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| <p><b>INTERMEDIATE EVALUATION</b></p> <p><b>MAE/019</b></p> <p>Regional Programme for the Promotion of<br/>Female Entrepreneurship – Phase II</p> |
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**PROJECT SUMMARY DATA**

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|----------------------------------|--|
| Country                          | Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama |
| Full Project Title               | Regional Program for the Promotion of Female Entrepreneurship – Phase II                       |
| Abbreviated title of the project | PREFEM – Phase II  |
| LuxDev Code                      | MAE/019  |
| Report Version                   | December 2023  |

**RATING OF THE PROJECT BY THE EVALUATION MISSION**

|  |  |           |          |           |          |               |          |            |          |                |          |
|--|--|-----------|----------|-----------|----------|---------------|----------|------------|----------|----------------|----------|
| Global rating<br>(Effectiveness)       | <b>3</b><br>On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance).   |           |          |           |          |               |          |            |          |                |          |
| Rating using other evaluation criteria | <table> <tr> <td>Relevance</td> <td><b>3</b></td> </tr> <tr> <td>Coherence</td> <td><b>3</b></td> </tr> <tr> <td>Effectiveness</td> <td><b>3</b></td> </tr> <tr> <td>Efficiency</td> <td><b>3</b></td> </tr> <tr> <td>Sustainability</td> <td><b>3</b></td> </tr> </table> | Relevance | <b>3</b> | Coherence | <b>3</b> | Effectiveness | <b>3</b> | Efficiency | <b>3</b> | Sustainability | <b>3</b> |
| Relevance                              | <b>3</b>   |           |          |           |          |               |          |            |          |                |          |
| Coherence                              | <b>3</b>   |           |          |           |          |               |          |            |          |                |          |
| Effectiveness                          | <b>3</b>   |           |          |           |          |               |          |            |          |                |          |
| Efficiency                             | <b>3</b>   |           |          |           |          |               |          |            |          |                |          |
| Sustainability                         | <b>3</b>   |           |          |           |          |               |          |            |          |                |          |

## EXECUTIVE SUMMARY

The main objective of the mission is to conduct the evaluation with the purpose of: (1) Analysing the specific objectives and results achieved at the time of the evaluation compared to what was foreseen in the project document and the inception report; 2) Analysing the results achieved in terms of capacity development; 3) Analysing project management and monitoring. 4) Analysing the project according to the evaluation criteria of relevance, coherence, effectiveness, efficiency, sustainability, and the cross-cutting themes of governance for development; gender equality, environment, and climate change. (5) Analysing specific issues, and (6) Indicating lessons learned and propose recommendations.

The global objective of the project is “to promote the equitable participation of women in the business community of the SICA region in an institutional environment that favours their economic autonomy”. The specific objective of the project is “Women entrepreneurs served in the Micro, small and medium-sized enterprises business development ecosystem escalate in their businesses and level of economic autonomy”.

The expected and achieved results so far are threefold: Result 1 is “Integrated the principles of equality and women’s economic rights in the instruments of regional regulations for Micro, small and medium-sized enterprises”. This will be concretized in a Female Entrepreneurship Strategy at the end of the project. To date, there is strengthening of the Network of Entrepreneurs and Businesswomen of Central America and the Dominican Republic from eight countries that also obtained legal status as a federation with six national organizations. This network has collectively built a regional Women’s agenda for micro, small and medium-sized enterprises as a basis for developing the gender approach of the regional policy for micro, small and medium-sized enterprises approved by the Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises and validated by the presidents of the Central American Integration System in 2022. This Female Entrepreneurship Strategy must be completed within the remaining time of the project.

Result 2 is “Improved access for women entrepreneurs to services offered that reduces inequality gaps during the business development cycle”. Since its design, the implementation strategy has changed to focus on enterprises that are more advanced in their business development life cycle, and this requires rethinking the targets initially established. There are 543 businesswomen supported, or in the process of support or that will shortly be supported through accelerators. By adding those accepted in 2023 to participate in business roundtables, 138, and 50 to participate in Women and Business 2.0, the total rises to 731 businesswomen supported. There are 7.5% of all women entrepreneurs who have been encouraged to participate in Science, Technology, Engineering and Mathematics. The result includes a USD 2 million sustainable reimbursable fund that supports the technical advice provided so far and has created a Female Entrepreneurship Fund (with a financial component that will operate independently of the Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises, as a sub-fund of research and development, and a technical assistance facility) which will serve as a model and be an incentive for the financial sector to provide larger-scale financing to micro, small and medium-sized enterprises run by women. The target launch date is February 2024. To date, 56.6% of the programme’s fund has been disbursed to eight accelerator organizations.

Result 3 is “Strengthened the institutional, organizational and individual capacities of the Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises for the positioning of women entrepreneurship in the countries of the Central American Integration System”. It promotes the generation of skills in the application of the cross-cutting themes of gender, environment, and climate change in the work of Micro, Small and Medium-sized Enterprises. A survey of the staff of these enterprises shows that 83% of the trained staff said they applied what they had learned in their work. The first two training programmes developed by the Central American Institute of Public Administration, aimed at the political and technical levels of the Micro, Small and Medium-sized Enterprises have been developed and imparted in 2023. 80% of the Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises staff have taken the courses and 91% have passed them. Other trainings have achieved approval rates of 84% of mentors, 80% of trainers in Belize, and 80% of advisory staff of Micro, Small and Medium-sized Enterprises service centres. The program also supports the digitalization of the Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises by through the development of an institutional monitoring and evaluation system, which includes project monitoring, and an Enterprise Resource Program system for institutional administration. Both systems incorporate all the work of the institution, enhancing the strategic plan of the Regional Centre, and have advanced to the stage of completing tests and migrating information to start operations in January 2024.

According to the terms of reference, the evaluation criteria applied are relevance, coherence, effectiveness, efficiency, and sustainability.

*Relevance:* The external and institutional context of the programme changed several of the planning assumptions; however, the programme has overcome them as it is very relevant to the current restructuring and strategic reorientation of the Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises. It has enhanced the digitalization and management of information; it is generating experience and knowledge in the transition from non-reimbursable funds to sustainable reimbursable funds and has expanded the network of services to the private sector with business accelerator organizations interested in promoting the female entrepreneurship approach.

*Coherence:* The challenging economic context of post pandemic recovery has diversified the needs of women entrepreneurs, including more use of technology to reach markets, form support networks, and advocate for the sector to address them. The project consistently responds to these needs by partnering with regional and national accelerators. In addition, it is consistent with the need for innovation in financial products that fit the profile of women entrepreneurs and has designed a Female Entrepreneurship Fund with the purpose of transforming financing practices towards women.

*Effectiveness:* The project management unit requested modifications to the initially approved indicator matrix, eliminating key indicators and modifying the rest. Risks of non-compliance were found in two indicators related to developing the Female Entrepreneurship Strategy and three indicators related to increasing financing and the total target of women entrepreneurs served. The analysis of the schedule coincides with finding delays in activities leading up to the Female Entrepreneurship Strategy. Two eliminated indicators coincide with the non-fulfilment of activities that would result in intermediate targets for this strategy. It also found significant delays in developing the Monitoring and Evaluation System.

*Efficiency:* In the financial management of the project, the evaluation observed flexibility in making changes to take advantage of opportunities and ensure the timely execution of funds. The technical assistance budgets in 2021 show very reasonable costs in the regional context for the inputs delivered, evidencing the synergy in the implementation of shared objectives between accelerators and the project.

*Sustainability:* The project has strengthened the opportunity for the sustainability of outcome 1 by being able to institutionalize the gender approach in the regional policy for the micro, small and medium-sized enterprises sector. The Female Entrepreneurship Fund requires promotion by Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises to obtain investors to allow its sustainability. The evaluation observed that the institution is working intensively on this task. The sustainability of the accelerator programs in Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises has been ensured with the establishment of Women micro, small and medium-sized enterprises as an institutional impact program. Digitalization is an integral part of the institution's administrative and programmatic operations, and the maintenance and depreciation of the equipment received is part of its institutional budget.

*Cross-cutting themes:* Governance for development: the program is reaching women in low-income segments according to the evaluation survey; it includes women who self-identify as vulnerable but the project data collected does not make them visible. In terms of gender, the work plan is being fulfilled; it has been strategic in incorporating outcome 1 (Female Entrepreneurship Strategy) and in mainstreaming gender through capacity building activities and in agreements for subgrants with accelerators. In the environment themes, the project has promoted them strongly in competence building activities and through awareness raising in workshops, courses and webinars. A high proportion of the people interviewed have been able to demonstrate sensitivity to them and to have proposals for action at a personal and work level.

## **Main conclusions**

The initially proposed target of women entrepreneurs attended by the project will not be achieved in the remainder of the project, also because 98% of the budget available for this outcome has already been used. Producing the Female Entrepreneurship Strategy already has intermediate results, but it requires resuming the process initially designed to promote discussions and consensus between actors in the micro, small and medium-sized enterprises ecosystem with organized women entrepreneurs in the region. It is necessary to rethink the targets of outcome 2 in the indicator matrix, considering the changes in strategies to achieve the result. Modifications to the indicator matrix do not support the processes initially planned. The digitalization of Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises has exceeded the targets and timing initially planned and is enhancing the institution's capacity for analysis and decision-making with evidence-based and real-time information. The use of platforms to provide services helped in the identification of potential beneficiaries but showed that the profiles of those it attracts have less developed businesses than the target group that is to be served by the project, it also showed the need to work together with

accelerators to align their platforms and databases for follow-up. Internally, the conceptualization of the monitoring and evaluation function of the project requires strengthening with some good practices.

## **Recommendations**

- To the Ministry of External and European Affairs of Luxembourg and LuxDev:

1.-To extend the implementation period and budget of the project considering the need to complete the design and implementation of the Female Entrepreneurship Fund in its financial and technical assistance dimensions and allow time for a pilot call to fund intermediaries in a complete cycle from intermediary institutions to final beneficiaries. For this purpose, it is also recommended to include technical assistance in finance with expertise in the management of this type of fund that Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises will require to effectively play its role as an investor.

2.- To add as an activity an accelerated learning process that results in inputs for the Female Entrepreneurship Fund to develop innovative, sustainable financial and technical assistance products that respond to the challenges evidenced in the acceleration programs for which the phase II of the project has provided subgrants.

3.- Expand the phase II of the project budget to continue advancing with technical assistance to businesswomen and to acquire greater knowledge about the behaviour of the pipeline of businesswomen with this level of business development, including those in the Science, Technology, Engineering and Mathematics sector.

4.- To increase actions to strengthen skills in the cross-cutting themes of environment and climate change with information aimed at applying it in business and in the work of the entities of the micro, small and medium-sized enterprises ecosystem. This should include transfer of experiences, technical advice, among others.

5.- To support Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises in the role of advisor to the technical assistance facility of the Female Entrepreneurship Fund so that it can apply its expertise in knowledge management of subsidies and provide feedback on results with the purpose of promoting innovation in financial products for women led businesses.

- To LuxDev, Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises/ Project Management Unit:

To strengthen the implementation of the phase II in 2024 as follows:

6.- In the project monitoring process: a) Restore the initially approved matrix of indicators and update it to reflect the current strategies of the project and with respect to the Regional Policy for the Modernization and Transformation of micro, small and medium enterprises. b) annually prepare a monitoring and learning plan that incorporates the matrix of indicators, monitoring activities; strengthen indicator sheets with respect to completing the SMART criteria and better clarify their measurement. Add to some indicators an intermediate target to guide better the achievement of the result and facilitate the monitoring of results (for example, in the female entrepreneurship strategy)

7.- Add to the annual work plan for Result 2 a process of pause and reflection with the businesswomen who have gone through the various programs, in virtual format, to identify aspects in which the programs can be improved, and they can be supported during post-program monitoring.

8.- Add to the annual work plan for Result 2 a process of pause and reflection with the staff of all the accelerators that have served the female entrepreneurs, to identify areas of improvement, lessons learned and especially to agree on standards in the information to be collected for the measurement of monitoring indicators of the businesswomen. Promote standardization in how to measure experiences among those accelerators that have similar programs. Feedback the results for future terms of reference of programs, and also pass them on to the technical assistance component of the Female Entrepreneurship Fund.

9.- Consolidate the monitoring and results of strengthening competencies by systematizing a competency strengthening plan that includes all activities, monitor participation by type of actor and desired competency, and monitor progress in the use of competencies in female entrepreneurship.

- To Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises:

10.- Recognizing that digitalization is an extremely important aspect that is constantly evolving, it is recommended to continue with the institutionalization process of this issue if Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises wants to be an entity that remains at the forefront in the implementation and/or use of digital tools that automate the organization's work.

11.- Support the consolidation and adoption of digital tools developed with the support of phase II of the project, ensuring their correct functioning, disseminating the available Information and Communication Technologies regulations and actively promoting the Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises' digital tools with the Business Development ecosystem and, taking advantage of the scalability potential of the digital tools implemented to analyse the development of future improvements.

12.- In alliance with the Central American Institute of Public Administration , to institutionalize the simultaneous dissemination on the institute and e-learning platforms in Regional Centre for the Promotion of Micro, Small and Medium-sized Enterprises of the training itineraries developed jointly, so that they are replicated with the rest of the actors in the micro, small and medium-sized enterprises ecosystem, reinforcing the application of the female entrepreneurship in countries.