

The Impact Challenge: Conducting Impact Assessments for the EMPRETEC Programme

A Background Note

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“Many governments, institutions and project managers are reluctant to carry out impact evaluations because they are deemed to be expensive, time consuming and technically complex, and because the findings can be politically complex, particularly if they are negative. Many evaluations have also been criticised because the results come too late, do not answer the right questions, or were not carried out with sufficient analytical rigour.”

(Baker, J.L. (2000), *Evaluating the Impacts of Development Projects on Poverty*, World Bank, Washington DC, p. vi)

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1. Introduction

Impact assessments are at the core of each programme or intervention aiming at achieving particular goals. Indeed, the entire justification of a programme depends on whether it is able to achieve positive impacts.

One major problem in the area of BDS provision in general often is that numerous support activities are put in place, but impacts often remain vague as no proper assessments are conducted. The ability of demonstrating positive impacts not only represents an excellent marketing tool for future clients, but also serves to secure support for often costly interventions. Similarly, if no or even negative impacts can be demonstrated, the question about possible consequences should be allowed, namely whether the programme activities should be terminated or whether a re-orientation is required.

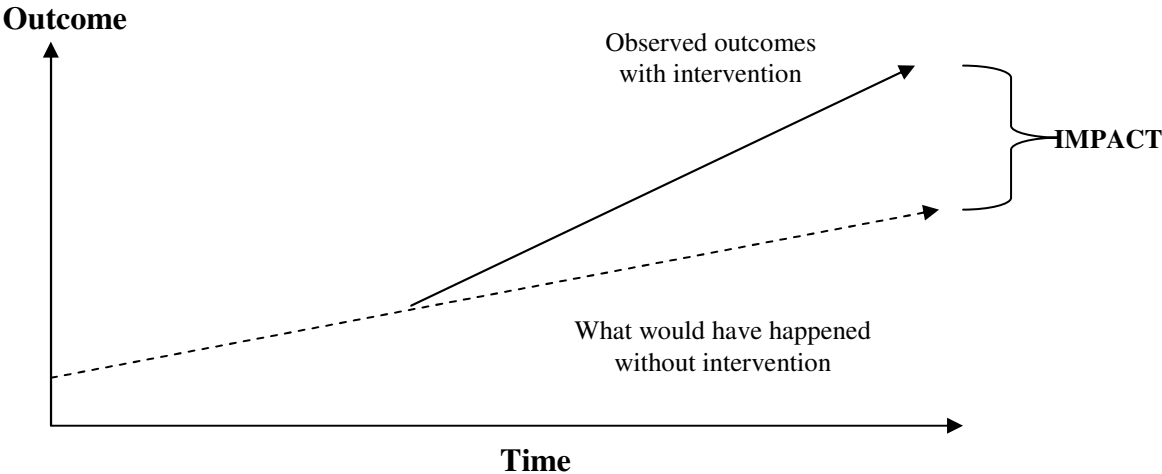
The major challenge of impact assessments –and that is one of the major reasons for a lack of proper impact assessments with many BDS programmes- is to link the programme activities to specific outcomes. Too often, the reasons for change are due to external (and thus un-observable) factors and not the intervention *per se*. The conduct of proper impact assessments thus remains a difficult but nonetheless manageable task.

The purpose of this background note is to present the major challenges involved with assessing the impacts of the EMPRETEC programme and to present some practical recommendations to address these challenges. The discussion will start in section two with a general overview of impact assessments, their methodologies and challenges. The third part will present an overview of impact assessments for the EMPRETEC programme. This discussion will take into account information from a short survey conducted with EMPRETEC directors at the last Director’s Meeting in Geneva (9-12 November 2005). The fourth section contains a number of practical recommendations to address the many challenges in the context of the EMPERTEC programme. The fifth section concludes.

2. Challenges and approaches

The central challenge of any programme intervention is the problem of attribution, namely the challenge to establish (and assess) the causality between the programme activities and the observed outcomes (see figure below, Oldsman, E, and Hallberg, K. 2001, p.16):

Figure 1 - What is the impact of a programme or intervention?



The impact of an intervention is the difference between the observed outcomes with the intervention and the outcomes without the intervention. The major difficulty is to separate programme factors from external factors. In other words, a precise causality needs to be established between the programme activities and potential outcomes/ impacts. Normally, the causality links are underlying every programme and are established during the programme design phase. In reality, however, it is often extremely difficult to establish and measure such a causality link for all programme interventions. Among the reasons is that causality chains are seldom linear; often, contextual factors influence outcomes to a large extent, which makes it also difficult to compare programmes in different country contexts. Above all, however, there is a limited knowledge of the programme logic and the implied causality chains. The programme logic is often only revealed and properly understood over the course of an intervention. In the best of all cases, existing monitoring and evaluation systems are established that have an ‘inbuilt’ learning component where the programme is continuously adapted over time as the programme logic unfolds.

One of the major reasons behind the current shift in the BDS paradigm away from direct support towards market facilitation is to a large extent due to the weakness of linking impacts to the programme. In this sense, this paradigm shift also represents an ‘excuse’ for donors and governments for not being able to properly measure impacts: if the expected impacts are not achieved, then it is the fault of a (non-functioning) market and not of bad programme design.

A number of approaches exist to address this challenge of attribution. The different steps and potential methodologies of conducting impact assessments will be briefly discussed next.

Three different steps or phases can be identified in the impact assessment process:

1. Appraisal of the expected effects/ impacts (inherent to the programme logic)
2. Formulation of impact strategy –what is going to be measured?
3. Formulation of impact methodology –how are the impacts measured/ assessed?
4. Modalities of carrying out the impact assessment

2.1. Appraisal of the expected effects/ impacts

Crucial for the execution of an impact assessment is to appraise the expected effects and impacts that the programme has on the target group. Such an appraisal is based on the inherent programme logic as formulated during the design of the project. Normally, each programme has a set of expectations and objectives, which should be causally linked to the various programme activities. In the case of the ETW, as will be explained later, a unique programme logic underlies the training course and its different modules. The appraisal involves a thorough review of the objectives and expectations and how they should be met. It is important to conduct such an appraisal for each centre/ country, as the same programme can have various expectations and objectives in different contexts.

The information can be compiled in a short matrix that lists the expected objectives, activities and expected outcomes (including “hard impacts”, such as the number of businesses assisted, number of jobs created, business growth, according to the project documents). It should also contain a column to indicate whether these concrete outcome measures have been achieved. In case they have not been achieved, it would be necessary to follow-up on why they have not been met. It also serves for transparency purposes –an assessment that also indicates weaknesses, why expectations were not met and how this is going to be addressed in the future, is more credible than an assessment that only reflects positive outcomes (achieving only positive outcomes is hardly ever true for any programme).

2.2. Formulation of the impact strategy

The second step in the impact assessment process is to identify the purpose and strategy of the assessment. The core question is: what should be measured? This step is closely linked to the appraisal, which indicates the areas where the programme is supposed to have impacts. Accordingly, the impact measures should reflect the objectives of the intervention and also help to indicate whether they have been met or not (=evaluation). Most assessments are broader than just assessing the impacts of programme activities on the target group. In many cases, additional issues are addressed, such as the cost-effectiveness of activities or the satisfaction with the received services. Different measures have been proposed for assessing BDS programmes in general (for discussion see McVay, M. 1999, 2001):

They include measures such as the scale and outreach of the programme (number and group characteristics of beneficiaries), satisfaction and retention (degree of client satisfaction and repeat usage of services), impacts attributed to the services (what are the effects/ changes in business behaviour attributable to the service), and cost-effectiveness/ sustainability (attribution of costs to the services delivered). The range of measures used depends on the programme objectives. Even for similar programmes, these measures can vary across countries. It is possible to keep a range of core-measures for all programmes, which can be complemented by country-specific measures. In brief, the purpose of the impact strategy is to develop a set of measures and terms of references linked to the programme and (expected) impacts.

2.3. Formulation of the impact methodology

A number of methodologies exist to conduct impact assessments. The central concern of these approaches is the issue of attributing programme activities to observed impacts. These methodologies refer to the “hard” impacts as such and not necessarily to other assessment purpose (e.g. cost-effectiveness assessment or evaluations). In general, four different methodologies can be identified for the attribution of impacts (Oldsman, E. and Hallberg, K. 2001):

1. Experiments
2. Quasi-experiments
3. Non-experiments
4. Qualitative approaches

2.3.1 Experiments

One approach often claimed to be the “gold standard” (Oldsman, E. and Hallberg, K. 2001, p. 17) of impact assessments is the experiment with random assignment. In this context, the target group is randomly assigned to a treatment group, receiving the service or training and a control group, receiving no or a different service/ training. It needs to be assured that all businesses have an equal chance of being assigned to either the treatment or control group. One difficulty is to assure that the individual participants do not differ over time (e.g. because some might drop out before the end of the training, etc). In addition, it is difficult to justify the possibility that some businesses seeking support may obtain no or different support if randomly selected into the control group (it is crucial that businesses do not know in what group they are). Finally, such an approach is time intensive and costly and requires sufficient resources for the screening and conducting of the experiment.

2.3.2 Quasi-Experiments

Quasi-experiments are similar to experiments with the important differences that the participants are not randomly assigned to different groups but selected according to their characteristics. Participants/ clients having received the service are compared with similar participants/ clients who have not received the service (or not the same). Observed differences can be attributed to the received service. Although such an approach is cheaper than a random experiment and does not lead to the same ethical constraints, its major weakness is the difficulty of matching participants/ clients. There will always be a selection bias, for example, only motivated businesses might use the service, that are then compared to businesses that have not used the service (and thus might be less motivated). It can thus be quite difficult to entirely attribute the impacts to the received services, as other, unobserved, factors might also influence the outcome. Another challenge is to obtain information on non-participating businesses. In an ideal case, it might be possible to co-operate with other BDS providers who provide this comparative information. However, this would require a high degree of transparency and willingness to co-operate.

2.3.3 Non-Experiments

Non-experiments with reflexive controls are often used when no comparable information is available. In this case, participants/ clients performance is assessed before and after a specific intervention. Again, the major challenge is one of attribution: unobserved factors (e.g. an improved economic context) might lead to observed changes and not the programme per-se. In cases where a causal relationship between and intervention/ action and an outcome can be established, it might be a useful way of establishing causal relationships.

2.3.4. Qualitative Approaches

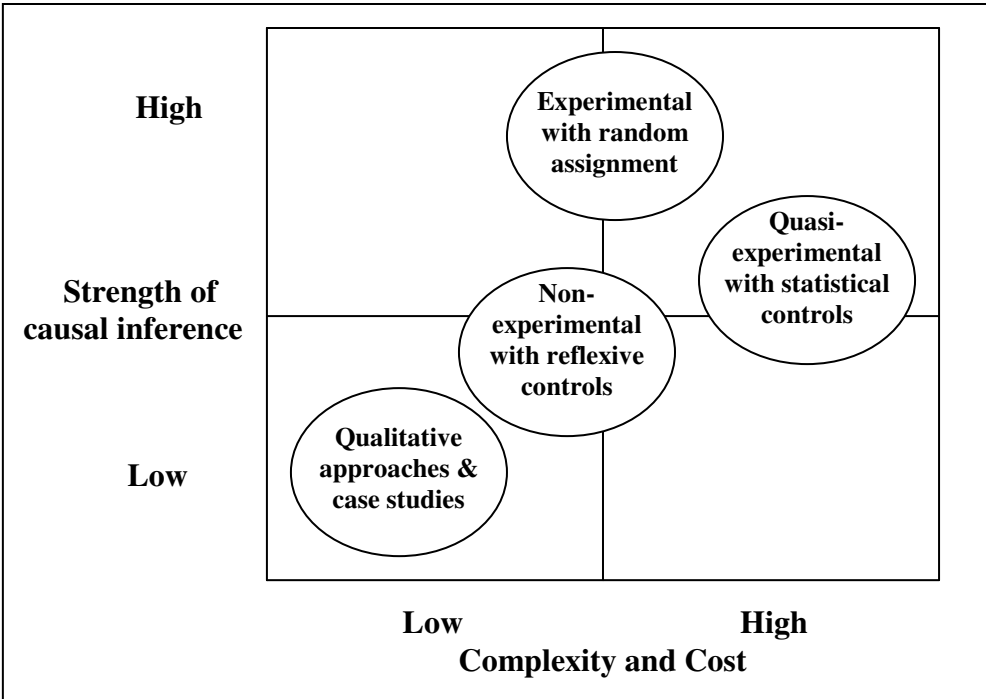
Finally, more qualitative approaches to assess impacts are often used when it is difficult to establish experiments or to follow-up participants/ clients over time. One approach is, for example, to solicit participants' personal opinions on impacts or to use external experts (e.g. business consultants) to assess impacts based on measurable information (e.g. financial information) and interviews with business owners.

Another approach is to conduct in-depth case studies with a core group of businesses, which are traced over time. Businesses are observed in more detail, where researchers look at how owners manage their businesses, what decisions they take, how they react to external constraints, etc. Although such an approach is time consuming and only likely to cover a limited number of businesses, it might be a very useful approach to identify factors (including those external to a specific intervention) that influence businesses' performance. It might also serve to establish or verify the causal relationships between the intervention and impacts and might be used complementary to other impact methodologies.

Apart from these methodologies to attribute impacts to an intervention, there is a range of techniques to assess other programme parts, such as SWOT analyses, appraisals, classical evaluation approaches or cost-benefit analyses. They are all geared towards specific aspects of a programme and many are normally already integrated into Monitoring and Evaluation systems.

In general, there are trade-offs between the strength of causal inference and the complexity and costs for the different methodologies used, as displayed in figure 2 below (Oldsman, E. and Hallberg, K. 2001, p. 28):

Figure 2 - Tradeoffs between different assessment methodologies



2.4. Modalities of carrying out the impact assessment

The final step is to design and carry out the impact assessment. First of all, it involves the strategic question whether the assessment should be carried out on a continuous basis, on a regular basis or only once. Conducting pure impact assessments are rather likely to be carried out on a regular basis or once, especially if the design is based on experimental approaches. Impact assessments based on before-after comparisons are easier to conduct on a continuous basis, especially for interventions that have an initial screening process in place (as is the case of the ETWs, which will be explained in greater detail in a later section).

Most elements of other assessments should normally form part of each programme’s or organisation’s Monitoring and Evaluation (M&E) system needed to inform management and strategic decision-making process. For example, accounting procedures can already provide the answers to the cost-effectiveness of a programme, as well as client satisfaction through course evaluations. This information is normally collected on a continuous basis and can be used for regular analyses or reports to highlight the developments.

In more practical terms, the conduct of (impact) assessments is often faced with several constraints, many of which were already discussed with the different methodologies. The choice of the methodology and the actual conduct depend on issues such as the availability of data, the nature and the quality of the data needed and the resources and facilities required obtaining this data. Generally, the more decentralised, diverse and complex the data, the more difficult it is to obtain sufficient and especially good quality data. These constraints should be taken into account when planning and designing the assessment.

3. Impact assessments and the EMPRETEC programme – an overview

After having presented the major issues in relation to (impact) assessments, this section will look in detail at the approaches and constraints for designing and conducting an impact assessment for the EMPRETEC programme. The discussion will follow the different steps presented above, with a particular focus on the EMPRETEC programme. The discussion will end with an overview of existing assessments of the EMPRETEC programme (an overview of the studies, methodologies and results is presented in the appendix).

3.1. Appraisal of the EMPRETEC programme

As compared to many other BDS interventions, one particular advantage of the EMPRETEC programme (its ETW), is that it is built on a unique programme logic. The programme largely builds on research that was conducted by David McClelland, a Harvard psychologist working on the so-called traits approach (UNCTAD 2004, p. 10). The psychological traits approach is primarily a focus on an individual's personal/ entrepreneurial characteristics. Based on a number of studies conducted in the 1950s in the US, McClelland identified the need for achievement as a major entrepreneurial trait: '*a desire to do well, not so much for the sake of social recognition or prestige, but for the sake of an inner feeling of personal accomplishment*' (McClelland, D. 1971, p. 110). McClelland discovered that successful entrepreneurs often had a high drive for personal achievement, which positively influenced their ability to sustain and increase business turnovers.

The next step was to develop approaches to support and develop beneficial entrepreneurial traits. The result was the creation of the so called *Achievement Motivation Training* (AMT) programme, which built on techniques to identify and work on personal strengths and weaknesses. In 1987, USAID financed the Entrepreneurship and Small Enterprise Development Project, a four-year exercise with three main goals (Mansfield, R. S. et al. 1987, p. 1): 1) to identify the personal characteristics that facilitate entrepreneurs' success in developing countries; 2) to develop methods for selecting entrepreneurs with high-success potential; 3) to develop improved methods of training existing and potential entrepreneurs. Based on this research, Management Systems International (MSI) developed the 10 PECS, which were identified by its own and previous research and developed into one entrepreneurship training workshop, which is basically the ETW. The PECs were tested during a pilot programme in Cranfield, UK in 1985 by a group of trainers and experts and the subsequent training programme was tested in Malawi in 1988 before being implemented in Argentina (for the results see appendix).

In this sense, the ETW methodology is causally linked to specific outcomes: strengthening entrepreneurial competencies improves entrepreneurs' management and thus business performance. These improvements, on the lowest level, should be visible in the form of behavioural changes: the owner is doing some things differently after the training than before. These so-called 'soft impacts' can be, for example, a better way of approaching clients, looking for alternative inputs, etc. It is more challenging to establish a causal link between these behavioural changes and concrete outcomes in terms of 'hard impacts', such as creating new jobs or even business growth in general. The major problem is again one of attribution: performance changes are often the result of various factors at the same time, such as better management skills, higher demand for products, etc. Attributing an impact (e.g. new jobs) to the training requires the ability to link the employment creation to a specific behavioural change. This can be done, for example, when it is possible to demonstrate that the owner – as a consequence of the training- consistently looks for alternative suppliers offering at better

rates, leading to higher savings, leading to an expansion of the business, leading to the creation of new jobs. This causal chain already demonstrates that various other alternatives are thinkable that could lead to additional employment. These multiple causalities make it more difficult to attribute impacts directly. As a consequence, any impact assessment needs to focus on both broad impact measures –soft impacts and hard impacts- and needs to state clearly the limitations of the underlying program logic in this regard.

Qualitative approaches are normally used to identify and analyse these relationships. When using a random experimental design, however, the establishment of causality is not the primary objective: if differences between the treatment and control group are statistically significant (in terms of better performance in the treatment group than in the control group), it can be attributed to the training. In other words, the programme can reveal a positive effect without necessarily providing an explanation for these differences. These issues will be taken up when discussing potential methodologies for an EMPRETEC assessment.

3.2. Impact assessment strategy: what measures are available?

As already mentioned, there are two broad groups of measurements available for the ETWs, namely measures on soft impacts and hard impacts. Soft impacts include behavioural changes as relating to the PECs and an evaluation undertaken by the entrepreneurs (information collected through the customer benefits sheet as it is used in the current MIS). In addition, many centres collect information about participants' satisfaction with the course through evaluation forms.

In terms of hard impacts, information on employment changes, turnover, profitability and market outreach is collected by some centres according to the company performance sheet in the MIS. In addition, some centres (6 out of 15 centres that filled-in the impact survey at the Directors' Meeting) do regular follow-ups with former clients to assess impacts. Most approaches are based on simply following up on clients after they have participated at the training. Hardly any centre has assessed the businesses before participating at the training as well (other than through the interview/ screening information, which only provides limited information).

The small survey on impact assessments (see appendix for summary) reveals that those six centres that do impact assessments mainly use employment change, turnover, output changes, investments and increase in market share (e.g. export orientation) as variables. However, only four out of 15 centres use a database or the Management Information System for entering and analysing the data, which makes it more difficult to extract comparable impact measures.

3.3. Methodologies used for impact assessments: how are impacts measured?

A limited number of impact assessments have been carried out for the EMPRETEC programme (see appendix for overview of identified assessments so far). Very few approaches, however, have used a rigorous experimental design. Indeed, only the first study conducted by MSI to evaluate the overall training concept resembled an experimental design with two comparison groups (Cooley, L. S. 1991; Management Systems International 1990). This study was conducted in Malawi between 1986 and 1988 and demonstrated statistically significant differences between the treatment and control group. It was, however, criticised for being conducted in an extreme environment characterised by little entrepreneurial orientation and development and doubt was mentioned that it might not be relevant for other countries as well. No further assessment was undertaken in a different country context.

Other studies focused on the soft impacts by looking at behavioural changes and trying to identify how these influence business practices. One PhD study on Ghana compared two groups with 17 entrepreneurs, one group consisting of EMPRETECOs and the other of former participants from a different training course (Akplu, H. F. 1998). The study looked at how the imparted knowledge was translated into actual activities. Higher transfer rates were found for EMPRETECOs than for the second group. Such a qualitative approach allows looking at how the training leads to behavioural changes but it does not allow for conclusions on which training is better. This is again due to the problem of attribution: EMPRETECOs might simply be better because they are already selected as ‘high-potential’ entrepreneurs. Similar results of positive learning effects are also supported through qualitative research that the author has conducted with EMPRETECOs in Ghana and Namibia (Grossmann, M. 2006).

A different approach to assess changes in behaviours was used for a study on Brazilian EMPRETECOs (Lopes, R. M. A. 1999). The approach used was a typical ‘Before-After’ approach, where PECs from the screening interviews were compared with PECs 6 to 7 months after the workshop took place. These PECs were re-assessed through follow-up interviews with former participants. Statistically significant increases in individual and total PEC scores could be observed. In addition, economic indicators (employment, turnover) of these former participants were compared with other businesses’ performance. Results indicate that EMPRETECOs are generally doing better than others. Again, it is difficult to attribute these changes completely to the training in the absence of matched or random comparison groups, as differences might be due to unobservable factors.

The same problem of attribution is inherent to the large scale study conducted by SEBRAE in 2002 on more than 1,445 EMPRETECOs, which was presented at the Directors’ Meeting in Geneva this year (SEBRAE and IBQP-PR 2002). The approach also used a ‘Before-After’ comparison, assessing former participants’ performance and PECs. However, other than with the Lopes study above, the re-assessment was based on three self-administered questionnaires and not interviews, which leaves ample scope for response and subjectivity biases. In addition, the assessment generally covered former participants whose participation at the course was some time back (in average 3 years). Parallel to assessing EMPRETECOs, a separate sample of Brazilian businesses was assessed and comparisons between this sample and the EMPRETECO sample were made (where the focus was on economic measures such as employment generation, turnover growth, start-ups). No statistically significant differences could be observed with the PECs, but the economic performance of EMPRETECOs seems to be better than with the control group. Again, attribution is difficult in the absence of matching or randomisation.

One important indicative conclusion emerging out of these studies is, however, that behavioural changes (i.e. soft impacts) only seem to occur in the short-run and their influence diminishes over the long run (probably because the learning effects are tacitly integrated into business practices and become less dominant over time as external factors ‘smooth’ out the learning effects). In terms of recommendations this hints at the importance of conducting an impact assessment on soft impacts soon after the training to show any positive effects.

Finally, a number of internal assessments are conducted by several centres, not all of which could be identified to this point. Examples from Ghana reveal that the approaches used here are simple tracer study, where businesses’ performance (employment generation, turnover and profitability) were looked at (Empretec Ghana Foundation 1997, 2000, 2002). In some studies, different businesses were used for different years so that no valid conclusions could

be made on the same businesses. Overall, such approaches don't allow any conclusions on the causes for the businesses' development.

To summarise the discussion, it seems that there is a lack of rigorous approaches to assess impacts of the EMPRETEC programme. Assessment of soft impacts dominate, which may also be the case because information is more readily available on these measures (e.g. PECs) compared to hard impacts.

3.4 Conducting impact assessments

The lack of regular impact assessments is also due to resource, methodological and practical constraints. A proper experimental impact assessment takes time and sufficient human and financial resources for a proper conduct.

The results of the small impact assessment survey with the centres hint at these difficulties. Above all, the major difficulties identified by centres were resource constraints, namely financial and human, to conduct proper impact assessments. This was followed by the difficulty of getting the required responses from former clients (a problem of reaching them), the lack of a universal methodology and the unwillingness of clients to provide the required information (for details see appendix). This indicates the importance of providing resource support and designing a proper methodology. Many approaches have been suggested to improve the outreach and data collection with former clients. SEBREA suggested an approach to make use of the Internet, where clients have the opportunity to directly input the data on a website. The survey revealed a clear regional separation in regard to the feasibility of such an approach: whereas most clients in Latin America, Europe and Middle East have access to the Internet, such an approach would not be feasible with the majority of centres in Africa, where only few clients have access to the Internet. In practical terms, this means that the resource requirements for these centres are higher and the data collection for an impact assessment is more complicated as it would largely rely on human resources (individual enumerators going out to the businesses). These issues will be discussed in greater detail when looking at the practical recommendations in the next section.

4. The way forward: some practical recommendations for assessing the EMPRETEC programme

This section will discuss some practical steps and recommendations for implementing an (impact) assessment for the EMPRETEC programme. It aims at being practical, that is, tries to avoid 'reinventing the wheel', while at the same time addressing the various challenges and constraints of designing and carrying out a useful assessment strategy.

4.1. The programme appraisal: assessing the programme AND impacts

It is important to distinguish between an assessment of the programme and of the impacts. A programme assessment is broader in nature, as it also focuses on the nature of the programme, its sustainability and outreach. An impact assessment tries to link the programme activities to observed outcomes.

Suggestions:

- A programme assessment should be conducted on a continuous basis and should be part of the regular M&E systems to be improved or put in place with national centres. The elements of this assessment will be explained below
- Two types of impact assessments should be conducted: 1) An impact assessment as part of the M&E system to be conducted on a continuous basis, and 2) A one-time large scale assessment, preferably based on an experimental design

Justification and practical steps:

Although the ETW is at the core of the EMPRETEC programme, it is often complemented by a range of other business services. The (competitive) advantage and strategic benefit of the EMPRETEC approach also stems from this service variation. Accordingly, not only the ETW should be assessed and monitored on a regular basis, but also the complementary services.

The justification for two types of impact assessments is that the information required for a continuous assessment should normally become available during the monitoring process, which makes it easier to establish a continuous control group (for methodology discussion see below). The second impact assessment should be based on a rigorous methodology and due to its nature it is more likely to be conducted only once or after longer periods. The one-time assessment might also help to establish credibility and seize support for future activities. Such an exercise should thus be carried out as soon as possible.

4.2. Impact assessment strategy: suggested measures

The strength of the EMPRETEC approach is that it generates a range of useful information and data, which could and should be used for assessment purposes. Hardly any programme has a similar screening process in place before the programme start. In addition, follow-ups are a core element of the programme approach. This advantage should be exploited and –if these programme elements are not yet properly put in place- they should be properly installed.

Suggestion:

- A range of core measures should be established, which should be collected for each centre. In addition, each centre can complement these core measures with individual measures, geared towards their respective contexts and purposes
- Most measures should be established as part of a continuous monitoring and evaluation framework (including a continuous impact assessment); this M&E system can be complemented by a one-off impact assessment, for which separate measures and methodologies should be defined.

Justification and practical steps:

The following core measures of the M&E system should be collected for each centre:

1) Scale

Measuring the scale of the activities involves tracking the number of clients using the different services. This should also include an identification measure to track whether and to what extent clients repeatedly make use of services from EMPRETEC. High retention rates can be an important indicator for clients' satisfaction.

2) Outreach

Outreach measures include measures on the characteristics of clients, such as education, locality, business activity, etc. This information should be readily available through the interviews and application forms. The information also helps to identify and re-focus on specific target groups that might be relevant for the specific country context.

3) Impact Assessments

As mentioned before, there should be two impact assessment elements. Both should contain measures that focus on the soft and hard impacts. A closer follow-up on the PECs, for example, could be one indicator to assess behavioural changes (for methodology, see next section). Measures should also contain simple evaluation measures about the course (e.g. satisfaction and quality) and future intentions (e.g. questions like ‘do you intend to use another service from us?’, ‘would you recommend someone else to the course?’). Together, these soft impact measures provide a picture about the quality of the course and clients’ satisfaction.

At the same time, hard impact measures should be included, where the ones already used (employment creation, growth in turnover, profits and market outreach) can be integrated as well. Other hard impact measures might be group specific, for example, for start-ups: to assess the number of new businesses created; assess the number of business plans accepted by financial institutions (and thus leading to access to finance); successful business expansion.

4) Cost-effectiveness and sustainability

Finally, measures should be established to assess the sustainability of the services offered. Measures should include cost measures of the programmes, incomes and above all, attribution of costs/ revenues to different programme activities. An individual follow-up sheet for each client should be established where the revenues received as well as the costs related to this client can be captured. This allows an individual tracking of sustainability. At the same time, information on other service providers in regard to courses and costs should be collected on a regular basis to obtain a comparative overview of the BDS context and potential competitors. This information would also be very useful for strategic planning purposes.

4.3. Useful methodologies for assessing the impacts of the EMPRETEC programme

To demonstrate the usefulness of EMPRETEC services, the training workshop and other services should be assessed.

Suggestion:

- Conduct an initial impact assessment based on an experimental design. Preferably, such an assessment is conducted by external consultants, based on universal Terms of References for all centres. This should also include a list of impacts to be measured and attributed. Such an assessment should be conducted as soon as possible to establish an initial overview of impacts and future areas for improvement
- A continuous impact assessment mechanism should be established, which makes use of continuously collected information. Such an impact assessment should be based on before-after comparison, preferably with two groups (one group being EMPRETEC’s client group and one external group to be established)

Justification and practical steps:

It will be difficult to establish a random experiment for the external impact assessment. As a first step, it should be assessed for each centre, what type of assessment methodology can be used. In a context where other and comparable business services are available, it might be possible to co-operate with other providers to select a comparison group. However, it needs to address the same businesses, which given the exclusive target group of the EMPRETEC programme, might be difficult to achieve. The initial assessment should also take into account the financial resources that could be made available for such an exercise.

One straight forward approach would be to do before-after comparisons with two groups of businesses, based on PEC interviews. One group could consist of EMPRETEC applicants, whose PECs are assessed during the application interviews and who are re-interviewed by the same interviewer 6 months after the training took place. Similarly, a matched target group is established and equally interviewed, but with the difference that these participants in that group do not participate at the EMPRETEC course or use other services. Hard impact measures could be included. Again, such an approach does not match the validity obtained through random experiments but could represent a minimalist approach that would be feasible for all centres.

Similarly, for the continuous impact assessment that should be part of each centre's monitoring and evaluation system, such an approach could be used as well. For this purpose, each centre establishes a comparison group consisting of businesses that they would normally target for their services. This panel of businesses will be followed over time and information collected on PECs and hard impact measures. Results are compared to the same measures collected with businesses using EMPRETEC services. Such an approach is a quasi-experiment conducted over a long timer period.

4.4. Conducting an impact assessment for the EMPRETEC programme

The modalities of conducting the assessments and the collection of required information largely depends on the individual country contexts. Ideal would be approaches that minimise the administrative and thus cost-burden of reaching out to clients and obtaining the information. The use of ICT and databases is crucial in this context. However, as demonstrated with the impact survey, not all countries (especially in Africa) have the potential to use the Internet to collect the data.

Suggestions:

- The data requirements and collection needs to be standardised for all centres. It is suggested to introduce an easy to install, cheap, easy to operate and maintain database management tool, such as the one used by SEBRAE
- In terms of collecting the information, the primary concern should be to shift the administrative burden of collecting the information to the participants through various incentives
- Background information on businesses should also be obtained from those who do not participate at an ETW but who use other EMPRETEC services

Justification and practical steps:

For the design and conduct of the external impact assessment, the best way would be to engage local universities and researchers for this purpose. Based on universal terms of reference, such an assessment can then be carried out in the respective countries.

Similarly for the continuous assessment, the co-operation with other service providers could be sought to establish a joint comparison group (for EMPRETEC, the other provider's own client group is the comparison group and the other provider uses the EMPRETEC group as comparison group). This requires that a matching of companies is possible and that the other partner is willing to co-operate (as it might be the case that the EMPRETEC programme shows higher impacts). Alternatively, an independent business panel of about 150- 300 businesses could be established together with universities or the government which serves as comparison group. The establishment of such a group does not only bear benefits for EMPRETEC, but can also serve to monitor business development over time and thus might be in the interest of the government in general. The promotion of such an approach should be based on this potential 'win-win' situation for all partners involved.

In regard to the data collection, incentives should be provided to decentralise the administrative burdens. One significant advantage of the EMPRETEC approach is that it (ideally) involves regular follow-ups with clients. In addition, many exercises such as the health checks or business planning exercises generate information that could be used for assessment purposes. Businesses that give their consent to use this information (in an anonymous form, of course) might obtain a price rebate on services or vouchers for future services. In addition, businesses could be encouraged through similar incentives to provide regular follow-ups with the help of standardised questionnaires. Each centre that serves clients that mostly enjoy Internet access can establish a simple web-based interface allowing to easily entering this data online. In addition, each centre, wherever it is located, should establish public Internet access points that can be used by clients. Clients, who provide information online, might receive free minutes for Internet use or vouchers for business centres which can be used for communication/ Internet purposes. In general, every contact with clients should be seen as a potential opportunity to obtain data which is useful for assessment purposes.

In the same context as discussed above, closer co-operation with existing partners, e.g. the exchange of information could be promoted for the benefit of all.

Finally, a standardised background information sheet should be established for all businesses using EMPRETEC services and not only for ETW applicants. Such an information screening does not need to be as complex and lengthy as the selection process for the ETW, but might contain some key points for information. The justification is that the collection of information on all clients helps to establish an information and participant pool that can be used for assessment purposes (i.e. it would be possible to classify all clients into comparison groups).

5. Conclusions –the way forward

Impact assessments are crucial for any programme intervention to demonstrate whether it has desired effects. It not only serves to inform strategic planning, it can also be a powerful marketing tool: demonstrating positive effects can help to solicit external support. At the same time, however, a lack of impacts or even negative impacts should inform decisions on whether the programme is useful at all or whether adjustments are needed.

The previous discussion has also demonstrated that it is quite easy to call for impact assessments, but conducting a properly designed one is quite challenging. The major problem all impact assessments are confronted with is the difficulty of attributing impacts to the programme as such and thus separating programme from external effects. A number of approaches exist to address this challenge. The best approach would be a randomly assigned experiment. However, such an approach is not always feasible due to financial, practical and moral constraints. Other, less 'safe' methods exist to assess impacts.

A review of existing assessments for the EMPRETEC programme reveals that very few impact assessments have been conducted so far. Only one (the initial programme evaluation) assessment used an experimental approach. Other attempts largely focus on soft impacts (PECs and behavioural changes) and the validity of many internal assessments is often constrained by a lack of proper assessment methodologies.

In addition, many centres perceive practical difficulties when conducting impact assessments, such as the difficulty to obtain sufficient responses, the unwillingness of former clients to participate or the lack of proper methodologies.

When looking at the way forward, it is worth noting that there are many advantages and strong points inherent to the EMPRETEC programme approach. They include:

- Potential participants are thoroughly screened during the application process. This already generates a lot of data and information on businesses' backgrounds. Hardly any other programme has so much information even before the service is provided
- The motivational nature of the training workshop leads to highly satisfied clients. This 'motivational moment' should be exploited to keep clients attached and involved and thus helping to provide impact data. They should remain at the centre's focus, also in terms of follow-ups
- Part of the EMPRETEC approach are regular follow-ups and services that generate a lot of information on businesses (e.g. health checks and business planning). All the contact points should be seen as strategic opportunities to learn more about the clients (i.e. in terms of impact data), but also to better address potential demand for other services

The problem of conducting impact assessments of the EMPRETEC programme thus is not so much one of missing information, but one of collecting and using it properly. What is needed in terms of next steps is a systematic approach to establish proper impact assessment procedures, both internally (as part of centres' M&E system) and externally. Table 1 on the next page highlights some 'next steps' for 2006 that are deemed necessary to drive the process.

The steps relate to both, the design of a pilot impact assessment and the design of a continuous impact assessment component as part of centres' M&E system. Realistically, the guidelines and procedures could be established until mid-2006. The execution of a pilot assessment will probably take longer until the end of next year. It is crucial that UNCTAD provides its support for this pilot assessment and the resulting guidelines and TOR for replication in other centres. A replication with all centres should be envisaged for late 2006/early 2007.

The activity matrix presented below only represents the major steps and issues involved. It needs, of course, further refinement and formulation of concrete inputs, activities and outputs, which could be carried out by the beginning of 2006.

Table 1 - Suggested Activity Matrix for 2006

Step	Issue	Activity	Output	By whom?	Timeline
1	Establish feasibility study on impact assessment potential with each centre	<ul style="list-style-type: none"> Establish Assessment questionnaire for centres (Questions relating to: what information do you collect with one exemplary client? –From application, course evaluation to follow-up: list all steps and information that is collected from a client over time) Centres fill-in the questionnaire and sent it back 	Have a questionnaire and feasibility study ready and sent it to centres	UNCTAD	January 2006
2	Establish guideline for impact measures and methodologies	<ul style="list-style-type: none"> Based on feedback from centres, draft guidelines on collecting impact measures and practical steps involved 	Filled-in questionnaires Have a draft guideline for circulation	Centres UNCTAD	February 2006 February 2006
3	Assist with the establishment of software/ database approach	<ul style="list-style-type: none"> Identify suitable software package (SEBRAE) Identify implementation steps (e.g. training needs, financial resource requirements, etc.) 	Have a proposition for common approval	UNCTAD with input from Centres	February/ March 2006
4	Establish guidelines for pilot experimental one-time impact assessment	<ul style="list-style-type: none"> Identify suitable pilot centre (other than Brazil) for the conduct of an experimental impact assessment Identify financial resource requirements and partners (e.g. university) to design and conduct the impact assessment Establish pilot terms of references Provide or raise required financial resources 	Have a pilot project document ready for approval and execution	UNCTAD with partner centre and local universities or consultants	March 2006
5	Establish 'lessons report' and formulate general TOR for external impact assessments	<ul style="list-style-type: none"> Based on the pilot, do thorough analysis of lessons learned, opportunities and difficulties of replicating such an approach elsewhere Formulate universal TOR for all centres 	Have the pilot conducted and analysed and TOR ready for approval	UNCTAD Centres	End of 2006
6	Assist centres with putting in place continuous impact assessment scheme as part of their M&E system	<ul style="list-style-type: none"> Establish guidelines on how to implement continuous impact assessments as part of the M&E system Formulate impact measures to be collected Design questionnaires for all stages of the 'client monitoring process' and respective database interfaces 	Draft guidelines, questionnaires and project document ready for consultation	UNCTAD and centres	March/ April 2006
7	Assist with the pilot implementation of impact assessment component into M&E system	<ul style="list-style-type: none"> Identify pilot centre for M&E support Implement the questionnaires, guidelines and interface with a pilot centre 	Impact assessment component as part of the M&E system in place at the pilot centre	UNCTAD with partner centre	June 2006
8	Evaluation of impact component and formulation of general guidelines and assistance for other centres	<ul style="list-style-type: none"> Evaluate the lessons learned from the pilot M&E impact component Prepare final guidelines and assistance procedures/ commitments for all centres 	Final guidelines and assistance procedures ready and approved	UNCTAD and all centres	Fall 2006

APPENDIX**Table 2 - Overview of impact assessments conducted on the EMPRETEC programme**

Author	Country/Year	Methodology Used	Major results
(Management Systems International 1990) see also (Cooley, L. S. 1991)	Malawi and general testing of ETW, 1986 -1988	Experimental design: 45 participants in both treatment and control groups; measured behavioural and performance changes after 6 and 24 months	<ul style="list-style-type: none"> Statistically significant difference between both groups in the short term; treatment groups experienced higher employment and turnover growth than control group Core set of PECs associated with success
(Akptu, H. F. 1998)	Ghana, 1994/1995	Qualitative case study approach; assesses the transfer of learning/ behavioural changes with two groups of 17 former participants from the EMPRETEC training workshop and NBSSI, a management training course	<ul style="list-style-type: none"> Most trainees implemented between 1 to 12 training concepts from the courses into their daily business management/ activities The average knowledge transfer of EMPRETEC participants was 6.9 as compared to 5.6 from NBSSI participants The training has positive impacts on performance
(Lopes, R. M. A. 1999)	Brazil, 1997/1998	'Before-After' assessment of 64 entrepreneurs; PECs before the workshop were compared with PECs 6 to 7 months after the workshop; data collection through focused interviews (researcher was certified EMPRETEC interviewer)	<ul style="list-style-type: none"> A statistically significant increase of 5 PEC scores/ total scores was found after the training for Goal Setting, Systematic Planning, Concern for Quality, Information Seeking and Persuasion and Networking Changes in businesses' performance (growth and employment) were not statistically significant; however, former EMPRETEC participants seemed to withstand the general economic downturn at that time
(SEBRAE and IBQP-PR 2002)	Brazil, 2002	'Before-After' assessment of a randomised sample of 1,445 former participants; assessment of PECs before and after training (based on self-assessment questionnaires, not personal interviews); assessment occurred on average about 3 years after the training;	<ul style="list-style-type: none"> No statistically significant variation in PECs Former participants nonetheless noted that their own business performance and management skills had improved as a consequence of the training In terms of economic performance, Empretec do much better than a comparable sample of Brazilian businesses (turnover growth)
(Empretec Ghana Foundation 1997, 2000, 2002)	Ghana, 1992-1996; 1997-1999; 2000-2002	Tracer Studies of former clients; quantitative assessment of economic performance; the 2000-2002 study provides no comparable information as different businesses were compared over time; sample size varies; no comparison groups, thus no causality can be inferred	<ul style="list-style-type: none"> Impact assessments measured employment growth, turnover and profitability Most businesses experienced positive changes but it is not possible to attribute these changes to the programme or to any other (external) factors in the light of lacking comparison
(Grossmann, M. 2006)	Ghana and Namibia (2004 and 2005)	In-Depth case studies on 20 former EMPRETEC clients as part of a larger study on the implementation of the EMPRETEC programme; qualitative assessment of soft impacts and learning spill-overs into concrete business outcomes	<ul style="list-style-type: none"> High degree of satisfaction with EMPRETEC services by all former participants The degree of satisfaction and perceived benefits largely depend on the target group characteristics: high-potential businesses benefit more from the original EMPRETEC concept than low-potential businesses Concrete PEC spill-over into business activities was identified, leading to higher turnover and profits

Note: This is not a conclusive listing of all available impact assessments; many internal impact assessments might exist (e.g. like the Ghana assessments); the existence of such assessments could not be properly established at this point, but should be part of the suggested feasibility study with the centres

Results emerging from the Impact Assessment Survey

Impact Assessments –what we need to know to assist

Based on the discussions we had on Thursday, the importance of conducting impact assessments emerged as a priority issues. In order for UNCTAD to be of better assistance to centres in improving their impact assessment, we would require the following information.

Q1	Please name the country of your centre					
Q2	Do you already conduct impact assessments on a regular basis?			<i>Please tick</i>	Yes	No
				✓		
Q3	If you conduct impact assessments, please describe briefly what impacts you measure					
Q4	Please describe briefly for what purposes you are conducting an impact assessment/ would like to conduct an impact assessment					
Q5	What are the major problems for conducting impact assessments? <i>Multiple options possible</i>					
	1) We have no financial resources to conduct impact assessments					
	2) We have no human resources to conduct impact assessments					
	3) It is very difficult to get enough responses from former clients					
	4) Former clients are not willing to provide some or all of the information					
	5) We have no proper methodology for conducting the impact assessment					
	6) Other, please explain below					
Q6	Do you use a database (e.g. MSI) to regularly update the impact information?			<i>Please tick</i>	Yes	No
				✓		
Q7	To what extent do your clients use/ have access to the Internet?	<i>Please tick</i>	All clients use the Internet	Most clients use the Internet	Few clients use the Internet	No clients use the Internet
		✓				
Q8	Would it be feasible in your context to implement a web-based impact assessment? (i.e. where clients directly enter the information on a dedicated website)?			<i>Please tick</i>	Yes	No
				✓		
Q9	Please describe briefly where you think UNCTAD can be of greatest assistance or which type of support you require most to implement an effective impact assessment					

Questionnaire Summary

Q1: 15 centres filled-in the questionnaire, they were: Angola, Argentina, Botswana, El-Salvador, Ethiopia, Guatemala, Guyana, Jordan, Morocco, Palestine, Romania, Uruguay, Venezuela, Zimbabwe and one centre remained anonymous

Q2: Only 6 centres were conducting some sort of impact assessment, whereas 9 did not conduct any impact assessment

Q3: As mentioned before, most centres measure the following impacts: employment change, turnover, output changes, investments and increase in market share (e.g. export orientation)

Q4: The majority of centres want to conduct impact assessment in order to demonstrate the programme's effectiveness and use it to solicit more support (e.g. donor funding). At the same time, the information was perceived as useful for internal strategy and management decisions

Q5: The following constraints were expressed by centres:

Major constraint for conducting an impact assessment	No. of replies
Lack of financial resources	11
Lack of human resources	9
It is very difficult to get enough responses from former clients	7
Former clients are not willing to provide some or all of the required information	4
We have no proper methodology for conducting the impact assessment	5
Other	1

Note: sum of all replies more than 15 as multiple choices were available

Q6: Only 4 centres use a database, 11 don't input data into a database on a regular basis

Q7: 8 centres mentioned that most of their clients use the Internet, whereas 7 centres mentioned that only few clients use the Internet. Most of those centres were African centres

Q8: 9 centres mentioned that a web-based impact assessment or data collection would be possible, whereas 5 said this would not be feasible as too few clients have access to the Internet. Most of these centres were in Africa

Q9: A variety of suggestions/ demands were mentioned in regard to UNCTAD's role. Above all it was mentioned that UNCTAD can assist in developing a universal methodology for all centres, facilitate the usage of one similar (easy to use) software and only then provide financial support.

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