor-funded projects rather than viewing the BSC/Business Incubator as a stand-alone entity in its own right with possible alternative sources of income based on experience and 'lessons learnt' gained on the Project to date. While this is still true to a certain extent it can now be reported that Bar has been

planning strategically and has had successes in marketing its services, is expanding and will be financially sustainable in 2011. Kragujevac is also financially sustainable for that year. In July 2010 it could be said that, "With the exception of Bitola with its recent award (c.\$1.4m) and rather worryingly no other income has been so far identified by any of the BSCs as of January 2011"; five months later this is no longer true and – though no other BSC has anywhere near matched the size of Bitola's income - we may be a little more optimistic for the future.

7. This also raises the issue of human resources in the BSCs. Did the team have the requisite skills at the start of the Project to carry out the duties required of them and if not, do they have them now? The generally negative view of the main evaluator in July 2010 was understandable given the evidence. Now, however, there are signs of some improvement, as reported in the Capacity Building Impact Report of December 2010. Whereas earlier few of the staff in the BSCs (except some of the BSC Directors) had undergone any sort of training either to improve their operational skills or knowledge of how to advise entrepreneurs or SMEs, all the BSCs now have staff who have been trained. Training includes such areas as the design of promotional material and the updating of the BSC webpage in Bar and means they can now be undertaken by the BSC itself instead of having to hire in external experts. More generally there has been training in computer skills, management, fundraising and, significantly, analysis of problems encountered by SMEs which has resulted in a better understanding of the kinds of support needed. The benefits of training have not been even (Zenica lags behind in this respect) and one should not exaggerate the changes seen in the last half of the year. It is not yet certain that the BSC teams are really equipped to run the BSC on a professional, commercial basis post-SPARK funding. But the trend is encouraging.

8. In July 2010 the main evaluator wrote:

"A more serious issue in terms of sustainability is the obvious lack of planning in the BSCs for ultimate independence starting January 2011. Rather than seen as a prerogative it has not in most cases been thoroughly considered although sustainability issues have been discussed between the BSCs and SPARK in particular at a BSC Director's meeting in Dubrovnik in May 2009. It can of course be argued that in the day-to-day implementation of the Project it is difficult for BSC directors to allocate sufficient time for sustainability matters given the targets that they have to meet. This then raises the dichotomy of whether it is possible to implement a project of this nature and run a Business Start-Up Centre and Incubator at the same time. In this case it would appear that this has not been possible.

9. "Where sustainability plans have been prepared by external consultants these have largely either not been fully understood or put aside for later consideration. Reasons for

this are that these reports are either too complicated and lengthy or based on a 'wish list' of things required to make sustainability happen. Confusion exists between the meaning of sustainability and business planning neither of which appear to have led to real actions being taken now by BSCs to secure survival or growth post-SPARK. A case in point is the recently prepared BSC Zenica sustainability plan for 2011-2014 which although addresses financial issues has no place for how anything is actually to be achieved. In reality, it seems that all of the staff there are already currently searching for new jobs which would indicate that their faith in achieving sustainability is limited or that they in any event anticipate a reduction in staffing requirements post-SPARK involvement."

10. Apart from the case of Zenica, where the situation remains precarious, the future for BSCs looks much better in December than in July 2010 with three of the four BSCs financed sufficiently to carry them at least through 2011, one of them to the end of 2012 and one to December 2013.
11. Some confusion also appears to exist among the BSCs regarding the combination of a Business Start-up Centre and a Business Incubator. This is manifested in literature and in signage at the centres. In Bar the words Business Incubator do not appear on the nameplate at the entrance to the building which is not surprising as the main floor of the building occupied by the BSC has 'BIZNIS CENTRE' in the title in large letters. In Kragujevac the issue is now largely irrelevant, as the Business Incubator has no direct connection with the BSC main office. In short, the marketing and promotion of the BSC/ Business Incubator 'brand' is confusing and likely to send different signals to different intended clients. In reality they are not the same thing. The current BSC set up under the derivation Business Start-up Centre does not immediately give the impression of an advisory body with in-house consultancy services nor at first glance does it appear directly connected with a Business Incubator with the exception of Bitola and to a lesser extent Bar. In terms of where/how the BSCs/Business Incubators are physically presented a wide gulf exists between locations. BSC Bitola is the most professional looking structure in overall appearance whilst BSC Zenica gives the impression of an organisation connected with student administration and with an incubator effectively in name only on nearby premises.
12. In terms of SPARK management and control of the Project this is effectively structured via an administrative office in Belgrade with a Project Director responsible for not only this initiative (SEBSN) but also two other projects in Novi Sad and Kosovo and with a small team of assistants. Performance is measured by quarterly Monitoring & Evaluation Reports (M & E Reports) from the BSCs which depict actual against plan with respect to targets and highlight activities still to be achieved/addressed. Due to the way in which SPARK funds can be spent by the BSCs locally there appears to be a considerable amount of micro-management going on which has the (unintentional) effect of limiting decision-making by the BSC directors, resulting in delays in starting/ completing initiatives (according to the directors). As this is not a forensic analysis of the way in which funds have been allocated or spent it is difficult to verify this perception although it would be unrealistic to argue that it hasn't happened on occasion. Given this structure and given the different geographic locations of the BSCs a significant amount of credit

should be given to the current Project Manager based in Belgrade for delivering the results achieved so far, together with the contribution made earlier by the other Project Manager who left the project in September 2008.

13. The main evaluator wrote in his July 2010 report: “Finally, with regard to Impact Assessment studies commissioned by SPARK designed to gain an understanding of the impact of the Project on employment and income levels of companies which have been supported by the BSCs in one form or another, these are only useful to the extent of providing feedback based on comments and opinion at a particular point in time, namely, when completing a questionnaire. For the most part they are attitude surveys asking for a viewpoint on intention with the exception of a number of jobs created following assistance or whether a business has started in the first place after receiving support from the BSC either as a BPC winner or in some other capacity. This kind of information when based on fact is highly relevant and underscores the positive aspects of BSC support to intended target audiences. All other points of view are subjective and speculative and thus add little value to planning as they could change depending on perceptions related to the issues requiring comment. In this respect too, year on year data gathered from these studies may not provide a true picture of events again with the exception of actual number of jobs created or businesses started as they would eventually be trackable and relatively easily recorded. However, even if this were the case, what may seem a poorer performance from one year to the next may easily be attributable to a wide variety of circumstances and influences beyond the measurability of the monitoring tools available for that purpose and should therefore not be taken as a means to any sort of forward planning or strategy development. The additional evaluator, as will be clear by now, found the impact studies commissioned by SPARK to have been of great value in filling data gaps in the areas of poverty reduction, capacity building and, to a lesser extent, policy making at the levels of effectiveness and relevance.
  
14. The only remaining issue to comment upon concerns the comments, suggestions and observations of people interviewed during the evaluation process including representatives from Project Partners, BPC participants and winners, students and training course participants. Here, there is universal agreement that SPARK has made a significant and beneficial contribution to all concerned and that without SPARK funding and involvement businesses may not have started and companies may not have taken on more employees, Partner organisations would not have progressed through lack of capacity building measures and upgrading of facilities etc. In a wider context the prevailing view is that the BSCs have contributed greatly towards educating local communities regarding the concept of business development and entrepreneurship in particular which is a major achievement in itself. In this respect it is arguable that SEBSN has been extremely successful.

## 5 BUSINESS START-UP CENTRE KOSOVO (BSC)

### 5.1 BSC Kosovo Project Monitoring & Evaluation Matrix

The following matrix summarises the findings from the evaluation mission to the BSC in Kosovo relative to the pre-determined objectives and performance indicators established for the Project. The Input section is the same as defined in the TOR for the assignment. The Output, Outcome and Impact sections provide an overview of whether these have been achieved or not together with the opportunity to comment or offer an explanation for the deviation from the plan. Sources of information include documentation provided by BSCK as well as from Partner institutions. Most of the data provided relates to the period commencing September 2008 to the end of December 2009. On occasion and where deemed appropriate for clarification purposes statistics to date are provided as a guide to overall progress (or otherwise) of the BSCK's performance with respect to the above criteria.

**Table 2 Business Start-up Centre Kosovo evaluation matrix (targets for Year 2009)**

Objectives/Means	Performance Indicators	Sources of Verification	Research Methods
<p><b>INPUT</b> <b>Result 1:</b> <b>BSCK transformed into self-sustained local entity</b></p> <ul style="list-style-type: none"> <li>Defining BSCK statutes &amp; register as non-profit entity of main stakeholders institutions</li> <li>Publishing annual narrative &amp; financial plans &amp; reports after approval by the local board</li> <li>Develop final draft sustainability strategy by 4 independent experts</li> <li>Discuss &amp; approve sustainability strategy by the local board</li> <li>Recruiting new office staff in minority outreach locations</li> <li>Installing new advisory committee members involving minority communities</li> </ul>	<ul style="list-style-type: none"> <li>Statutes approved BSCK register</li> <li>Annual narrative &amp; financial plans/reports approved</li> <li>Sustainability strategy adopted by BSC Management Board</li> <li>3 field offices in N. Mirtovica, Gračanica &amp; Peja/Pec opened</li> <li>Advisory board installed</li> </ul>	<ul style="list-style-type: none"> <li>Business registry data</li> <li>Progress reports</li> <li>BSCK proof of registration &amp; statute</li> <li>Sustainability strategy, budgets, work plans</li> <li>Client service package</li> <li>BSCK annual narrative &amp; financial reports</li> <li>HR development plan, job descriptions</li> <li>Written forms for staff performance assessment</li> <li>Business skills training reports &amp; attendance lists</li> <li>Post training survey among training participants</li> <li>Survey among training participants on employment</li> <li>Business registry or court registration documents</li> <li>Pre-trainer reports</li> <li>BSC online applicant database</li> <li>6 month project reports</li> <li>SME database</li> <li>Impact assessment (carried out by SPARK to</li> </ul>	<ul style="list-style-type: none"> <li>Desk study &amp; interviews with SPARK/BSC staff &amp; Project Partners</li> <li>Review of BSCK II reports</li> <li>Review of sustainability plan</li> <li>Site visit to Pristina, Kosovo</li> <li>Review of staff capacities</li> <li>Review of SME databases</li> <li>Impact assessment (carried out by SPARK to collect quantitative/qualitative information in advance of external evaluation)</li> </ul>

<p><b>Result 2: Business trainings &amp; competitions resulting in 30 start-ups</b></p> <ul style="list-style-type: none"> <li>• Recruiting international &amp; regional expert trainers &amp; organising training of trainers</li> <li>• Re-designing course module syllabi &amp; readers as based on lessons learnt</li> <li>• Promoting training, selecting participants &amp; organise training</li> <li>• Updating rules &amp; regulations for the competition &amp; promoting it widely</li> <li>• Jury selects best plans that are awarded in public events</li> <li>• Deliver consultancy, micro-credit, free registration</li> </ul>	<ul style="list-style-type: none"> <li>• 10 local trainers, 2 regional trainers &amp; 1 EU trainer engaged</li> <li>• 11 revised &amp; new modules/readers developed</li> <li>• 1000 youths applied, 250 positions in 12 sessions</li> <li>• Updated competition regulations, 250,000 reached annually</li> <li>• 15 plans selected, 120 plans (12 of which are from minorities)</li> <li>• 3000 hours of consulting (375 days)</li> <li>• 15 MSMEs registered for free</li> <li>• 70,000 EUR provided in loans</li> </ul>	<p>collect quantitative/ qualitative information in advance of external evaluation)</p>	
<b>EFFICIENCY – comparison between OUTPUT and INPUT</b>			
Objectives/Means	Performance Indicators (Plan)	Level of Achievement (Actual)	Comments/Reasons for Deviation (if any)
<p><b>OUTPUT</b></p> <p><b>Result 1: BSCK transformed into self-sustained local entity</b></p> <ul style="list-style-type: none"> <li>• BSCK registered as local non-for-profit shareholder entity on 30/11/08 with Board</li> </ul>	<ul style="list-style-type: none"> <li>• BSCK legally registered</li> </ul>	<ul style="list-style-type: none"> <li>• BSCK registered as NGO on 26/06/2009</li> </ul>	<ul style="list-style-type: none"> <li>• Renamed Business Support Centre Kosovo – delayed due mainly to problem in setting up a Business Incubator</li> </ul>

<ul style="list-style-type: none"> <li>• 3 annual narrative &amp; financial plans &amp; reports approved by the Board</li> <li>• 4 experts develop 1 detailed final draft sustainability paper</li> <li>• Sustainability strategy approved by Board by 30/12/08 and implemented by BSCK</li> <li>• 1.5 f/t staff recruited in minority locations</li> <li>• 6 new Advisory Board members installed representing 3 minority communities by 30/11/08</li> </ul>	<ul style="list-style-type: none"> <li>• 2 annual narrative &amp; financial reports approved by the Board</li> <li>• Sustainability written &amp; adopted by the Board</li> <li>• 1.5 f/t staff engaged in field offices</li> <li>• 6 Advisory Board installed</li> </ul>	<ul style="list-style-type: none"> <li>• Annual reports for 2006/7 and 2008/9 published</li> <li>• Sustainability strategy approved by Board of Directors 29/12/09</li> <li>• 1 f/t person covering Mitrovica &amp; Gracanica + other minority locations &amp; 1 p/t person in Peja until target reached</li> <li>• 4 Advisory Board members installed</li> </ul>	<ul style="list-style-type: none"> <li>• Target achieved</li> <li>• Objective achieved later than anticipated due to Business Incubator unresolved issues</li> <li>• Objective achieved</li> <li>• Target not achieved. Due to political sensitivity of bringing Kosovo, Albanian and Serbian communities together it was decided to abandon this Advisory Board</li> </ul>
<p><b>Result 2: Business trainings &amp; competitions resulting in 30 start-ups</b></p>			
<ul style="list-style-type: none"> <li>• 20 local trainers (re)-trained by 4 regional &amp; 1 EU expert trainers</li> <li>• 22 revised &amp; new modules incl. syllabi &amp; readers available</li> <li>• 2,000 youths apply annually for 500 positions in 24 sessions. The best are selected &amp; trained</li> <li>• 100 businesses strengthened per year (20% of participants come from existing MSMEs)</li> <li>• New rules &amp; regulations published &amp; 250,000 youths reached annually in campaign</li> <li>• 48 Business skills training sessions held, 1,000 participants trained &amp; 2 Business</li> </ul>	<ul style="list-style-type: none"> <li>• 10 local trainers trained, 2 regional &amp; 1 EU expert</li> <li>• 11 revised &amp; new modules incl. course syllabi &amp; readers available</li> <li>• 1,000 youths apply annually for 250 positions in 12 sessions</li> <li>• 100 businesses strengthened (20 participants from existing MSMEs)</li> <li>• Rules published, 250,000 youths reached annually</li> <li>• 24 trainings held, 2 BPC</li> </ul>	<ul style="list-style-type: none"> <li>• 27 local trainers trained (to date)</li> <li>• 16 courses revised or created with input from pre-trainer &amp; trainers</li> <li>• 1,520 youth applicants take up 359 positions in 12 training modules (ave. of 5 modules each)</li> <li>• No specific numbers provided other than 100 exceeded if include BPC winners, trade fairs &amp; ISO workshops</li> <li>• No data or information provided</li> <li>• 28 trainings (till 08/09) + 33 trainings (12/09-02/10)</li> </ul>	<ul style="list-style-type: none"> <li>• Target met (&amp; exceeded)</li> <li>• Target met (&amp; exceeded)</li> <li>• Target met (&amp; exceeded)</li> <li>• BSCK advised that the definition of 'strengthening' is unclear and open to interpretation</li> <li>• No explanation provided</li> <li>• Interpreted by BSCK as training module sessions</li> <li>• Target met in terms of plan selection</li> </ul>

<ul style="list-style-type: none"> <li>Plan Competitions by 2010</li> <li>30 Plans selected from 240 plans (of which 24 were minorities) &amp; announced in award ceremonies</li> <li>3,000 hours (375 days) of consultancy delivered on demand to the start-ups</li> <li>30 MSMEs registered for free</li> <li>140,000 EUR in new loans extended to MSMEs</li> </ul>	<ul style="list-style-type: none"> <li>15 Plans selected from 120 plans (12 minority)</li> <li>1,500 hours consultancy delivered</li> <li>15 firms registered</li> <li>70,000 EUR placed in new credits</li> </ul>	<ul style="list-style-type: none"> <li>79 Plans submitted – 19 selected (end 2009)</li> <li>2,400 hours delivered</li> <li>16 firms registered (to date)</li> <li>97,000 EUR in new credits allocated</li> </ul>	<ul style="list-style-type: none"> <li>Target met (&amp; exceeded)</li> <li>Target met</li> <li>Target met (&amp; exceeded)</li> </ul>
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**EFFECTIVENESS – degree to which OUTPUT leads to OUTCOME**

<b>Objectives/Means</b>	<b>Performance Indicators (Plan)</b>	<b>Level of Achievement (Actual)</b>	<b>Comments/Reasons for Deviation (if any)</b>
<p><b>OUTCOME</b></p> <p><b>Result 1:</b> <b>BSCK transformed into self-sustained local entity</b></p> <ul style="list-style-type: none"> <li>By January 1st, 2011, BSCK is fully self-sustainable in terms of management and finances</li> <li>Annual amount raised by the BSCK through income generating activities fees for training, consultancy, contribution from Partner institutions, etc.</li> <li>Number and size of inter-ethnic initiatives developed by Partner</li> </ul>	<ul style="list-style-type: none"> <li>Degree to which BSCK has developed its sustainability to date</li> <li>Fees earned to date from external income generating activities</li> <li># inter-ethnic proposals/Projects developed</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability plan developed and approved for implementation</li> <li>5,375 EUR generated in 2009 from training fees &amp; 56,471 \$US from USAID Micro Enterprise Training program. By end of 2010 new project funding from donors of approx. €1.3 million</li> <li>BSCK has submitted proposals to</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability strategy includes successful applications for new projects from donors (approx. €1.3 million) up to Dec. 2012. But no figures which break down income in years 2011-2015 on the various intended projects and commercial activities compared with estimated overheads. It is therefore impossible to state clearly what the prospects for sustainability are</li> <li>No information on Partners developing initiatives</li> </ul>

<p>institutions to the BSCK</p> <ul style="list-style-type: none"> <li>• Extent to which work plans of Partner institutions are adjusted to lessons learnt from participating in the BSCK and extent to which BSCK annual plan incorporates activities of the Partner institutions</li> </ul> <p><b>Result 2: Business trainings &amp; competitions resulting in 30 start-ups</b></p> <ul style="list-style-type: none"> <li>• Number of BSCK start-ups still operating after two years of establishment</li> <li>• Number of people employed through BSCK start-ups each year and their total combined income generated</li> <li>• Employability of training participants increased (verified by control group not receiving training)</li> <li>• Commercial banks in Pristina offer microcredit loans for start-ups and lower rates each year</li> </ul>	<ul style="list-style-type: none"> <li>• Developed work plans of Partner institutions are adjusted, BSCK's work plan adjusted according to Partner influence</li> <li>• # of start-up defaults to date</li> <li>• # of people employed through BSCK start-ups, income generated to date</li> <li>• Increased employability of training participants</li> <li>• # of loans provided to BPC participants</li> </ul>	<p>Municipality for projects in Gracanica &amp; Mitrovica</p> <ul style="list-style-type: none"> <li>• SME Support Agency assisted by BSCK in developing own BPC &amp; plans to assist University of Pristina with software for Business Plan writing</li> <li>• No evidence offered as to whether Partners influenced BSCK work plans</li> <li>• None recorded</li> <li>• 133 new jobs in 2008 &amp; 72 new jobs in 2009</li> <li>• No data supplied on income generated</li> <li>• Data available from Impact Assessment Survey 2009 indicates 40% improvement in job prospects from 2008 to 2009</li> <li>• 25 enterprises received loans (to date)</li> </ul>	<ul style="list-style-type: none"> <li>• Progress made in positively influencing Partners but not necessarily vice versa</li> <li>• Objective achieved to date</li> <li>• Jobs created data from Impact Assessment Survey 2009 but no data on income included other than respondents indicating it had (or hadn't in response to question)</li> <li>• Positive development in short period of time</li> <li>• One borrower has defaulted to date and micro-credits of two others have been restructured</li> </ul>
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**RELEVANCE – degree to which OUTCOME leads to intended IMPACT**

Objectives/Means	Performance Indicators (Plan)	Level of Achievement (Actual)	Comments/Reasons for Deviation (if any)
<p><b>IMPACT</b></p> <p><b>Inter-ethnic cooperation</b></p> <ul style="list-style-type: none"> <li>• # inter-ethnic initiatives Developed</li> </ul>	<ul style="list-style-type: none"> <li>• 2 inter-ethnic initiatives established after 2010</li> </ul>	<ul style="list-style-type: none"> <li>• Not verifiable at this time</li> </ul>	<ul style="list-style-type: none"> <li>• Three <i>Business Advisory Centres</i> established in Mitrovica in 2010 (with UNDP support) to this end. These will support entrepreneurs with micro-credits and tailor made coaching and on- the-job training. Will also improve employability of job</li> </ul>

<p><b>Self-sustainability of BSCK</b></p> <ul style="list-style-type: none"> <li>• BSCK expenditures fully covered without SPARK support after 2010</li> </ul> <p><b>Establishment of SMEs and employability of youth</b></p> <ul style="list-style-type: none"> <li>• 1,000 youths trained in business skills at BSCK</li> <li>• 30 new start-ups registered surviving after 2010</li> <li>• % of BST and BPC participants find employment by 2010</li> </ul>	<ul style="list-style-type: none"> <li>• BSCK expenditures 15% covered from income generating activities and slightly increasing each year after, remaining part covered by Partners/ founders by 2010</li> <li>• Business skills trainings held and 1,000 youths finished them successfully by 2010</li> <li>• 30 companies registered</li> <li>• 50% of BST and BPC participants find employment by 2010</li> </ul>	<ul style="list-style-type: none"> <li>• No confirmed data or evidence to indicate that Partners will cover any shortfall in income generated after 2010</li> <li>• 1,232 successfully completed trainings</li> <li>• 16 companies registered (to date) – 30 considered optimistic by BSCK</li> <li>• Not known</li> </ul>	<p>seekers (notably young people, long-term unemployed and disadvantaged) through VET</p> <ul style="list-style-type: none"> <li>- New donor funding for projects (approx. €1.3 million) up to Dec. 2012. But no break down of projected annual income from intended projects and commercial activities compared with overheads. Thus impossible to state clearly what the prospects for sustainability are</li> <li>• Target met (&amp; exceeded)</li> <li>• No means of knowing survival prospects as still in 2010</li> <li>• Only verifiable if survey conducted in 2011</li> </ul>
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## 5.2 Project overview

The Business Support Centre Kosovo (previously called the Business Start-up Centre Kosovo) is a follow-on SPARK funded initiative from an original pilot programme implemented between 2005-7. In project literature it is still referred to as BSCK even with the name change although on occasion it is referred to as BSCKII. It officially came into being on 25<sup>th</sup> June 2009 when it was registered as a non-profit NGO under Law No. 03/L – 134 Section 9 On Freedom of Association in Non-Governmental Organisations. The founders of the organisation are SPARK and Dr. Besnik Krasniqi, its current Director in Pristina. Its activities are governed by statute essentially empowering a Board of Directors with legal and administrative oversight. Historically, SPARK was awarded a grant of 491,389 EUR by the Netherlands Ministry of Foreign Affairs for September 2008 – February 2011 in order to execute the ‘Enabling Private Sector Development in the Western Balkans project’. On 8<sup>th</sup>

December 2009 a Sub-Grant Agreement was signed between SPARK and BSCK with a view to facilitating the transfer of financial and administrative management responsibilities from SPARK to BSCK in accordance with the aims of the above-mentioned Western Balkans project. The overriding thrust of the agreement is to support BSCK's efforts in their support of business start-ups or growing SMEs based on the achievement of three specific Results:

1. BSCK transformed into a self-sustainable local entity including incubator.
2. Business trainings and competitions resulting in 30 start-ups.
3. Partner Capacity Development Programme implemented (not depicted separately in the Matrix).

The ultimate goal of the agreement is that BSCK becomes fully self-sustainable after 28<sup>th</sup> February 2011. As a monitoring mechanism towards achievement of Results within the terms of the agreement SPARK has secured the commitment of BSCK to submit quarterly performance narrative reports for review and comment. The first of these covering the period 1<sup>st</sup> December 2009 – 28<sup>th</sup> February 2010 has already been forwarded as has the second encompassing the period 1<sup>st</sup> March 2010 – 31<sup>st</sup> May 2010. Both were reviewed as part of the evaluation of the Project together with the Interim Report covering the period 1<sup>st</sup> September 2008 – 31<sup>st</sup> August 2009. Initially the BSCK was located within the Chambers of Commerce in the centre of Pristina and eventually relocated to its current premises (approx. 300 sq. metres including offices and training rooms) owned by the College of International Management Studies (KMSI) in early 2010. In addition to the Board of Directors the BSCK has 4 Advisory Board members representing the Chambers of Commerce, NLB, JADE (Agency for Gender Equality) and KMSI. Participation and committed involvement of local Partners towards BSCK was secured from the beginning of the project and in the following months by means of signed MOUs and agreements.

Finally, in April 2009 BSCK established its School of Entrepreneurship (previously known as Business Skills Training) aimed at supporting new business ideas and aspiring entrepreneurs. Participants at training courses have come from across the ethnic divide with language instruction in both Albanian and Serb. Course covered a wide range of business-related subjects including Business Plan Writing, Business Finance, Marketing, Leadership, Business Strategy and others. Business plan competitions and winners were developed and announced via this medium.

### 5.3 Efficiency

This section essentially conducts an analytical comparison between Input and Output as defined within the evaluation mission TOR. Put simply it reviews and comments on planned versus actual performance against set objectives and targets. Before commenting on overall progress it is perhaps important at this stage to emphasize that one of the major constituent parts of the project to date has not yet been realised, namely, the business incubator. The primary reason for this state of affairs appears to be that the original pledged space by the Municipality of Pristina became unavailable not long after the project started. 1000 sq. metres of land were allocated instead by the Municipality. As the project budget only had 75,000 EUR available for renovation it was clear that considerably more would be required to construct an entirely new premises (500,000 EUR estimated). To date these funds remain illusive, not least due to current economic climatic conditions). Instead it appears that BSCK is negotiating with two alternative institutions, namely, SME Agency for Drenas regarding their planned Technology Park and the University of Business and Technology regarding their planned incubator plans. As all previous plans regarding sustainability were based to some degree on fee income being generated from incubatees for rent and services this will clearly have an impact on BSCK's long-term viability. Although SPARK will continue to offer some financial support, namely, a contract for 48,589 EUR to establish a Business Advisory Centre in Mitrovica, this is clearly insufficient as a basis for survival.

By the end of December 2010 BSCK had been successful in three proposals for project funding, two to USAID and one to the EU, totalling approximately €1.3 million. While this is very useful there are no figures available which break down income to be earned for years 2011-2015 on the various intended projects and commercial activities compared with estimated overheads. Thus it is impossible to state clearly what the prospects for sustainability are. BSCK was also hopeful that it would be actively engaged by SPARK if it was successful in its bid for MSF2 - a follow-on project funded by the Dutch government for the period 2011-15 – as it proved to be in November 2010. As a result, BSCK has been earmarked approximately €500,000 by SPARK. This will be sufficient to cover the costs of two project managers and three project officers for this period.

In terms of the operational management of BSCK apropos its ability to deliver on planned objectives (at least up until December 2009) and notwithstanding the business incubator dilemma, it would appear from the available evidence that targets have generally so far been met. It is also clear from comments gathered during interviews with Project Partners, trainers, selected enterprises supported by BSCK and focus groups with training participants that the BSCK and its activities have been viewed favourably by them thus making the

probability of future targets being met more likely.

#### **5.4 Effectiveness**

BCK gives the impression of being well in control of its operations and its own future irrespective of any further input from SPARK. Whilst performance to date may appear to support this self-assessment and the fact that management remains unperturbed about remaining targets being met, the evidence for sustainability remains tentative rather than proven. As mentioned above, the project funding secured in late 2010 will allow BCK to continue but it is unclear for how long. SPARK funding as a result of its successful MFS2 bid will also provide it with resources for continuation. However, this is not the same as having a clearly defined strategy which breaks down income and overheads on an annual basis to demonstrate that BCK has the necessary resources to become sustainable as a stand-alone operation. In terms of future fee earning alternatives this is based on speculation as to what could happen rather than what is likely/possible relative to market demand and probability of target audiences being prepared to pay for services previously freely available. Current fees earned are negligible and cover only approximately 10% of training costs. Furthermore, even if fees were increased they would still not significantly cover costs and possibly go beyond the rate that potential clients would be prepared to pay even if they valued the services on offer.

In addition, BCK has been a small operation with two key players, the director and Project Officer, who are responsible for almost all its activities, though this is set to change in 2011 with further SPARK funding (originating from MFS2). With no in-house capability training course modules are currently outsourced to professional trainers or trainers from academia who themselves have benefited from BCK training-of trainer instruction. This therefore limits income generation and cost recovery, as these people have to be paid.

Another objective concerns the development of inter-ethnic initiatives and the design and implementation of proposals by Partners and BCK aimed at fostering a more inclusive attitude towards inter-ethnic co-operation. In this area little progress appears to have been made with suspicion between Serb and Albanian communities remaining high. The ability to attract minority communities to attend training sessions has had (and is having) limited effect. The BCK field officer responsible for developing closer ethnic ties clearly has a difficult task and on his own has limited opportunity to make much headway. In terms of sustainability of BCK this aspect will play no significant role post-SPARK involvement, as perceived benefits are too limited. It had been planned that the BCK Advisory Board would incorporate six new members representing three minority communities by the end of November 2008. However, the bringing together of Kosovo Albanian and Serbian

communities proved too sensitive and it was decided to abandon plans for the new Advisory Board. On the other hand more identifiable progress has been made regarding collaboration between Partners and BSCK. The SME Support Centre for example has been assisted in developing its own Business Plan Competition through open public call targeting of all entrepreneurs and SMEs in Kosovo. This is at the pilot stage with the 5 best business plan applicants receiving 20 days free training. In return, the Agency has implemented a voucher system aimed at rewarding BSCK competition winners. In 2009 it offered 200 consulting days and will be ongoing in 2010 depending on level of demand from BSCK. Whether it is possible to say that work plans by either party have been 'adjusted' following influence by one or the other is questionable and as no such plans were available for scrutiny during the evaluation no further comment would be relevant.

As far as business trainings and competitions are concerned documentary evidence is available via databases and records kept by BSCK. These track all relevant parameters including consultancy hours delivered and micro-credit loans to SMEs among others. In addition, BSCK conducted an impact assessment survey in April 2010 to determine responses from participants who attended the School of Entrepreneurship and Business Skills Trainings in 2009. In all aspects related to project effectiveness the results were positive and there was a significant improvement over 2008 attitudes from a similar exercise. Whilst no specific figures are mentioned in terms of actual numbers of jobs created or real income changes pre- and post-BSCK training initiatives this development is encouraging and appears to suggest that the knowledge gained by participants has been meaningfully and practically transferred to their day-to-day business operations.

## **5.5 Relevance**

In terms of inter-ethnic cooperation current evidence appears to suggest that this aspiration is fraught with difficulties as observed above regarding progress to date between hitherto opposing communities. BSCK has made (and is making) some effort to address this issue via offering training opportunities in specific ethnic areas including Mitorvica and Gračanica but these are not collaborative events between neighbours. Suspicion remains high and the will does not appear to exist to bridge the gap between Serb and Albanian communities. Nor is the situation assisted by political influences from both sides making reconciliation all the more problematic. Therefore, whether further inter-ethnic initiatives are likely post-2010 is open to question. Parties interviewed appear to have essentially decreased the priority of such possibilities opting instead to concentrate on generating fee income on familiar territory (as it were).

Regarding the issue of self-sustainability this has already been touched upon above. In

short, despite recent successes in obtaining project funding from USAID and the EU, in the absence of a clear annual budget breakdown of expected income and expenditures it is very difficult to comment on whether future expenditures will be covered or not by any percentage. Partners interviewed were non-committal on the extent of future financial support for BSCK. On the other hand, the MOU signed between BSCK and KMSI in March 2010 at least continues to offer BSCK office space on its premises at subsidised rental rates for 3 years. Previous MOUs between SPARK/BSCK and the Chambers of Commerce and SME Support Agency are essentially mutual agreements to collaborate towards achieving common goals offering training space with regard to the former and the voucher scheme regarding the latter. These MOUs however have no time limits and could end at any time. These in kind financial contributions cannot therefore be the foundation of sustainability. A sustainability plan has been developed and approved by the Board of BSCK but this was not available for review at the time of the site visit to Kosovo and cannot therefore be commented upon.

On the issue of establishment of SMEs and employability of youth this remains highly relevant with a reasonable degree of success to date as evidenced by the responses from the recently conducted BSCK Impact Assessment Survey for 2009. The message is clearly getting through to target audiences in terms of the perceived benefits to be gained from taking part in BSCK initiatives. Attitudes have changed significantly in the space of one year from 2008-2009 with participants indicating positive improvements in their businesses or that it helped them find a job on the basis of their upgraded knowledge and skills.

## **5.6 Conclusion & summary**

From troubled beginnings in terms of never being able to get the Business Incubator off the ground and delays in converting to a legal entity in its own right (NGO) BSCK has made some progress towards meeting the aims of the project in particular with regard to reaching young people and aspiring entrepreneurs and doing the groundwork in the community for providing opportunities to start a business or grow if an existing business. Feedback from participants, trainers, enterprises and Partners unequivocally indicates that without BSCK businesses may not have started, training participants especially students would probably be none the wiser regarding potential opportunities following graduation and businesses would not have implemented strategies to assist growth and increase job prospects for needed employees. However, the management and administration of the project appears uncoordinated and lacking direction. Roles and responsibilities are unclear and decision-making more ad-hoc than planned. Confusion exists in the interpretation of some of the project objectives and quarterly reports appear somewhat unstructured. In terms of

sustainability, BSCK has a relaxed view of the future in which it envisages ample fee making opportunities with or without SPARK involvement. However, such a view is based almost entirely on speculation in particular being awarded contracts from other donor funded initiatives either in collaboration with others or as a stand alone contractor. A sustainability plan has been developed by BSCK but its contents not reviewed within the scope of this evaluation. No further comment is therefore possible. If, however, SPARK is awarded MSF2 then the future of BSCK would seem assured given the latter's intention to continue its collaboration with BSCK should this be the case. Should that be the case it would be advisable for BSCK management to adopt a much more disciplined approach to organising its activities especially in delegating responsibilities and with planned measures in place designed to achieve pre-determined targets.

## 6 MA Program and BACHELOR Course in Entrepreneurship – Novi Sad University

### 6.1 Project Monitoring and Evaluation Matrix

The following matrix provides a brief synopsis of the objectives set for this particular initiative together with an indication as to whether performance indicators have been met or otherwise. Where deviations from plan occur these are addressed in the final column.

**Table 3: MA Program and Bachelor Course in Entrepreneurship evaluation matrix**

Objectives/Means	Performance Indicators	Sources of Data	Research Methods
<b>INPUT</b> <ul style="list-style-type: none"> <li>PSD Budget for establishment for MA and Bachelor courses on entrepreneurship</li> <li>Funds and contribution to the project provided</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring and evaluation indicators</li> <li>Budget spend for the activities</li> <li>Financial contribution to the project by partners</li> </ul>	<ul style="list-style-type: none"> <li>PSD II project proposal</li> <li>Financial reports</li> <li>Contribution statements by partners</li> </ul>	<ul style="list-style-type: none"> <li>Desk research and interviews with SPARK staff and project partners</li> <li>Review of PSD II reports</li> <li>Review of PSD II Budget vs. Spent</li> </ul>
<b>EFFICIENCY – comparison between OUTPUT and INPUT</b>			
Objectives/Means	Performance Indicators (Plan)	Level of Achievement (Actual)	Comments/Reasons for Deviation (if any)
<b>OUTPUT</b> <ul style="list-style-type: none"> <li>Partner universities participated in training courses on development of MA course on entrepreneurship</li> <li>MA course on</li> </ul>	<ul style="list-style-type: none"> <li>6 partner Universities participated in training courses</li> <li>1 regional MA course</li> </ul>	<ul style="list-style-type: none"> <li>Representatives from Tuzla, Pristina, Zenica, Podgorica &amp; Skopje attended 2 workshops in March &amp; April 2009 in Novi Sad</li> <li>Developed and</li> </ul>	<ul style="list-style-type: none"> <li>Objective achieved</li> <li>Course started on 1<sup>st</sup> Oct</li> </ul>

<p>entrepreneurship developed and accredited</p> <ul style="list-style-type: none"> <li>• Students from the Western Balkan region successfully enrolled and graduated from the MA course</li> <li>• Bachelor courses on entrepreneurship developed jointly by partner universities</li> </ul>	<p>developed and accredited</p> <ul style="list-style-type: none"> <li>• 15 students enrolled and graduated from the MA course</li> <li>• 50 students enrolled in new MA courses on entrepreneurship in 2011 without project support</li> <li>• 6 bachelor courses developed and applied at partner universities</li> </ul>	<p>submitted for accreditation to the Accreditation &amp; Quality Assurance Commission of the National Council of Higher Education on 24<sup>th</sup> July 2009 today is still in the approval process with the Ministry of Education in Serbia</p> <ul style="list-style-type: none"> <li>• 27 students enrolled with 1 drop out at start of program</li> <li>• Maximum no. of places is set at 30 for 2010/11</li> <li>• All partner universities except Pristina have developed BA courses or entrepreneurship subjects within some faculties and departments</li> </ul>	<p>2009 but not yet accredited</p> <ul style="list-style-type: none"> <li>• Student from Kosovo dropped out for personal reasons and two for political reasons (Republic of Kosovo stamp on diplomas not recognised in Serbia)</li> <li>• University currently only has capacity to absorb 30 students</li> <li>• Diplomas from Kosovo not accepted by Novi Sad University as they have stamps with Rep. of Kosovo on them not recognised in Serbia</li> </ul>
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**EFFECTIVENESS – degree to which OUTPUT leads to OUTCOME**

Objectives/Means	Performance Indicators (Plan)	Level of Achievement (Actual)	Comments/Reasons for Deviation (if any)
<p><b>OUTCOME</b></p> <ul style="list-style-type: none"> <li>• Regional MA course on entrepreneurship sustainable in 2011</li> <li>• MA graduated students increase employability</li> </ul>	<ul style="list-style-type: none"> <li>• MA course on entrepreneurship fully financed by external sources in 2011</li> <li>• 25% of graduated students of MA course on entrepreneurship find employment within 6 months of graduation or start their own business</li> </ul>	<ul style="list-style-type: none"> <li>• Project scholarships ended in 2010 for all students so new intake of 11 students in October 2010 is self-financing</li> <li>• Too early to determine as first batch of students still to complete graduation in 2010</li> </ul>	<ul style="list-style-type: none"> <li>• See 6.5 below for comments on sustainability</li> <li>• See 6.4 below for comments on how to determine if performance indicator achieved</li> </ul>

**RELEVANCE – degree to which OUTCOME leads to intended IMPACT**

Objectives/Means	Performance Indicators (Plan)	Level of Achievement (Actual)	Comments/Reasons for Deviation (if any)
<p><b>IMPACT</b></p> <ul style="list-style-type: none"> <li>• Increased employability of students who finished MA courses</li> </ul>	<ul style="list-style-type: none"> <li>• 25% of graduated students of MA course on entrepreneurship find employment within 6 months of graduation or start their own business</li> </ul>	<ul style="list-style-type: none"> <li>• Too early to determine as first batch of students still to complete graduation in 2010</li> </ul>	<ul style="list-style-type: none"> <li>• See 6.5 below for comments on student employability post-graduation &amp; therefore relevance of intervention</li> <li>• Inter-regional cooperation</li> </ul>

<ul style="list-style-type: none"> <li>• Regional cooperation among Universities increased</li> </ul> <p><i>Sustainability</i></p> <ul style="list-style-type: none"> <li>• MA course fully financed by external sources in 2011 and after</li> </ul>	<ul style="list-style-type: none"> <li>• Number of teaching staff from partner Universities visiting and providing lecturers at MA course on entrepreneurship at University of Novi Sad</li> <li>• Minimum 50 students enrolled in new MA courses on entrepreneurship in 2011 without SPARK/project support</li> </ul>	<ul style="list-style-type: none"> <li>• In first full year 2009/10 - 4 of the 8 MA courses were taught by visiting lecturers from Bosnia, Montenegro &amp; Macedonia</li> <li>• University currently believes that maximum intake of MA students in any one year = 30 as no capacity to absorb more in present system</li> </ul>	<p>fully established between partner universities</p> <ul style="list-style-type: none"> <li>• See 6.5 below for comments on sustainability without SPARK financial input</li> </ul>
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## 6.2 Project overview

Within the remit of the SPARK implemented 'Enabling Private Sector Development in the Western Balkans' project, the UNESCO Chair for Entrepreneurial Studies at the University of Novi Sad in Serbia together with other regional SEE universities, organised a conference on entrepreneurship education in May 2007. The end result was an agreement that the University of Novi Sad should take the lead in establishing an MA course in entrepreneurship which was later agreed by Private Sector Development (PSD) Partners at a workshop in Skopje in July 2007. The plan was for a regional MA program to be developed by faculties of Partner universities. In addition, it was envisaged that an optional BA course in entrepreneurship be made available for undergraduate students within 7 faculties of the collaborating universities. The main aim of this initiative was to contribute towards the improved employability, entrepreneurial attitude and expertise of young graduates. Graduated students in Entrepreneurship would also be better prepared to start a business. Just as importantly, such an initiative would help institutionalise progress made in business education and the role of internships and thus serving to help guarantee sustainability.

## 6.3 Efficiency

In terms of Output versus Input the following can be determined. Representatives from universities in the 6 Partner universities attended 2 workshops in Novi Sad in March and April 2009 thus confirming the first objective in this exercise. From these events an MA course was developed and submitted for accreditation to the relevant body in Serbia in July 2009. To date no such accreditation has been officially approved although the first MA course went ahead anyway in October 2009 with 27 enrolled students (significantly more than the 10 originally anticipated). One student from Kosovo dropped out shortly after starting for personal reasons. Of the remaining 26 students 9 were self-funded whilst 17

gained university scholarships. Intake for 2011 had not been determined at the time of the evaluation interview although it has been decided that the maximum number of students that could be absorbed in the system would be set at 30 as the university would not have the capacity to accept more. In addition, all Partner universities except Pristina have developed BA courses in entrepreneurship within some faculties and departments. The issue with Kosovo is problematic in the sense that diplomas from there are not acknowledged by the University of Novi Sad as they have official stamps on them marked 'Republic of Kosovo' which of course is not recognised in Serbia. It remains to be seen whether this issue can be circumvented or whether political pressure ensures that Kosovo remains outside the academic fold in the region.

#### **6.4 Effectiveness**

As the Project scholarships for students (Serbia, Macedonia, Bosnia, Kosovo and Montenegro) will end in 2010 all future students enrolled on the MA course will be required to pay fees. However, in a focus group session with current students it was clear that all would have been prepared to pay anyway if scholarships had not been available. This appears to be amply verified by the university whose Head of the UNESCO Chair advises that places are already over prescribed for the 2011 intake. As this is the first year of the MA course with students only just graduating it is not possible to know at this moment in time if they will find work within 6 months of graduation or start their own businesses. This can only be determined by the university following up with a survey once 6 months have transpired. In this respect the university plans to maintain a database of MA students and to track their movements following graduation via its alumni network. Given the positive responses from current students regarding the course content and delivery of the MA course together with its perceived benefits and the fact that payment of fees is not seen as a deterrent to applying for the course, the future appears assured for this initiative notwithstanding the lack of involvement from Kosovo – essentially outside the control of the parties participating in this venture.

#### **6.5 Relevance**

As mentioned above, it is too early to gain an informed impression on the impact the course will have on the future employability of graduates of the programme as the first intake of students have still to graduate in 2010. In terms of inter-regional cooperation between collaborating universities this has been manifested in the 2009/10 academic year with 4 of the 8 MA courses being taught by visiting lecturers from Macedonia, Bosnia and Montenegro. Students interviewed held a high opinion of course content and teaching standards of all lecturers which would appear to set the tone for the forthcoming 2010/11

academic year for the MA course. With regard to sustainability the available evidence would appear to suggest that this initiative can function on its own post-SPARK involvement. However, those involved in the administration and delivery of the MA course at the university are aware that fees alone may not be sufficient to cover planned expenditures and are in the process (according to them) of preparing a business plan to address all relevant sustainability issues including alternative sources of income and this is to be encouraged.

## 6.6 Conclusion & summary

All the signs are that this particular initiative as envisaged in the original project TOR will contribute substantially towards a greater understanding of entrepreneurship within a regional academic context and in the wider community in general. The logic of developing a specific postgraduate course to address a perceived gap between graduates and future employability prospects is clear. First, students become better equipped with the knowledge gained from the MA course to make informed decisions about either starting a business or which direction they want to take in future employment. Second, employers begin to understand and accept the value of what is being taught to MA students and its relevance to their specific human resource needs. Third, existing prejudices held in some quarters against business-related education are likely to disappear in time once the overall benefits, both socially and economically are perceived by all concerned. Finally, it is hoped that formal accreditation is forthcoming without too much further delay from the Serb authorities so that students in particular can appreciate the full recognition of their efforts.

## 7 Recommendations

1. Reconsider shifting the focus of the project away from a Business Start-Up Centre and towards a Business Incubator with in-house business support services for both incubatees and external clients. This will assist with clarifying the entire concept in reaching out to and assisting aspiring entrepreneurs as well as existing SMEs. It will also help planning for sustainability as future income streams after project intervention will be identified well in advance. The precise title of the venture can be discussed with local partners and beneficiaries to determine the most suitable/appropriate name. It should not be dictated by the project in advance.
2. Prior to proceeding with business plan competitions for potential candidates for the incubator or for business-related training programmes for entrepreneurs or existing

businesses initiate a training regime for the project team particularly in business planning, marketing and financial management which are the core activities of most enterprises. This will serve to upgrade existing skills and the expertise of members of staff and prepare them for being able to offer practical and sensible advice to prospective clients. They should not be seen merely as project assistants.

3. Prior to starting the real work of the project enlist local team members based on specific criteria for the available positions on the team. Make this process transparent and select only those with the requisite skills or that are capable of reaching the required level via ongoing training on the job.
4. Reduce the number of local partners to one main partner, either at Municipality level or preferably at Ministry level if possible with involvement secured by an MOU or other formal agreement. This will help with the marketing and promotion of the project, as it will be incumbent on the main partner to actively support the initiative publicly both locally and nationally. This will also significantly reduce the monitoring requirements and paperwork involved in following up whether obligations have been met or not.
5. Ensure that the directors of the Business Incubator at local level receive full training in all aspects related to the running of such an entity and how to effectively manage a project team in order to deliver objectives and targets.
6. Allow these directors greater freedom with regard to the disbursement of funds for sub-activities such as those required for promotional purposes, organisation of local seminars, workshops, conferences etc. This will not only reduce tendencies to micro-manage but will increase the confidence of directors in assuming responsibility for their actions which in turn will better prepare them for future sustainability post-project involvement.
7. Between 3-6 months into the project prepare a professional business plan mapping out the entire venture including a thorough breakdown of anticipated expenditure for the duration of the project and beyond. Ensure that all key members of staff are presented with the plan once completed alongside representatives of the main partner. This will provide them with the opportunity to embrace the vision of the project and to take 'ownership' of it at a fairly early stage. It will also serve to highlight any shortfall in cost recovery which may have to be met by the main partner or other source and therefore allow steps to be taken sooner rather than later to seek such sources of income well before the end of the project.
8. Redesign the way that capacity building is measured (through the indicators used) since

so far it has proven very difficult and occupied a disproportionate amount of time.

9. As for Policy Making, this activity should be either reduced to a minimum level or eliminated. Policy Making is a project in itself that requires specific action and great amounts of attention and energy to effectively reduce business barriers and obstacles.
10. In the selection process for potential incubator candidates consider an open call for applications rather than a business plan competition with specific criteria underlined in the promotional campaign. Select individuals/existing SMEs who meet the minimum requirements and choose the best for interview. Determine viability of the business idea or existing product/service and advise chances of being selected or not. Offer a deadline for receipt of revised business plan based on advice from the team and review on receipt. This will effectively sort out those taking the incubator concept seriously from those expressing an interest. Select the final candidates for the number of available places and work with them against set deadlines to produce a final document. A selection panel can be organised to officially approve the selection (or otherwise if deemed necessary) and make the process transparent. If business plans have already been prepared with or without the assistance of professionals before submission to the project that is also acceptable as long as they meet the standards required. This process will serve to ensure that incubatees have genuine ideas and prospects and will benefit by inclusion in the incubator and its services.
11. Depending on the location consider the possibility of including outreach centres as part of the incubator process, both physical and virtual. If handled properly this can serve a wider targeted audience often in inaccessible places and help spread the word of available services to both incubatees and the business community in general.
12. Prepare a robust promotional campaign and strategy for the project no later than 3 months into the project using all available media to spread the message.
13. Prepare a menu of business skills development courses that will be offered in the incubator and its attendant support services to both incubatees and anyone else interested in learning about how to start or manage a business. Employ professional trainers as well as conduct sessions with existing team members once trained themselves. Offer training of trainer programmes to selected individuals capable of implementing specific courses but whose skills need to be upgraded to keep abreast of current developments in their own speciality.
14. Continue with quarterly monitoring and evaluation reporting but limit to only those activities which can readily be measured, i.e. number of events occurring etc. However,

ensure that the numbers are relevant to local circumstances and are deliverable within pre-determined deadlines. Make sure that no other similar activities are supported or funded by local or international organisations to avoid duplication of effort and respondent fatigue. It is often the case that interested parties take part in as many free courses and initiatives as are available to them which can ultimately dilute their initial interest and later lead to negative perceptions.

15. Maintain momentum in the project by having high profile beneficiaries or local business people appear at training workshops or in joint media events. Involve the latter in mentoring once incubatees are up and running.
16. Approximately half way through the project revisit the sustainability issue and revise or upgrade plans to take account of lessons learned or changing local circumstances that could affect continuity after the project ends.
17. Initiate sector specific studies to identify future levels of demand for business-related services as well as prevailing conditions in general regarding SME opportunities.
18. Ensure the project works closely with other key players in the local economy including investment promotion agencies to determine the likelihood of foreign investment and the extent to which the business incubator and support services can satisfy those needs.
19. Oversight of the project can be managed in a number of ways but essentially this role should be one of guidance and administrative support rather than micro-management of local activities including fund management as outlined above.
20. Maintain in the project a facility for local team members and representatives from partners and key beneficiaries to participate in at least one study tour to a country where a Business Incubator/Support Centre is seen as a benchmark in the industry. General 'fact-finding' missions are often a waste of time and resources.
21. Encourage local directors of the project to delegate responsibilities within their teams and to encourage pro-activity among them rather than allowing them to settle into a more passive role. Those who don't demonstrate initiative should be open for replacement at the discretion of the local director but with approval by the Project.

## **8 ANNEXES**

8.1 Sources of reference

8.2 List of Meetings

8.3 List of Other Events

## 8.1 Sources of reference

1	Annual Report 2009 – BSC Kragujevac
2	Annual Report 2008/9 – BSC Zenica
3	Annual Report 2009 – BSC Bar
4	Annual Report 2007/8 – BSC Bar
5	ICU Client Services Book, Zenica – 2009
6	Reports on best practices in removing SME obstacles in SEE region, 2008 – BSC Kragujevac
7	Successful Experiences in removing obstacles for SMEs in the W. Balkans, 2008 – BSC Bar
8	Analysis of the labour market in Bar, Budva & Ulcinj, 2010 – BSC Bar
9	Monitoring & Evaluation Report – Oct/Dec 2009 – BSC Kragujevac
10	Monitoring & Evaluation Report – Jan/Mar 2010 – BSC Bar
11	Monitoring & Evaluation Report – Jan/Mar 2010 - Zenica
12	MOU between ATA (SPARK) and Partners - Zenica
13	MOU between ATA (SPARK) and Partners - Kragujevac
14	MOU between ATA (SPARK) and Partners – Bar
15	MOU between ATA (SPARK) and Partners – Bitola
16	Contract between SPARK and Municipality on BSC Kragujevac
17	Contract between SPARK and University of Zenica on provision of premises
18	Sustainability Strategy 2011-14 BSC Zenica
19	Mid –Term Impact Assessment, Feb 2009 by Megan Rice
20	BSC/BPC Impact Survey Evaluation Report – BSC Zenica, Mar 2010
21	BSC/BPC Impact Survey Evaluation Report – BSC Kragujevac, Apr 2010

22	BSC/BPC Impact Survey Evaluation Report – BSC Bar, Mar 2010
23	BSC Ktagejevac Sustainability Strategy – June Lavelle, 2009
24	BSC Zenica Sustainability Strategy – June Lavelle, 2009
25	BSC Bar Sustainability Strategy – June Lavelle, 2009
26	BSC Bitola Sustainability Strategy – June Lavelle, 2009
27	SPARK – Zenica BSC Sub-Grant Agreement
28	SPARK Monitoring Protocol, 2009
29	MFS-BSC Program Description 2007-2010
30	SPARK – BSC Kosovo Sub-Grant Agreement, 2009
31	Business Support Centre Kosovo, Company Registration Certificate, 2009
32	SPARK – NLB Pristina, Credit Facility Agreement, 2009
33	BSCCK – Auditors Report, 2009
34	MOU between SPARK and University of Pristina, 2009
35	MOU between SPARK and Municipality of Strpce, 2009
36	MOU between SPARK and Municipality of Peja, 2009
37	MOU between SPARK and Gračanica Cultural Centre, 2009
38	Agreement between SPARK/BSCCK and Faculty of Technical Sciences, Mitrovica, 2008
39	MOU between SPARK and SME Support Agency/MTI, 2009
40	Statute of Business Support Centre Kosovo, 2009
41	BSCCK List of start-ups including micro-credits
42	MOU between SPARK and Kosovo Chamber of Commerce, 2009
43	BSCCK Annual Report 2006-2007
44	BSCCK Impact Assessment Survey, 2009

45	MOU between BSCK and College of International Management Studies, 2010
46	BSCK Annual Report 2008-2009 (draft)
47	SME Support Agency – Annual Report, 2009
48	BSCK Interim Report, 09/08 – 08/09
49	BSCK Narrative Quarterly Report, Mar-May 2010
50	BSCK Narrative Quarterly Report, Dec 09 – Feb10
51	SPARK – Kragujevac BSC Sub-Grant Agreement
52	BST/BPC Bitola Impact Survey Evaluation Report – 03/09 – 03/10
53	BSC Bitola Monitoring & Evaluation Report – Jan-Mar 2010
54	MOU between SPARK and BSC Bitola Project Partners
55	Contract between Municipality of Bitola and ATA (SPARK)
56	Contract between Economic Chamber of Macedonia and ATA (SPARK)
57	Contract between University of St Kliment Ohridski and ATA (SPARK)
58	BST - Impact Survey Assessment Report, 2009
59	Sub-Grant Agreement between SPARK & Kragujevac
60	Sub-Grant Agreement between SPARK & Zenica
61	Sub-Grant Agreement between SPARK & Bar
62	Sub-Grant Agreement between SPARK & KBSC
63	NS Report BA Course, May 2010
64	NS 1 <sup>st</sup> Quarterly Report, April 2009
65	NS 2 <sup>nd</sup> & 3 <sup>rd</sup> Quarterly Report, November 2009
66	BSCK (n.d.), Business Start-up Centre Kosovo. Sustainability Strategy – main directions
67	BSCK (est. 2010), Business Start-up Centre Kosovo. Annual Report 2008-2009

68	SPARK (n.d.), Description of income to be earned by 5 Business Start-up Centres (through awarded projects or other activities), unsourced file note
69	Price, M. (2010), Poverty Reduction Impact Report, December
70	Ringler, S. (2010), Impact Report. Capacity Building, December
71	Ringler, S. (2010), Impact Report. Policy Making, December

## 8.2 List of Meetings

	CONTACT PERSON	POSITION	ORGANISATION
1	Philip Hostert	Regional Project Manager	SPARK
2	Aleksandra Bukumirovic	Project Manager	SPARK
3	Prof. Fuoda Stankovic	Former Rector	Novi Sad University
4	Prof. Vojin Senk	Head of UNESCO Chair	Novi Sad University
5	Mladen Radisic	Teaching Assistant	Novi Sad University
6	Nebojsa Simic	Director	Business Start-up Centre
7	Dusan Puaca	President	Chamber of Commerce *
8	Predrag Lucic	Director	Chamber of Commerce *
9	Miladin Stefanovic	Assistant Professor	University of Kragujevac – Faculty of Engineering *
10	Dragan Rankovic	Director	Business Innovation Centre
11	Vojislav Veljovic	Assistant Director	Business Innovation Centre
12	Radojka Savic	Director	RDA for Economic & Spatial Development (Moravicki District) *
13	Marijana Simic	HR Manager	RDA for Economic & Spatial Development (Moravicki District) *
14	Ivan Vilimonovic	Owner	Iban Development Association **
15	Petar Djekic	Owner	Diva Apartments **
16	Boban Nedic	Owner	Formex
17	Jasminka Jaglicic	Director	Regional Economic Development Agen

			Sumadija & Pomoravje *
18	Zoran Kuzmanovic	Head of Administration	City Administration for Economic Resources *
19	Natasa Radosavljevic	Head of Department	City Administration for Economic Resource dept') *
20	Dragan Paunovic	President	SLOGA (Small Business Association)
21	Nebojsa Simic	Director	Business Start-up Centre
22	Nino Serdarevic	Executive Director	Business Start-up Centre
23	Valida Imamovic	Assist. to Secretary	Business Service Centre of Gov't of Zenica Canton
24	Rasema Hasanic	Assist. to Secretary	Business Service Centre of Gov't of Zenica Canton
25	Damir Selak	Incubator Manager	BSC Business Incubator
26	Husejin Smajlovic	Mayor	Municipality of Zenica *
27	Muhsin Ibrahimagic	Director	ZEDA – Zenica Economic Development Agency
28	Alda Pasalic	Bus. Incubator Assist.	ZEDA – Zenica Economic Development Agency
29	Zukic Anes	Owner	Dust Company **
30	Emina Talic	Owner	Abakus (Private Institution for School Age Children) **
31	Mensura Susic	Owner	Vita (Also completed ToT course and trains for)
32	Said Dracic	Owner	SMART**
33	Nadira Sivic	Owner	MONTANA **
34	Valid Heldov	Owner	ALEDINO **
35	Almir Sehic	Owner	B Panel **

36	Bojan Suster	Euro Info Officer	Business Start-up Centre
37	Sabra Dragovoja	Project Officer	Business Start-up Centre
38	Ivana Tomasevic	Director	Business Start-up Centre
39	Mirjana Babic	Owner	OLIVMONT **
40	Olja Fatic	Financial Analyst	Cultural Centre
41	Vlado Pavicevic	Executive Assistant	Municipality – Mayor’s Office
41	Nedelijko Covic	Vice-President	Entrepreneur Association
42	Nikola Pjescic	Advisor for Immigrants	Employment Bureau
43	Mladen Kovacevic	Owner	Studio Paravirtuale **
44	Pedrag Dukovic	Owner	Mobileland **
45	Sandra Djurovic	Trainer	Centre for Social Work
46	Velibor Boskovic	Director	Business Incubator – ‘Inventivnost’
47	Sasa Jovanovic	Incubator Manager	Business Start-up Centre
48	Igor Glavanovic	Owner	Business Incubator tenant – ‘Barpesce’
49	Vesna Lekovic	Owner	Business Incubator tenant - Vici
50	Besnik Krasniqi	Director	Business Support Centre
51	Prof.Nazmi Mustafa	Rector	College of International Management Studies
52	Naser Grajcevcic	CEO	SME Support Agency
53	Isak Mehmeti	Chief Economic Section	Municipality
54	Ardit Krasniqi	Co-Owner	Idea Consulting **
55	Armend Fazlliu	Co-Owner	Advax **

56	Berat Rukiqi	Secretary General	Kosovo Chamber of Commerce
57	Salih Morina	Permanent Secretary	Ministry of Culture, Youth & Sport
58	Arnisa Xharra	Owner	Fresko **
59	Trajan Kotevski	LED Manager	Municipality of Bitola
60	Goce Markovski	Business Liaison Officer	University of St Kliment Ohridski
61	Veljan Dimkovski	Director	Regional Chamber of Commerce
62	Pece Cacorovski	Manager	Geracomsoft **
63	Laze Dunimagloski	Owner	Ciklus Komerc **
64	Aneta Mickoska	Owner	Frizersko **
65	KisteNedelkovski	Manager	BV Engineering
66	Sonja Gruevska	Trainer	BSC Courses
67	Oliver Ilievski	Trainer	BSC Courses
68	Zoran Nasev	ICT Section	Municipality of Bitola
69	Igor Nedelkovski	Consultant	Independent
70	Rozita Hristovska	Director	BSC/BI Bitola

\* (Project Partner)    \*\* (BSC Business Plan Competition Winner)

### 8.3 List of Other Events

	EVENT	ATTENDEES	LOCATION
1	Focus Group Session	MA Program Students at University of Novi Sad	Novi Sad
2	Focus Group Session	BSC Business training skills participants	Kragujevac

3	Focus Group Session	BSC Business plan competition participants	Kragujevac
4	Focus Group Session	BSC Trainers and Consultants	Kragujevac
5	Focus Group Session	BSC Business training skills participants	Zenica
6	Focus Group Session	BSC Business training skills participants	Bar
7	Staff Meeting	BSC Bar	Bar
8	Focus Group Session	BSC Training of trainer participants	Pristina
9	Focus Group Session	BSC Training participants	Pristina
10	Focus Group Session	BSC Conference Participants (2)	Bitola
11	Focus Group Session	BSC Training Participants	Bitola
12	Focus Group Session	BSC Training Participants	Prilep
13	Focus Group Session	BSC Business Plan Participants	Bitola

\* (First group to undertake and complete program)