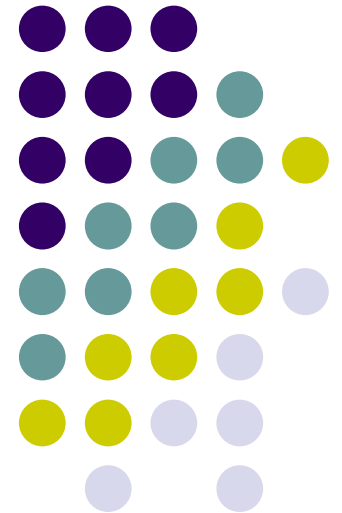
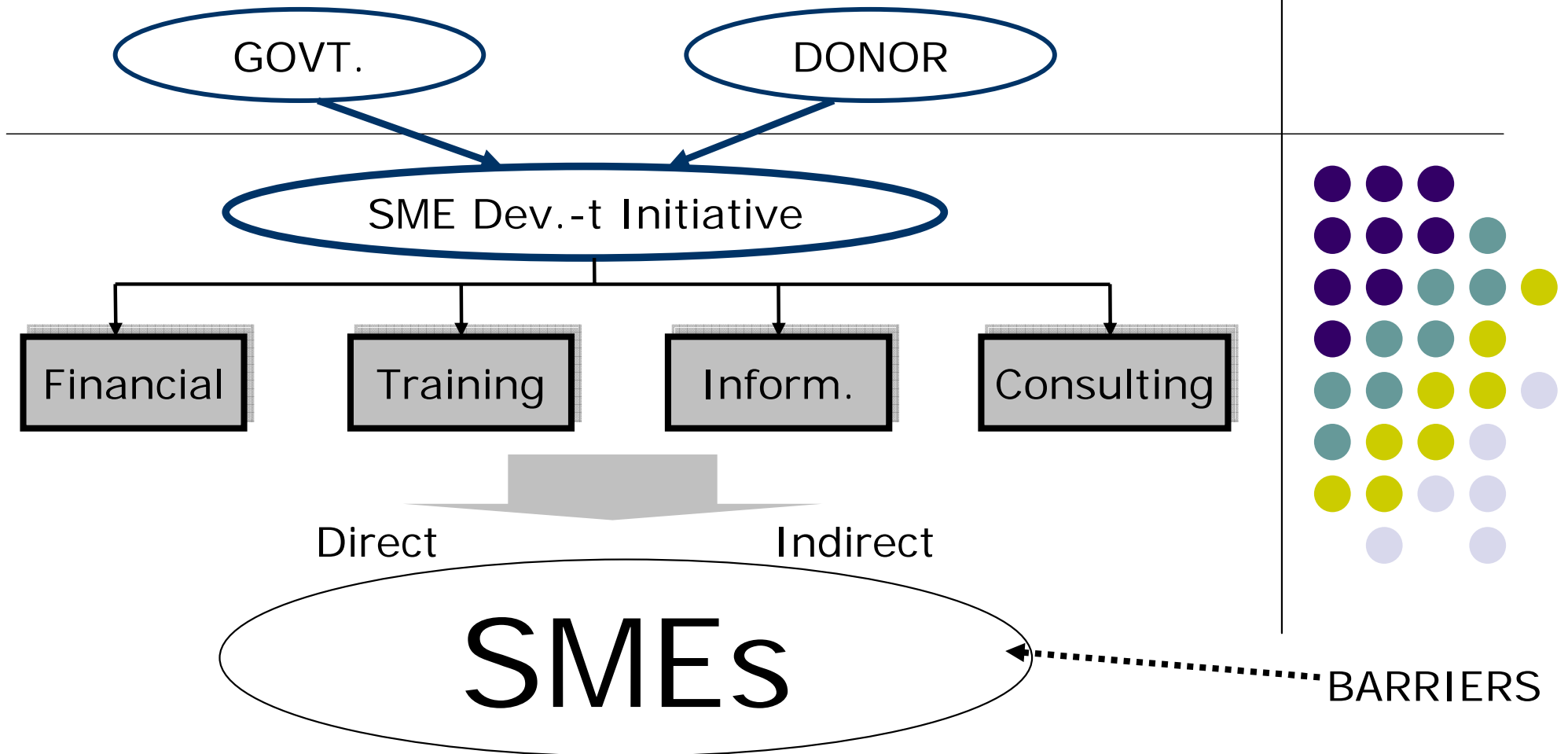


Alleviating Enterprise Development Barriers:

How Evaluation of SME Support
Programmes Can Contribute?

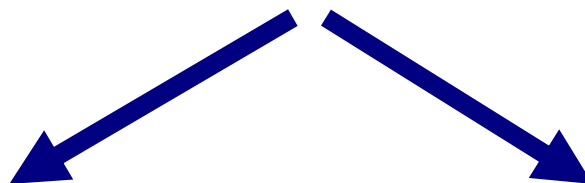
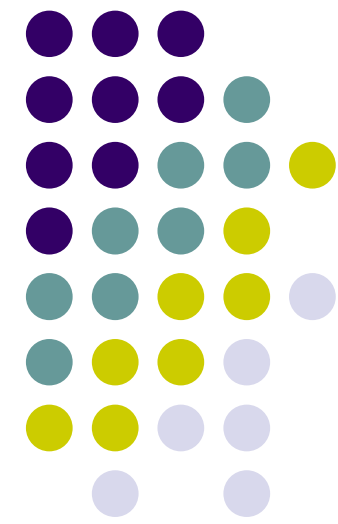


GLOBAL CONTEXT



ROLE AND OBJECTIVES OF INDICATORS

- ❑ Effective Management Tools
- ❑ Used in Project Performance Reports
- ❑ Benchmarks for Removing Barriers
- ❑ Tools for Comparative Analysis

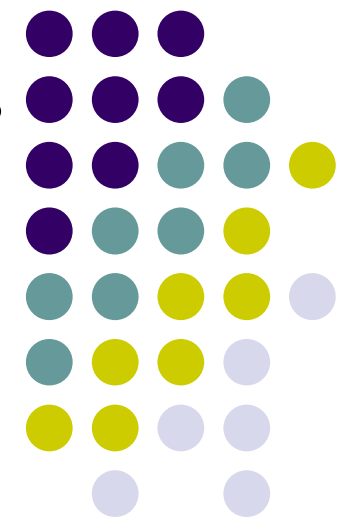
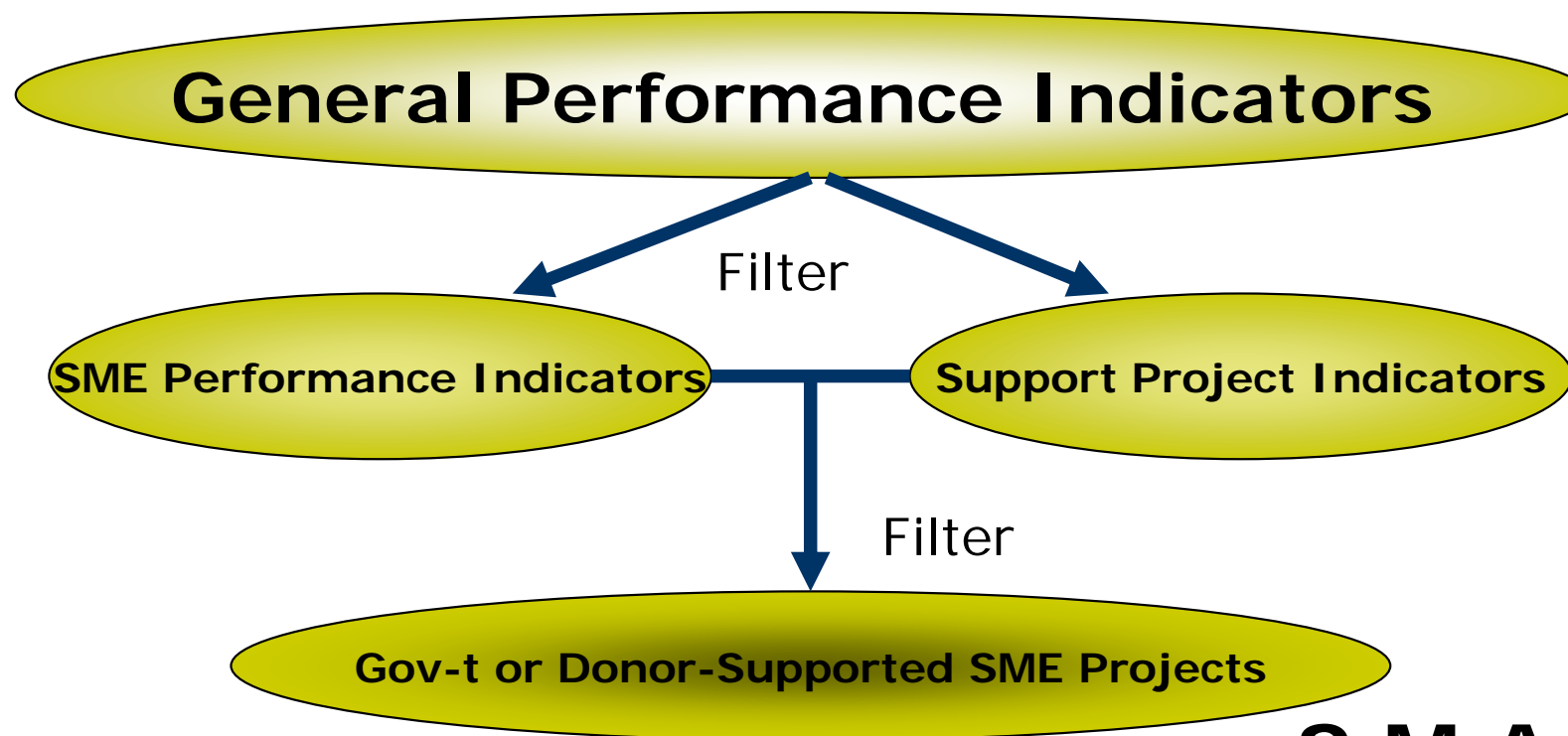


Comparing with own past performance

Comparing with identical project performance

IMPORTANT!!!

SELECTION OF INDICATORS



S.M.A.R.T.

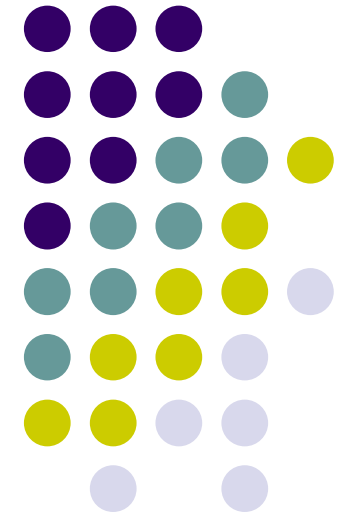
WHAT HAVE WE GOT THEN?..

METHODOLOGY VIEWPOINT

- SPECIFIC
- MEASURABLE
- ACHIEVABLE
- RELEVANT
- TIME-BOUND

APPLICATION VIEWPOINT

- RIGHT SELECTION
- PRACTICAL
- COMPREHENSIVE
- REASONABLE COST
- UNIVERSAL



NOT COUNTRY OR INTERVENTION BOUND!!!

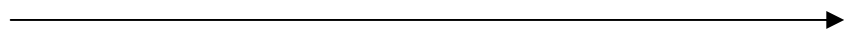
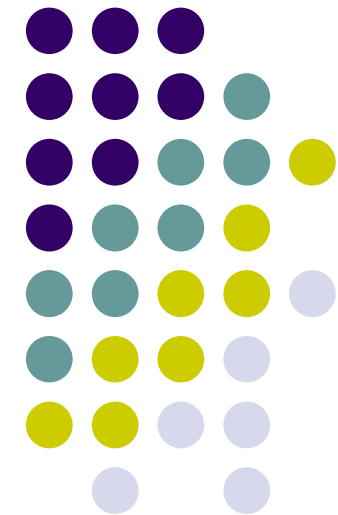
WHO ARE USERS?

WHO APPLIES

- External Evaluators
- Management of SME SA
- Internal Evaluators

WHO USES (Stakeholders)

- Board
- Policy makers



Removal of barriers

INDICATOR GROUPS

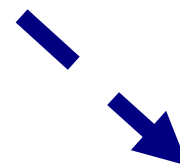
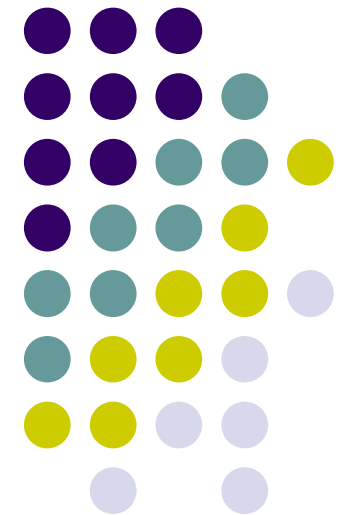
RELEVANCE - *goals in line with needs, activities in line with goals*

EFFECTIVENESS - *degree of accomplishment*

EFFICIENCY - *cost of resource to output transformation*

IMPACT - *change resulting from intervention*

OTHERS



**OVERALL PROGRAM
RATING METHODOLOGY**

INTERVENTIONS EVALUATED ACROSS

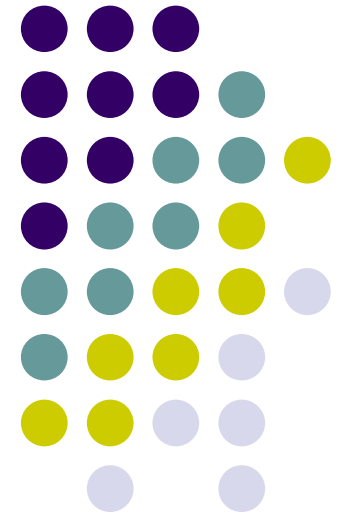
FINANCIAL RESOURCES

CAPACITY BUILDING (TRAINING)

INFORMATION SUPPORT

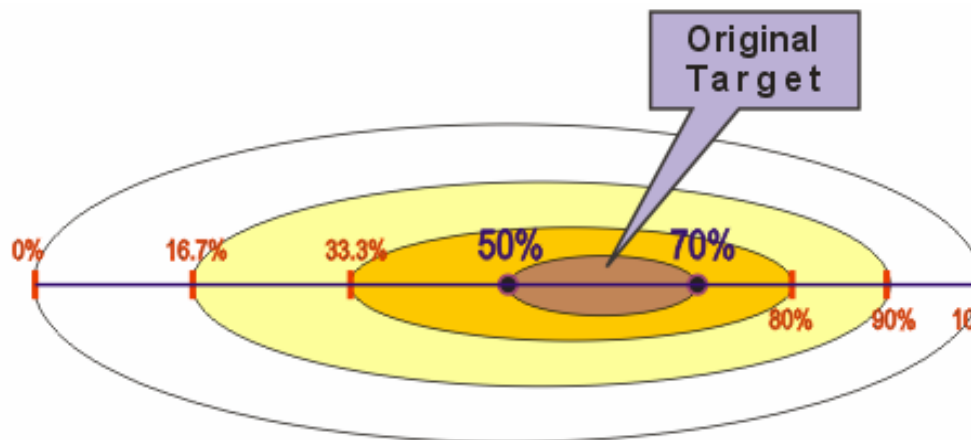
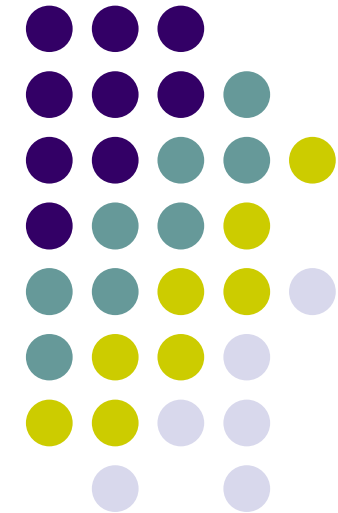
MANAGEMENT CONSULTING

PRODUCT PROMOTION



EVALUATION INTERVALS

- ❑ ABSOLUTELY NECESSARY
- ❑ SHOULD BE PRECISELY CUSTOMIZED
- ❑ BEST PRACTICES AND CONTROL GROUPS



Evaluation		Definition of scale of measurement
3	Highly relevant	Intervention directly leads to increase in an SME's financial position within a reasonable time period
2	Mainly relevant	Intervention implemented within a reasonable period, but increase in financial position depends upon some other independent/endogenous factors (procedures, collateral requirements and etc.).
1	Less relevant	Intervention implementation can lead to financing, but for various reasons it may last undesirably long (implemented not within a reasonable period).
0	Not relevant	The intervention implementation does not finally lead to an increase in an SME unit's financial resources.

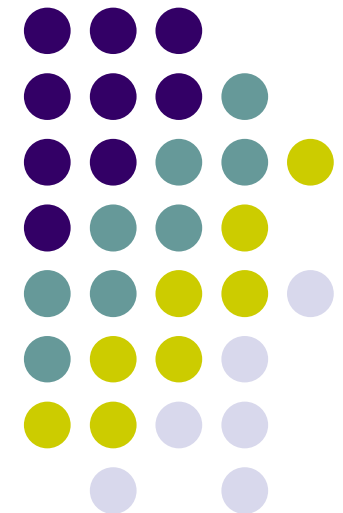
RELEVANCE

Normally higher at the design stage, direct influence-cornerstone

- Relevance of Intervention to Project Objectives**
- Relevance of Intervention to Needs of SMEs**

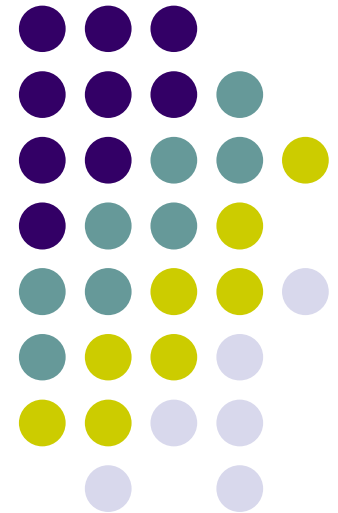
Evaluation intervals for financial intervention

Evaluation		Definition of scale of measurement
3	Highly relevant	Intervention directly leads to increase in an SME's financial position within a reasonable time period
2	Mainly relevant	Intervention implemented within a reasonable period, but increase in financial position depends upon some other independent/endogenous factors (procedures, collateral requirements and etc.).
1	Less relevant	Intervention implementation can lead to financing, but for various reasons it may last undesirably long (implemented not within a reasonable period).
0	Not relevant	The intervention implementation does not finally lead to an increase in an SME unit's financial resources.



RELEVANCE INDICATORS AND BARRIERS

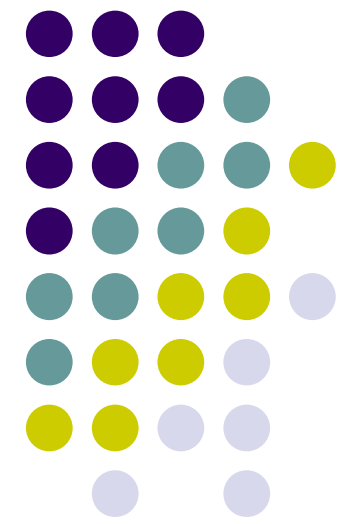
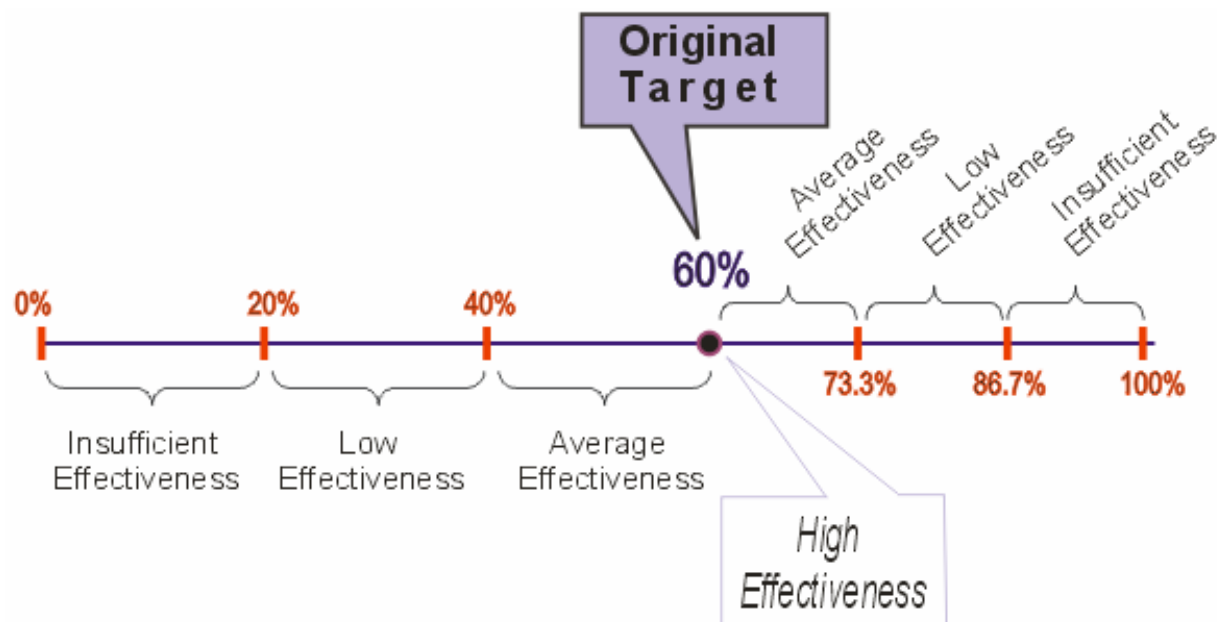
- Access to and cost of financing
- Anti-competitive practices
- Uncertain and changing regulatory policies
- Tax and customs issues
- Licensing and permits



EFFECTIVENESS

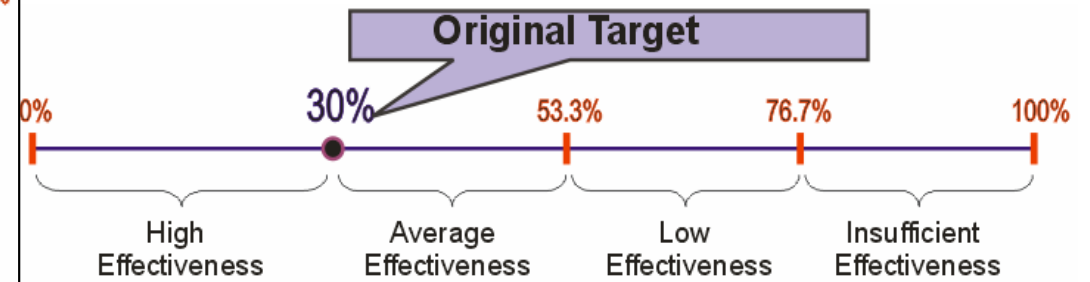
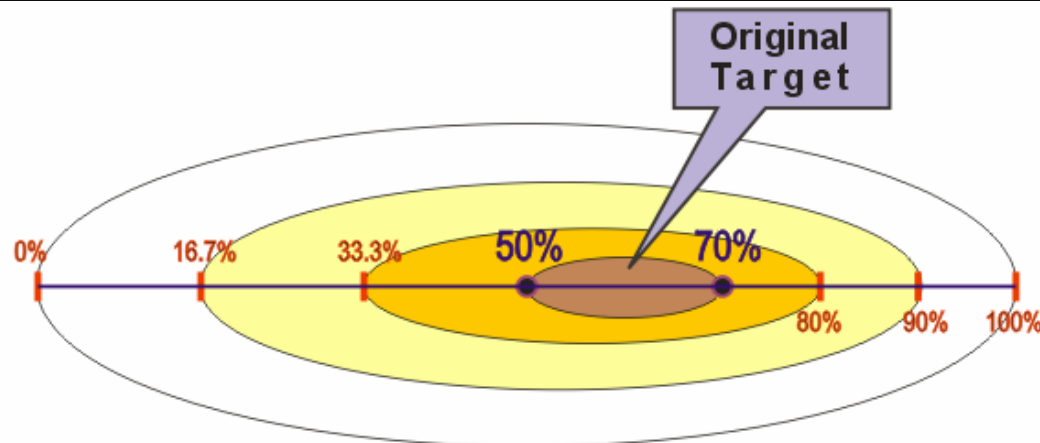
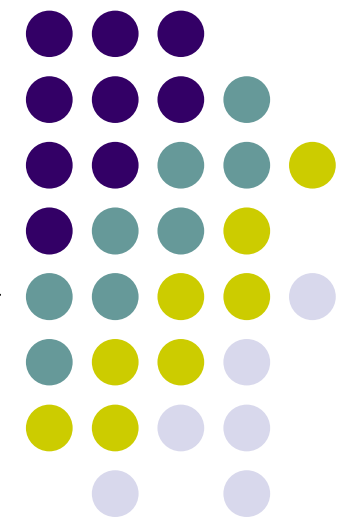
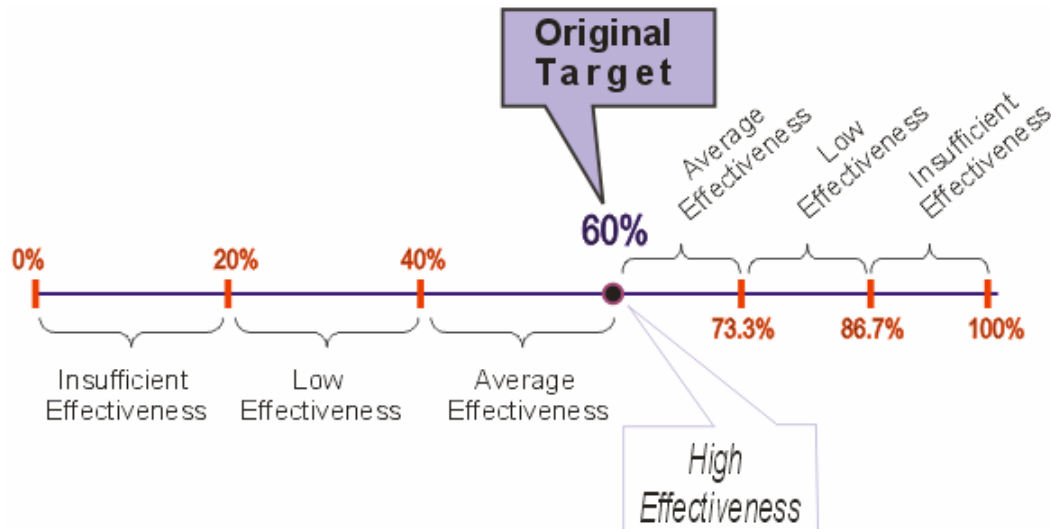
Factual compared to Planned

- ❑ Number of Supported SMEs (Number of Support Activities)
- ❑ Actual Spending of Budget Provided for Intervention
- ❑ Targeting Level of Intervention Implementation



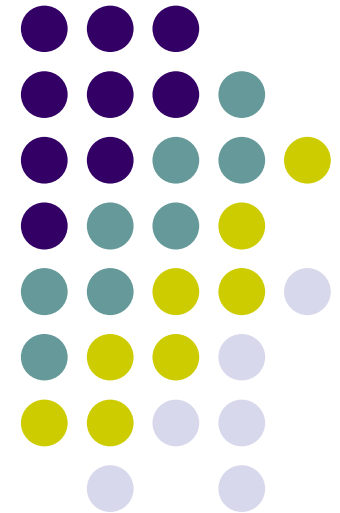
EFFECTIVENESS

...continued



EFFICIENCY

- Funds Spent on Unit of Support
- Cost of Providing Financial Support per Monetary Unit
- Cost of Tutoring One Hour
- Human Resources (Men/Day) Spent on a Unit of Support
- Number of Outstanding Loans per Loan Officer
- Loan Repayment Rate
- Portfolio at Risk
- Attendance Rate of Training Courses Participants



EFFICIENCY

...Funds Spent on Unit of Support

□ Formula: input/output

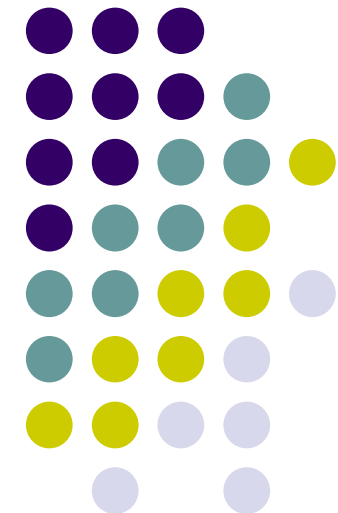
$$I-3.1 = \frac{C_1 \text{ (attributable costs during the evaluation period)}}{C_2 \text{ (number of provided support activities)}}$$

□ Key point: attribution

$$C_1 = C_D \times 100\% + C_{F1} \times R_{A1} + C_{F2} \times R_{A2} + \dots + C_{Fn} \times R_{An}$$

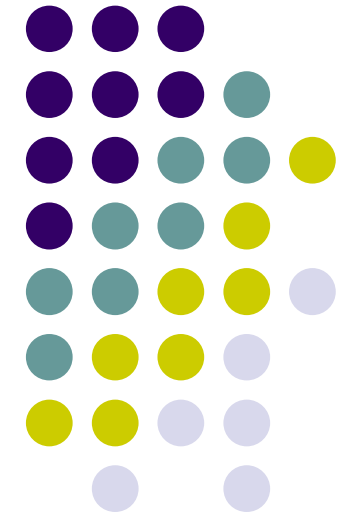
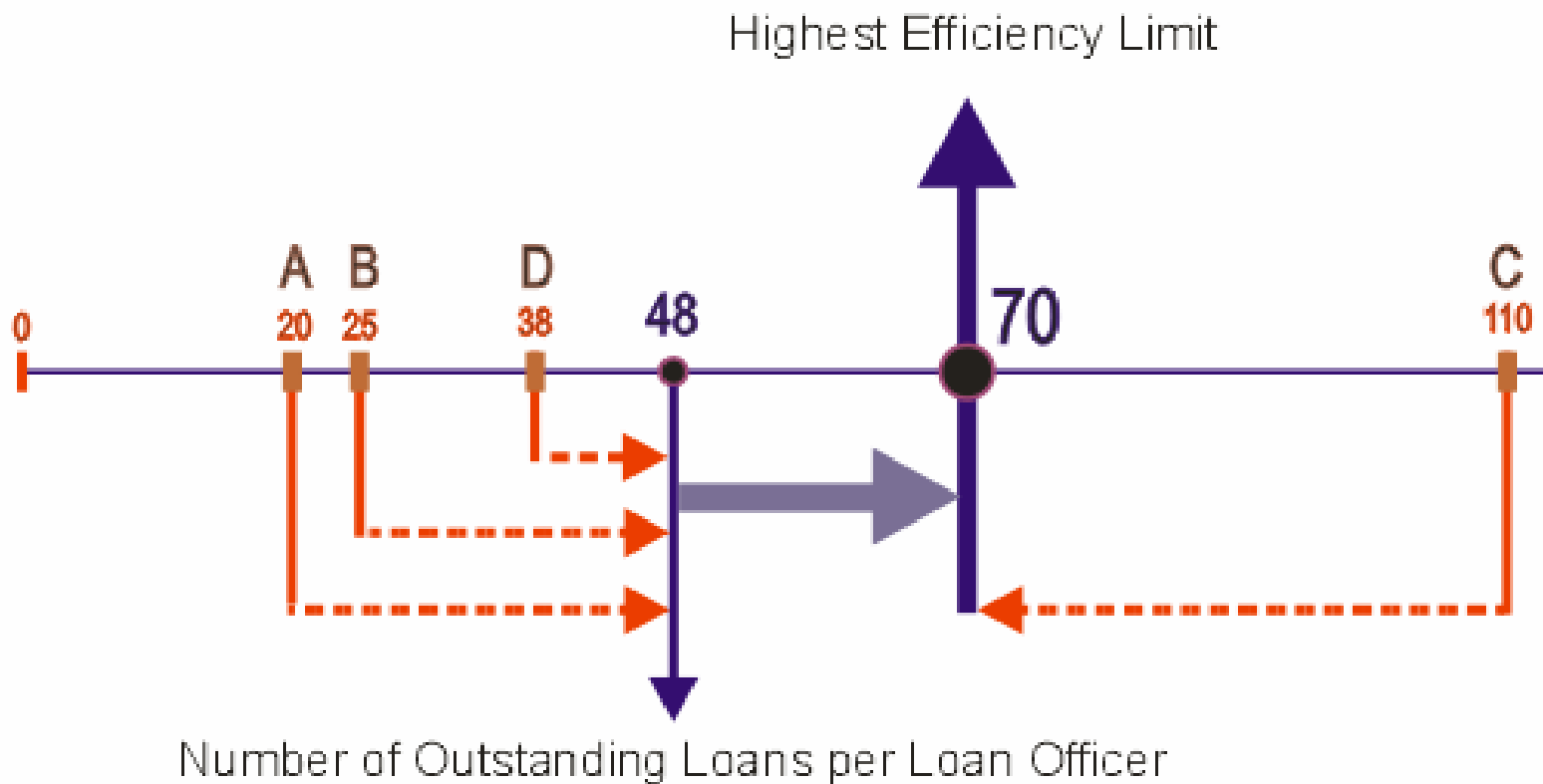
Where:

C_D	-	Denotes <u>direct costs</u> of the intervention implementation during the evaluation period.
C_F	-	Stands for <u>fixed costs</u> related to the intervention implementation during the evaluation period.
R_A	-	Denotes the <u>level of attribution of the fixed costs</u> related to the intervention implementation during the evaluated time period.



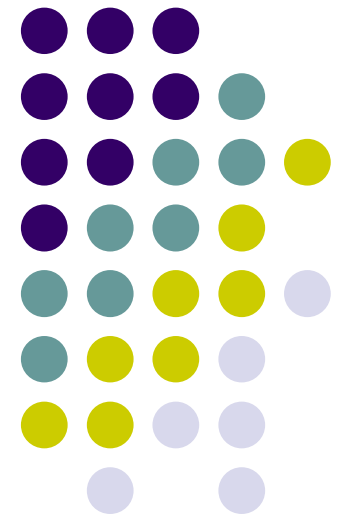
EFFICIENCY

...WHAT TO DO NEXT



EFFICIENCY INDICATORS AND BARRIERS

- Access to and cost of financing
- Anti-competitive practices
- Uncertain and changing regulatory policies
- Tax and customs issues
- Licensing and permits

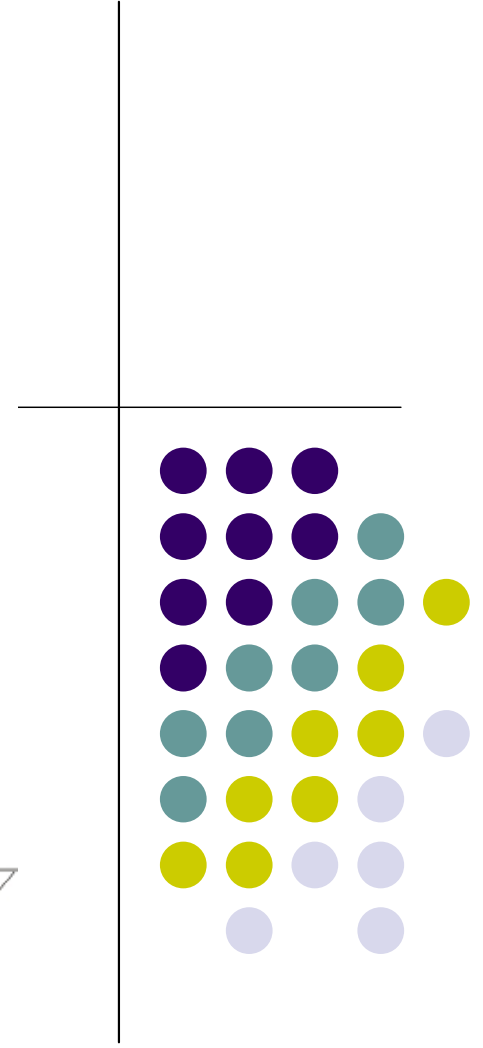
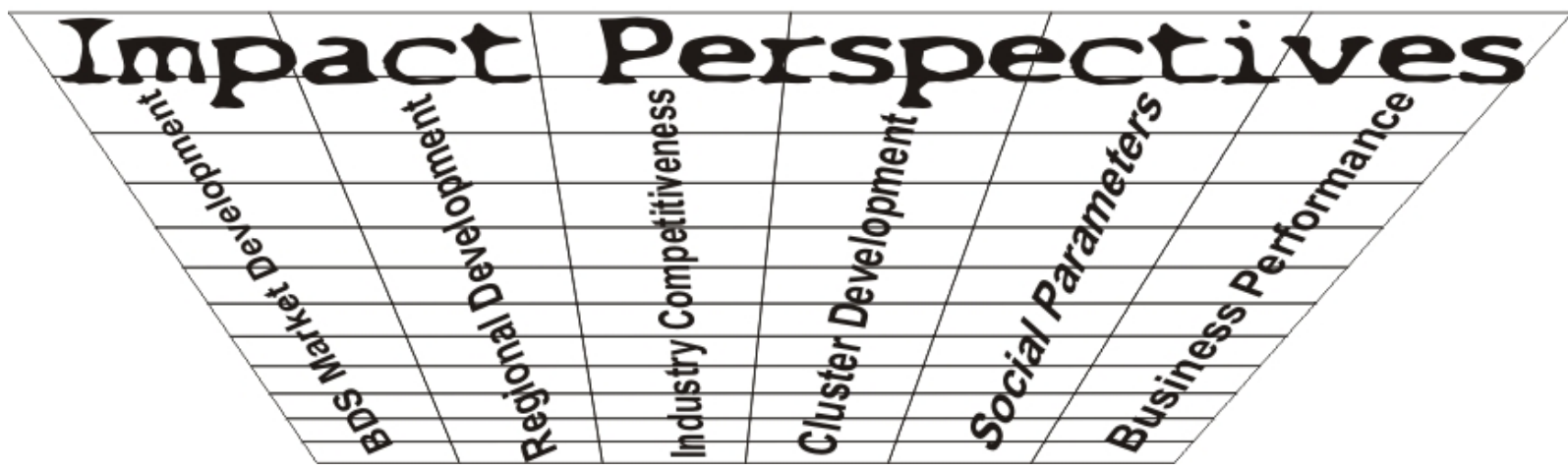
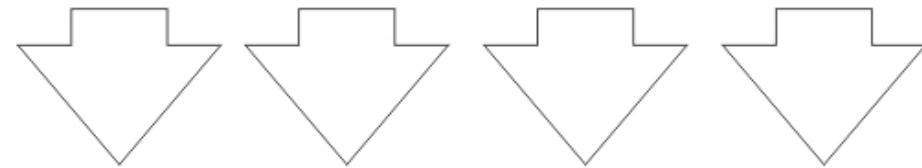
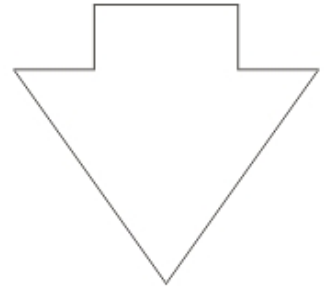


IMPACT



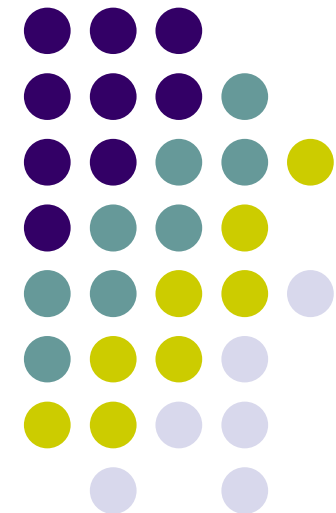
Indirect intervention

Direct intervention



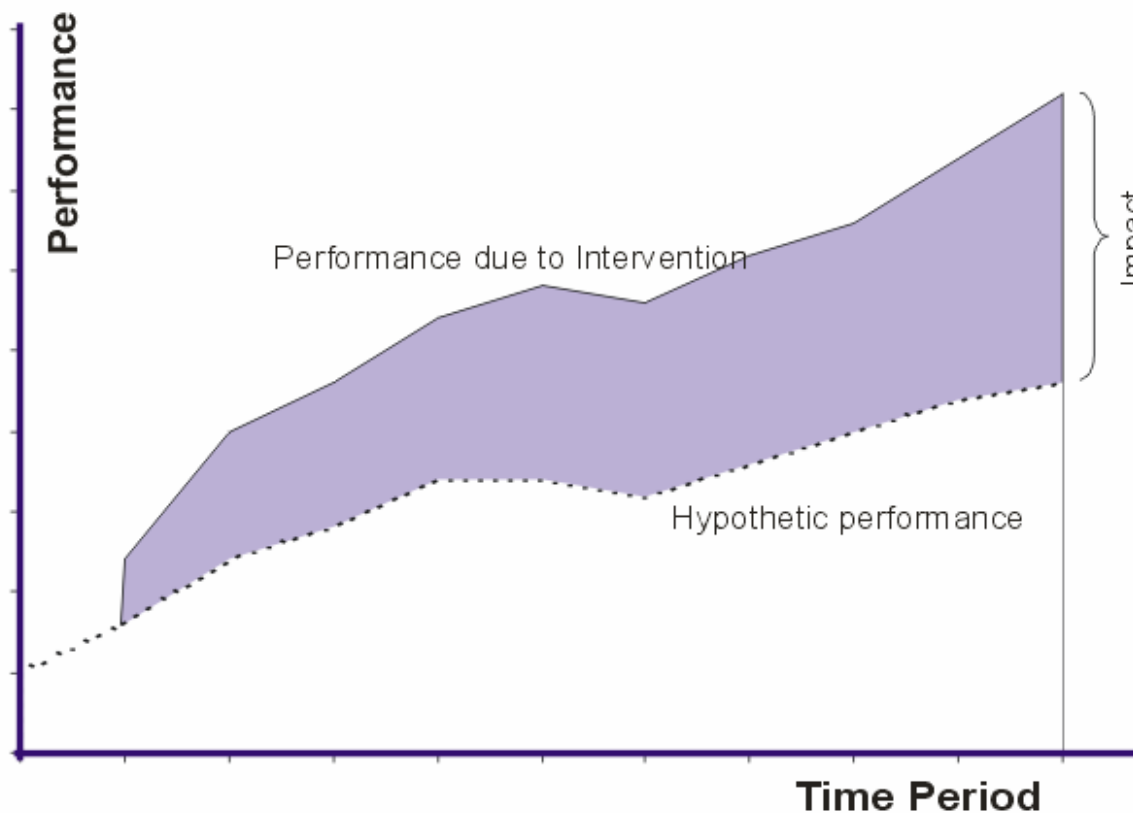
IMPACT

- Change in Sales of Supported SMEs
- Change in Production Costs of Supported SMEs
- Change in Productivity in Supported SMEs
- Change in Profitability of Supported SMEs
- Change in Fixed Assets Capacity Utilization in Supported SMEs
- Change in Products /Services Range of Supported SMEs
- Number of First-time Exporters Due to SME support
- Change in Export Directions as a Result of SME Support
- Change in exports due to the SME support
- Change in Share of Exports in Total Sales Due to SME support
- Change in Number of Suppliers/Distributors and Their Shares
- Change in Number of Employees in Supported SMEs
- Change in Salaries of Employees in Supported SMEs
- Change in Specific Barriers to Doing Business**
 - Number of Newly Established BDS Providers
 - Change in Herfindahl Index



IMPACT

...KEY POINT: ATTRIBUTION



$$\frac{(P_{t1} \times Q_{t1}) - (P_{t0} \times Q_{t0})}{(P_{t0} \times Q_{t0})}$$

$$(P_{t0} \times Q_{t0})$$

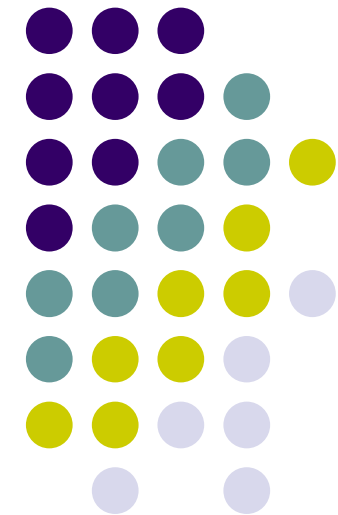


$$\frac{(P_{t0} \times Q_{t1}) - (P_{t0} \times Q_{t0})}{(P_{t0} \times Q_{t0})}$$

$$(P_{t0} \times Q_{t0})$$



I-4=	$P_{t1} - P_{t1}^{\circ}$
	P_{t1}°



THANK YOU

