THEMATIC EVALUATION

EBRD Small Business Support Programme (2011 to 2015) – Annexes

European Bank
for Reconstruction and Development

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EBRD EVALUATION DEPARTMENT

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This report was prepared by Regina Husakova and Chiara Bocci, Principal Evaluation Managers, supported by Olga Mrinska, Principal Evaluation Manager, and Stephanie Crossley and Sofia Keenan, Senior Officers – EBRD Evaluation department. Nicholas Burke, consultant, provided comments on draft report. An external peer review was performed by Dileep Wagle, consultant

The valuable inputs provided by Management and in particular its Advice for Small Businesses (ASB) team are acknowledged with thanks. Special thanks go to the focal points Armen Asatryan and Kaori Ishimaru, ASB Principal Managers. Particular mention also goes to the ASB teams in Armenia, Croatia, Kazakhstan, Kyrgyz Republic, Serbia, Ukraine, and Turkey that made the evaluation missions successful.

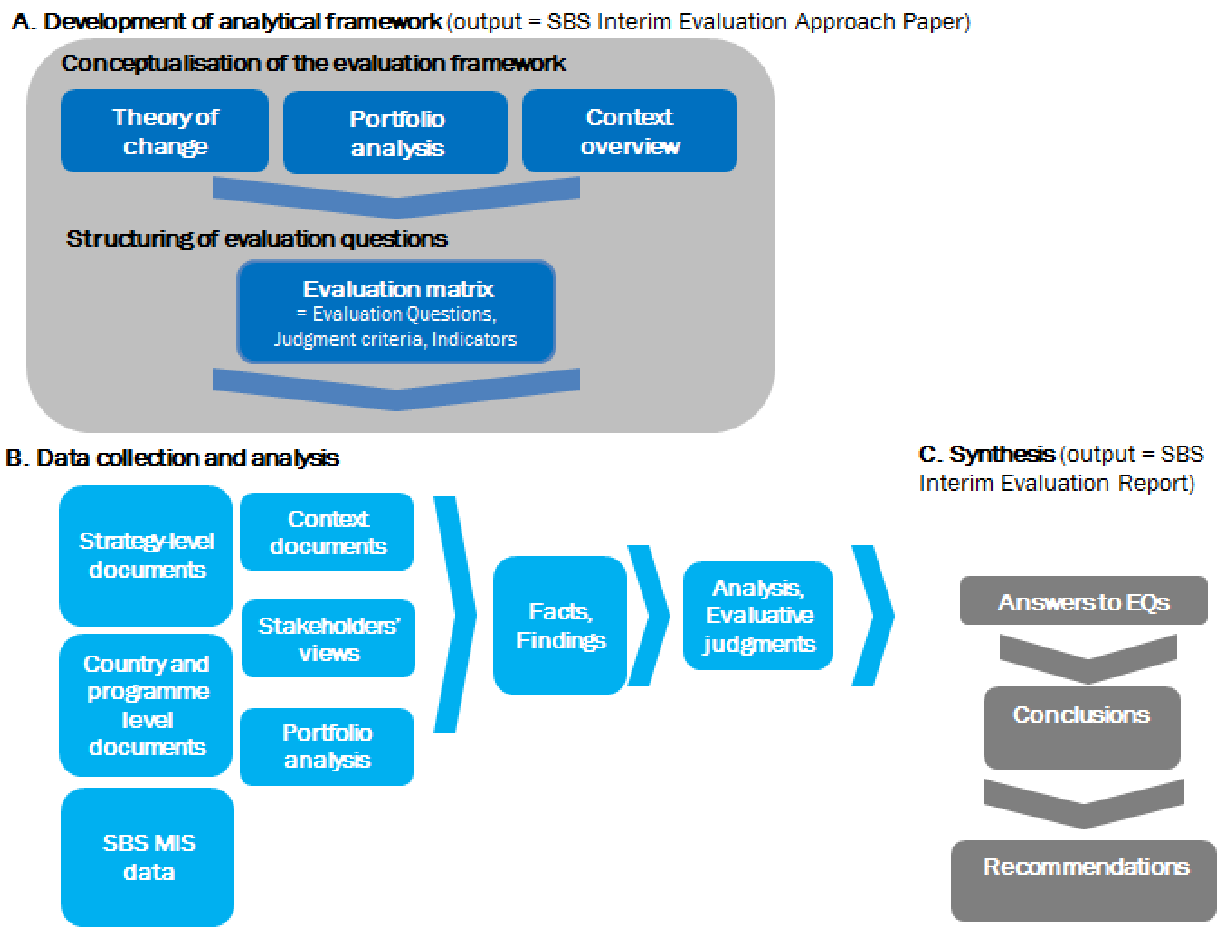
Annex 1 Evaluation methodology

Evaluation approach and process

The evaluation has followed the standard OECD DAC evaluation principles, and addresses its subject through selected aspects of the standard evaluation criteria (relevance, effectiveness, efficiency, sustainability and impact).

The evaluation process adopted a systematic approach, through which different tools and data collection methods have been used to gradually construct answers to evaluation questions and to formulate conclusions and recommendations. The process has been structured along three main phases as outlined in figure 1.

Figure 1: Evaluation approach



Source: EvD's elaboration

Development of analytical framework

In this phase, the output of which was represented by an Approach Paper, the analytical framework (evaluation matrix) for the evaluation was developed (table 3 below). The key building blocks underpinning the selection of key issues to be included in the evaluation matrix are the understanding of the strategic objectives of the SBS programme as identified in the TAM/BAS Programme Strategic Plan 2011 to 2015 (Board approved 7 December 2010) and its implicit theory of change (validated by the SBS team – figure 2 below), its actual implementation from 2011 until mid-2015 (also via its portfolio analysis), and context (both internally within EBRD and externally in its interaction with stakeholders).

The three evaluation questions (EQ) identified are the following:

i) EQ1: Has SBS strategic planning been aligned with to the Bank's evolving SMEs strategic agenda and the needs of SMEs in the countries of operation?

ii) EQ2: Has the SBS Programme delivered demonstrable and sustainable results in its countries of operations?

iii) EQ3: Has SBS governance and management design effectively supported the expectations of its donors and the EBRD??

The approach paper also detailed the data collection tools and sources for the evaluation in the forms of: portfolio analysis; analysis of SBS MIS data; documentary analysis; interviews; selection of country case studies (Armenia, Kazakhstan, Serbia, Turkey) and thematic case studies (Women in Business Programme and Exit strategies).

Data collection and analysis

Data was collected by the evaluation team via the various tools and methods identified in the approach paper. Data collection through all tools has been structured along the evaluation matrix, to allow for the synthesis of the data across the different tools and, to the extent possible, for verification and cross-checking (triangulation) of data from different sources.

The evaluation has combined secondary (desk) sources with primary data collection through interviews of relevant stakeholders in the countries of operations, EBRD HQ, and via conference calls with main donors based in their capitals. Since September 2015 the evaluation team has reviewed all documentation listed in Annex 2 (and in the Appendixes of each of the case studies in Annex 5, Annex 6, Annex 7, Annex 8, Annex 9, and Annex 10), and interviewed a total of 315 individuals in 210 interviews (though interviews/meetings with SBS colleagues in EBRD HQ were counted only once). Around one-third of interviews addressed SBS clients in the seven countries visited between October and December 2015. Those clients were BAS, EGP or receiving both types of SBS advisory services. Almost a quarter of interviews were held with relevant stakeholders in the seven countries, namely: government officials, association of consultants, individual consultants, etc. Donors were mainly interviewed over the phone from the respective capitals while some were available directly to meet in the countries of operations. Also, to the extent possible, the evaluation team interviewed other donors or IFIs that are working on MSMEs development sector in the mission countries as relevant. Finally, EBRD Banking and non-Banking colleagues have been interviewed in the EBRD resident offices and in London HQ. The same can be said for SBS colleagues, the vast majority of whom is based in the countries of operations. For the full list of interviews see Annex 3.

Table 1: People interviewed by the evaluation team by type

Type	# interviews	%	# people	%
SBS clients	65	31%	103	33%
Stakeholders	49	23%	72	23%
Donors/IFIs	15	7%	20	6%
EBRD non-SBS	27	13%	49	16%
EBRD SBS	54*	26%	71	23%
Total	**210**	**100%**	**315**	**100%**

*SBS team in London HQ has been interviewed more than once

Table 2: People interviewed by the evaluation team in the countries of operations

Timeframe	Location	# people	%
September 2015 – April	EBRD HQ	28	9%
5-13 October 2015	Kazakhstan	65	21%
14-17 October 2015	Kyrgyz	33	10%
9-13 November 2015	Armenia	54	17%
	Ukraine	34	11%
23-27 November 2015	Serbia	51	16%
30 November 2015	Croatia	12	4%
7-11 December 2015	Turkey	38	12%
Total		**315**	**100%**

Synthesis

The synthesis phase, the output of which is this evaluation report, has been conducted between January and April 2016 in parallel to remaining interviews in EBRD HQ. This phase was devoted to constructing answers to the evaluation questions and formulating conclusions and recommendations on the basis of the data collected throughout the process.

To summarise, this evaluation is a strategy-level evaluation which focuses on the main aspects of prioritising, planning, implementation, monitoring, and accountability mechanisms of the SBS Programme over the period 2011 to 2015. It does not constitute a synthesis of country-level evaluations, but draws examples from different countries of operations to make conclusions about the Programme's development as a whole over the period under evaluation bearing in mind the differences of the economic and political contexts.

Challenges and limitations

A number of challenges and limitations have affected the outcome of this study. The main ones are listed below. More specific challenges and limitations are mentioned in the next sections and the annexes.

SBI context

The evaluation's time scope (2011 to 2015) overlaps with the launch and early implementation of the EBRD's Small Business Initiative (SBI), to which SBS was integrated since end 2013. The evaluation has done its best to take into account the changing context of the Bank's SME support, to be able to present relevant and forward-looking recommendations. Nevertheless, the evaluation team is aware that some aspects of the SBI itself are not yet fully developed and operationalised, which may limit the clarity on some future aspects of SBS integration within the Initiative. It is expected that priorities of SBI will impact SBS Programme future planning, fundraising and implementation processes. More broadly, the evaluation also took place within the context of larger changes within the EBRD, including the review of the transition impact concept, review of the results architecture and design of country strategies, and review of operational effectiveness and efficiency. All these processes will likely have some implications for the SBI/SBS and may influence the specifics of implementation of the recommendations of this evaluation.

Availability of documents

The evaluation team is grateful to the SBS team and the other EBRD teams that provided documents and data for the purpose of this study. The evaluation team has used those as one of the main source of data for the findings needed to answer to the evaluation questions. As the EBRD does not possess a sole repository platform for such documentation, the evaluation team has relied on what has been provided by SBS and other teams. The findings and recommendations include only matters which have come to the evaluation team's attention as a result of the evaluation process.

Quantitative data analysis

Unless otherwise indicated, all quantitative data on the SBS portfolio originate from the extraction of data from the SBS management information systems obtained by the evaluation team for the purpose of the development of the approach paper for this evaluation report. Projects and activities started in 2011 until 2015 were included. Data for 2015 were provided to month end April 2015 in the case of EGP activities and month end May 2015 for BAS activities. All analysis of data was carried out on best effort basis, acknowledging that the data itself contains occasional input errors, which the evaluation team was not in position to correct or fully identify. Analysis of SBS system data shows commitments related to projects implementation, not donor funded staff costs. The latter have not been primary focus on this evaluation, though some findings brought up to the attention of the evaluation team are mentioned in the report.

Staff turnover

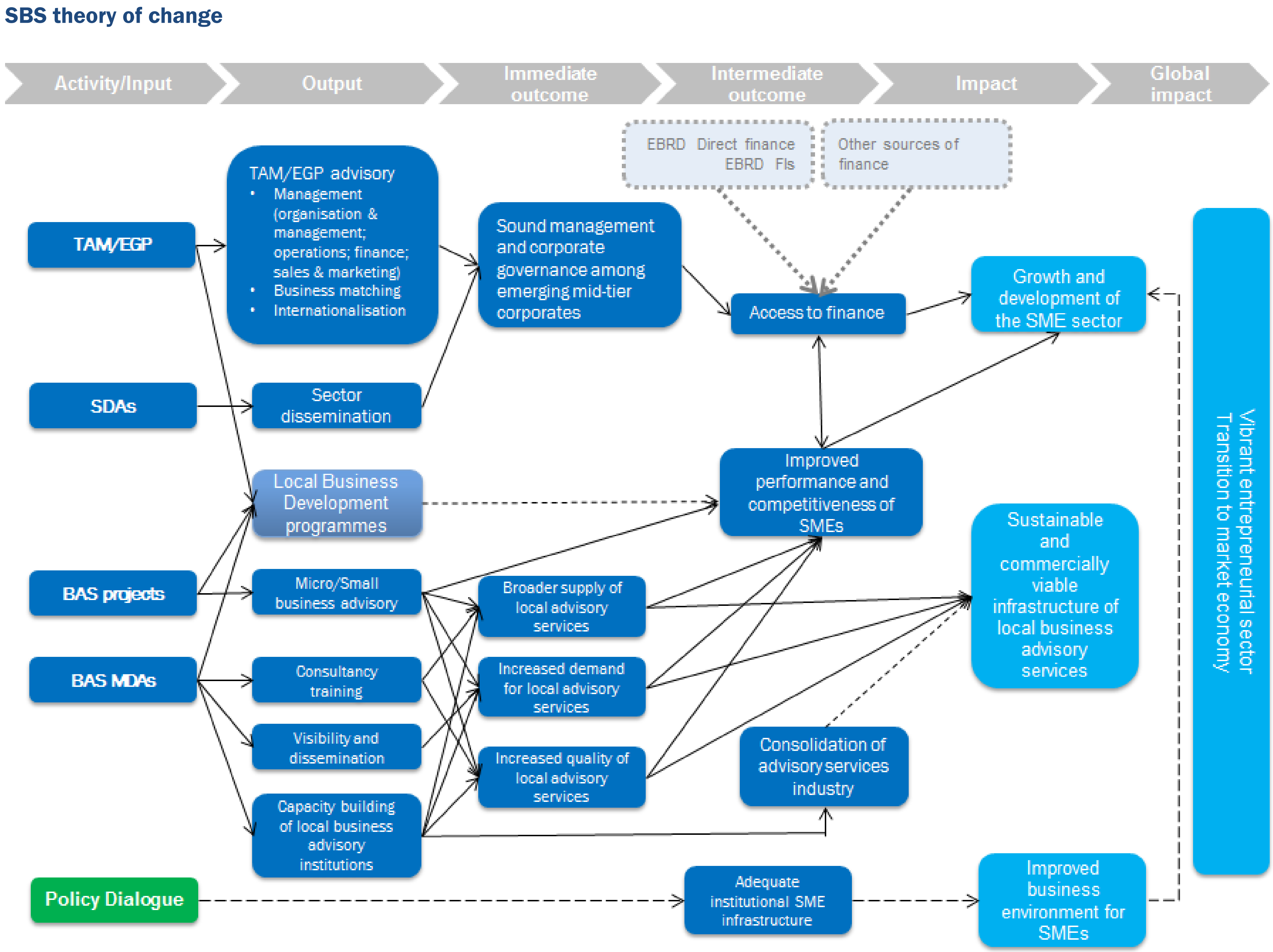
Despite some turnover of SBS staff in some countries of operations, some continuity has been maintained at the level of Heads of Regional Programmes (HRPs) and National Programme Managers (NPMs) and the SBS Management in EBRD HQ. This has eased the collection of qualitative and quantitative data for the purpose of the evaluation. The evaluation team is grateful for the hard work of its focal points in the SBS team, Armen Asatryan and Kaori Ishimaru who constitute a big part of the institutional memory of the BAS and EGP Programmes. Staff turnover has affected in some instances the possibility to interview donors and some SBS clients. However, the evaluation team is confident that the best efforts have been made to retrieve the requested information.

Table 3: Evaluation matrix

Evaluation Question	Judgement criteria	Indicators	Sources of Data	Collection Methods
1. Has the SBS strategic planning being aligned with the EBRD's evolving SMEs strategic agenda and the needs of SMEs in the countries of operations?	1.1 Alignment/integration of SBS strategic and business plans with SME components of EBRD's Country Strategies	– Existence of processes for incorporation and/or contribution of SBS to EBRD's country strategies – Evidence of integration in country strategies approved between 2011-15	Country strategies EBRD MSME Strategy 2006 EBRD's Policies and Strategies SBS annual business plans SBS annual operational plans SBS team EBRD internal stakeholders	Document analysis Interviews in EBRD HQ
		– Consistency with the EBRD MSME Strategy 2006		
		– Evidence of addressing EBRD's cross-cutting issues in SBS planning processes		
		– SBS (EGP) facilitating the establishment of EBRD in new countries of operations	Portfolio analysis Views of SBS team and Banking in new countries Views of key local stakeholders in new countries of operations	Quantitative analysis of SBS growth data/EBRD SME portfolio Interviews
	1.2 Implications of donor priorities on SBS strategic planning/prioritisation	– Existence of formalised process for donor inputs into SBS planning at country/region level – Existence of informal processes for donor inputs	Grant planning meeting Country donor coordination meetings Steering Committee meetings minutes SBS team Donors	Document analysis Interviews in selected countries Interviews with selected donors
	1.3 Consistency of SBS strategic planning/prioritisation with country needs	Consistency with: – National SME development strategy or equivalent – SME and local business advisory associations' needs – Clients' needs and priorities	National SME development strategies or equivalents OECD, World Bank, etc. documents on SME country context SBS business and operational plans National and local business advisory associations Local SME associations/platforms SBS clients	Document analysis Interviews in selected countries of operations
		– Prioritisation based on adequate sector/needs analysis	SBS business and operational plans Annual Assessment of Transition Challenges OECD, World Bank, etc. documents on SME country context	
		– Evidence of coordination and/or active engagement with relevant stakeholders at country level	Donor Coordination Meetings Steering Committee meetings minutes Documents from conferences, working groups, joint actions Representatives of donors, IFIs, relevant national and/or local authorities, relevant business and CSOs SBS team	Document analysis Interviews in selected countries of operations
2. Has the SBS Programme delivered demonstrable and sustainable results in its countries of operations?	2.1 Improved performance and competitiveness	– Δ in performance indicators for former clients/initiated projects, as available – SBS clients use further consultancy services – Integration of SBS with EBRD banking operations	SBS MIS SBS clients SBS team Banking teams Business and operational plans Operations manuals SBI key documents	Document analysis Interviews in selected countries of operations and HQ
	2.2 Improved access to finance	– Δ in loan volumes for SBS clients – Improvements in management and corporate governance for better bankability/creditworthiness	SBS MIS SBS clients SBS team	Document analysis Interviews in selected countries of operations and

Evaluation Question	Judgement criteria	Indicators	Sources of Data	Collection Methods
		– Evolution of the eligibility criteria (clients with lack of access to finance, thematic scope of advisory, EGP sector approach, size of clients) – Integration of SBS with EBRD banking operations	Banking teams Business and operational plans Operations manuals SBI key documents	HQ
	2.3 Progress towards sustainable and commercially viable infrastructure (including consolidation of advisory services industry)	– SBS training of local consultants corresponding to the needs of the local market – Increasing number of registered SME consultants – Views of local consultants on the impact of the training on their business – Advancement of local SME consultancy services infrastructure (umbrella organisation, networking platforms, certifications) – Integration of SBS with EBRD banking operations	SBS MIS Local consultancy associations Local consultants SBS team Business and operational plans Operations manuals SBI key documents	Document analysis Interviews in selected countries of operations and HQ
	2.4 Progress towards institutional SME infrastructure	– SBS conducts sustained and systematic policy dialogue at country level – Coordination with Legal Transition Team and other relevant EBRD actors – Integration of SBS with EBRD banking operations	SBS MIS Local SME agency Local authorities SBS team Business and operational plans	Document analysis Interviews in selected countries of operations and HQ
	2.5 Adequate exit strategies	– Exit strategies systematically developed – Exit strategies implemented	SBS team Business and operational plans Progress/donor reports	Document analysis Interviews in selected countries of operations and HQ
	2.6 M&E system used for learning and making adjustments in planning/design/implementation	– SBS monitoring supports both accountability and learning (Evidence of lessons from past implementation being incorporated in planning/further operations) – Evidence of active/formal cross-SBS experience sharing	SBS team SBS MIS Business and operational plans Progress/donor reports	Document analysis Interviews in selected countries of operations and HQ
3. Has SBS governance and management design effectively supported the expectations of its donors and the EBRD?	3.1 Fundraising and donor relations	– Donor satisfaction and ownership – Integration of fundraising with EBRD processes	SBS team Donors DCF	Interviews in EBRD HQ and selected countries of operations
	3.2 Reporting	– Quality of reporting – Donor satisfaction – Internal reporting	Donors SBS team TC team	Document analysis Donor interviews Interviews in EBRD HQ
	3.3 Visibility	– Visibility of SBS – Visibility of EBRD – Visibility of donors contributions	SBS team Donors DCF Stakeholders and clients in countries of operations	Interviews in EBRD HQ and selected countries of operations
	3.4 Adequacy of SBS MIS	– Sufficient support for programme management – Sufficient support for reporting – Integration/communication with other EBRD systems	SBS team EBRD HQ teams Progress/donor reports	Interviews in EBRD HQ and selected countries of operations Document analysis

Figure 2: SBS theory of change 2011 to 2015



Annex 2 Documents consulted

The last section in each case study (annexes 5 to 10) has a specific list of documents consulted to develop the case study. Those lists do not include all documents provided by the SBS team related to projects visited by the evaluation team.

A number of other documents were used for the main report, but also used for the case studies, those are:

- 19 TAM/BAS Country Briefs produced at the beginning of the period under evaluation
- All BAS and SBS Operational Plans from 2010 until 2016
- Annual Consultant Reviews carried out in 2011, 2012, 2014
- Best Practice Guides to BAS Projects, December 2012
- SBS Operations Manual - Delivering industry expertise, August 2014
- SBS Operations Manual - Delivering business advice, September 2014
- EGP Mini Strategy Review, PowerPoint presentation dated 30 October 2014
- Energy efficiency trainings (2013 to 2015); Small Business Support (SBS) & Energy Efficiency and Climate Change (E2C2) teams in EBRD; Final Report; PowerPoint presentation, 2015

The documents listed in the tables below are the more general documents utilised for the case studies as well, but mainly for the main evaluation report. These are divided in: external/independent assessments and evaluations carried out about SBS in the period 2011-2015; general EBRD documents related to SBS; all agreements signed with donors made available to the evaluation team; and, all reports submitted to the donors made available to the evaluation team.

Annex 2, Table 1: External/independent assessments of the SBS Programme performed in the period 2011-2015 (chronological order)

Year	Title
2009	EBRD Business Advisory Services Development Programme, Feasibility Study BAS Kyrgystan, May 2009, prepared for the Swiss Cooperation Office in the Kyrgyz Republic by M-Vector & Connectpro
	TAM/BAS Management response to the recommendations of the “Feasibility Study BAS Kyrgyzstan”
2012	European Commission, Ongoing Monitoring Report – Support to SME Development in Mongolia, November 2012 and Management Comments on Ongoing Monitoring Report
2013	EBRD and SECO, External Review: BAS EBRD Business Advisory Services Kyrgyz Republic, Final Report, Andreas Tarnutzer, June 2013
	Management (TAM/BAS) response to the conclusions and recommendations of the External Review of EBRD Business Advisory Services prepared by Andreas Tanutzer
	Evaluation of the activities under the SIDA-EBRD SBS Energy Efficiency Fund for Moldova 2008-2012, Draft evaluation report, Rodrigo Ubierna Beguin, August 2013 for the Government of Sweden
2014	Support to Small and Medium Enterprise (SME) Sector Development in Mongolia, Mid-term evaluation, Draft report, Ecorys, April 2014 for the Delegation of the European Union to the Republic of China and Mongolia and Management Response to the Draft Midterm Evaluation Report

Annex 2, Table 2: EBRD general official documents consulted (chronological order)

Year	Title
2004	Project Evaluation Department Special Study: Turnaround Management Programme (TAM) (Regional)
2005	TurnAround Management and Business Advisory Services (TAM/BAS) Programme: Strategic and Operational Plan 2005-2007
	Micro, Small and Medium-Sized Enterprises Strategy (MSME)
2007	Evaluation Department: Special Study on Business Advisory Services Programme (Regional) Evaluation Department: Special Study on Business Advisory Services Programme (Regional) Management Comments Minutes of the Meeting of the Audit Committee of 16 April 2007 EBRD TurnAround Management and Business Advisory Services (TAM/BAS) Programme – Strategic and Operational Plan 2007-2009 Evaluation Department: Special Study on Business Advisory Services Programme (Regional) EBRD Task Force On Advisory Assistance to SMEs – TAM-BAS Chairman’s Report Report by the Chairman of the Financial and Operations Policies Committee on TAM/BAS Strategic Plan 2008 – 2010 TAM/BAS Strategic Plan 2008 - 2010
2009	Internal Audit Department Report: TAM/BAS Programme STRICTLY CONFIDENTIAL Minutes of the Meeting of the Audit Committee of 19 May 2009 Ensuring sustained benefits for MSMEs in EBRD countries of operations through the TAM/BAS Programme
2010	TAM/BAS Capital Resources Review 4: 2011-2015 Minutes of the Meeting of the Budget and Administrative Affairs Committee of 9 June 2010 TAM/BAS Programme Strategic Plan 2011 - 2015

Year	Title
	Report by the Chairman of the Financial and Operations Policies Committee on TAM/BAS Programme Strategic Plan 2011 – 2015 Minutes of the Meeting of the Financial and operations Policies Committee of 25 November 2010 EBRD Strategy for Kazakhstan
2011	Minutes of the Board Meeting of 7 December 2010 Assessment of Transition Challenges the Infrastructure of MSME Support (BAS and OCE), July 2011 TurnAround Management & Business Advisory Services (TAM/BAS) Programme: Update to the TAM/BAS Programme Strategic Plan 2011-2015 and Business Plan for 2012
2012	Minutes of the Meeting of the Financial and Operations Policies Committee of 24 November 2011 SBS Annual Business Plan 2013 SBS - Business Advisory Services and Enterprise Growth Programme 2012 Update and Business Plan 2013
2013	EBRD Strategy for Kazakhstan Minutes of the Meeting of the Financial and Operations Policies Committee of 15 November 2012 Small Business Initiative Review 2013 - ppt slides Small Business Support - 2013 Update and Business Plan for 2014 Small Business Initiative Review 2013 Report by the Chair of the Financial and Operations Policies Committee on Small Business Initiative Review 2013
2014	SBS Annual Business Plan 2014 Turkey: Turkey Women in Business Programme 2013 Grant Co-Financing Report Minutes of the Board Meeting of 17 December 2013 Minutes of the Meeting of the Financial and Operations Policies Committee of 12 December 2013 SBS Annual Business Plan 2015
2015	2014 Grant Co-Financing Report Information Session: Update on the Small Business Initiative Regional: Small Business Initiative - Restructuring and Consolidating EBRD Operational Facilities for SMEs EBRD Shareholder Special Fund Reform Proposal and Rules Regional: Small Business Initiative - Restructuring and Consolidating EBRD Operational Facilities for SMEs - Directors' Advisers' Questions Establishment of the Small Business Impact Fund in the context of the funding architecture of the Small Business Initiative Law in transition – Spring 2015 / Focus: Small Business Finance
2016	2015 Grant Co-Financing Report Regional: Small Business Initiative - Annual Review For 2015 and Operational Modalities For 2016 (under Financial Intermediary Framework)

Annex 2, Table 3: Donor agreements consulted (by region and in chronological order)

Year	Donor	Title
Central Asia and Kazakhstan		
2003	SECO	Agreement between the Government of the Swiss Confederation and EBRD in respect of the SECO/BAS Technical Assistance Cooperation Fund
2011	United States of America	United States of America, EBRD SME Special Fund - TAM/BAS Programme in Central Asia
	SECO	Amendment No. 2 to Replenishment Agreement No. 4 between the Government of the Swiss Confederation and EBRD in respect of the SECO/BAS Technical Assistance Cooperation Fund
2012	BG International	Agreement between BG International Limited and EBRD in respect of the BG Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account
2013	Kazakhstan	Agreement between the Ministry of Regional Development of the Republic of Kazakhstan and EBRD in respect of the Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account
2014	BG International	Amendment and Replenishment to the Agreement between BG International Limited and EBRD in respect of BG Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account
	United States of America	EBRD SME Special Fund - Extension of the US Small Business Support (SBS) Programme for Export Oriented SMEs in Central Asia
2015	Kazakhstan	Agreement between the Ministry of National Economy of the Republic of Kazakhstan and EBRD in respect of the EBRD - Kazakhstan Women in Business Programme and Technical Cooperation Account
	Kazakhstan	Amendment and Replenishment to the Agreement between the Ministry of National Economy of the Republic of Kazakhstan and EBRD in respect of the Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account
	BG International	Amendment and Replenishment No. 2 to the Agreement between BG International Limited and EBRD in respect of BG Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account
Eastern Partnership countries		
2010	European Union	Contribution Agreement for the TAM/BAS Programme in Eastern Partnership Countries between the EU and EBRD
2013	European	European Union Contribution Agreement with an International Organisation (ENPI/2013/321-953)

Year	Donor	Title
	Union	"Implementation of EBRD Small Business Support (SBS) programmes - Enterprise Growth Programme (EGP) and Business Advisory Services (BAS) - in the Eastern Partnership (EaP) countries Phase I"
2014	Sweden	Replenishment Agreement #1 Incorporating the Eastern Partnership Sub-Programme between Sweden and EBRD in respect of the EBRD - SIDA Women in Business Account
2015	European Union	European Union Contribution Agreement with an International Organisation (ENPI/2015/360-798) "Implementation of EBRD Small Business Support (SBS) programmes - Enterprise Growth Programme (EGP) and Business Advisory Services (BAS) - in the Eastern Partnership (EaP) countries Phase II"
Turkey		
2009	European Union	European Union Contribution Agreement with an International Organisation (2009/228-868) for "Private Sector Support Facility for Turkey"
2013	EU and Turkey	Grant Contract between the EU and the EBRD on the "Women in Business Programme" in Turkey
2014		Agreement between Sweden and EBRD in respect of the EBRD - SIDA Women in Business Account
Ukraine		
2009	Germany	TAM Environmental and Energy Efficiency Programme in Ukraine
2016	European Union	EU Delegation Agreement for the implementation of the Action “EU4Business: Network of Business Support Centres in Ukraine”
Western Balkans		
2005	Netherlands	Agreement between the Netherlands Minister for Development Co-operation and the EBRD, EBRD Business Advisory Services (BAS) Programme in Serbia and Montenegro
2007	Netherlands	Amendment to the Agreement between the Ministry of Foreign Affairs for the Netherlands and the EBRD concerning the Business Advisory Services Programme in Serbia and Montenegro Cooperation Fund
	Netherlands	Agreement between the Netherlands Minister for Development Co-operation and the EBRD, EBRD Business Advisory Services (BAS) Programme in Serbia
	Netherlands	Agreement between the Netherlands Minister for Development Co-operation and the EBRD, EBRD Business Advisory Services (BAS) Programme in Montenegro
2009	Netherlands	Amendment 1 to the Arrangement of 15 October 2007 between the Netherlands Minister for Developmet Co-operation and EBRD concerning the Business Advisory Services Programme Serbia Grant
	Netherlands	Amendment 1 to the Arrangement of 15 October 2007 between the Netherlands Minister for Developmet Co-operation and EBRD concerning the Business Advisory Services Programme Montenegro Grant
	European Union	European Union Contribution Agreement with an International Organisation 2009/229-273 “Private Sector Support Facility for the Western Balkans”
2013	European Union	European Union Contribution Agreement with an International Organisation 2013/316-230 “Support to SME Development in Serbia”
2014	Sweden	Agreement between Sweden and EBRD in respect of the EBRD-SIDA Women in Business Account
	Italy	Agreement of Cooperation between Ministry of Foreign Affairs of Italy and EBRD in respect of the Italy - EBRD Western Balkans Women in Business Programme in Albania Technical Cooperation Account

Annex, Table 4: Reports submitted to donors consulted (by donor and in chronological order)

Year	Title
BG Kazakhstan	
2015	Women and Youth-Focused Micro and Small Enterprise Development Programme funded by BG Kazakhstan Phase II Completion Report (January 2014 - March 2015)
Czech Republic	
2013	EGP Donor Report - Project Update to Czech Republic
2014	EGP Donor Report - Project Completion Report to Czech Republic
EBRD SSF	
2010	Report to EBRD Shareholders Special Fund (SSF), TAM and BAS Programmes, September 2010
2011	Progress Report to EBRD ESSF and ETCF, EBRD TurnAround Management (TAM) & Business Advisory Services (BAS), April
2012	Progress Report to EBRD ESSF and ETCF, Small Business Support (SBS), May 2012
2013	EBRD Small Business Support, Donor Report, EBRD Special Shareholder Fund, October 2013
2014	EBRD Small Business Support, Donor Report, EBRD Special Shareholder Fund, May 2014
2015	Advice for Small Businesses, EBRD Shareholder Special Fund, Donor Report June 2015 (May 2014 - April 2015)
European Union	
2010	EU Private Sector Support Facility for the Western Balkans, Semi-annual Report H1 2010
2011	TAM/BAS Programme in Eastern Partnership Countries, Progress report to the EU, July 2011
	EU Private Sector Support Facility for the Western Balkans, Semi-annual Report H2 2010
	EU Private Sector Support Facility for the Western Balkans, Report on Non-lending TAM/BAS activities

Year	Title
2012	European Commission, Ongoing Monitoring Report – Support to SME Development in Mongolia, November 2012
	EGP and BAS Programmes in Eastern Partnership Countries, Progress report to the EU, January 2012
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, July 2012
	EU/EBRD Private Sector Support Facility for the Western Balkans (WB-PSSF – IPA 2009) Annual Operational Report – December 2011
	Private Sector Support Facility for the Western Balkans - SBS Programme Window, July-December 2011
	Enterprise Growth Programme(EGP), Implementation of the EGP Programme in the former Yugoslav Republic of Macedonia, Contract No. 2010/243-405, 3rd Progress Report: January 2012
	Report: EU Private Sector Support Facility for Turkey - BAS
	Report: Turkish Private Sector Support Facility – SBS Programme Window
2013	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, January 2013
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, March 2013
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, August 2013
	Private Sector Support Facility for the Western Balkans - SBS Programme Window, July-December 2012
	EU/EBRD Private Sector Support Facility for the Western Balkans (WB-PSSF – IPA 2009) Operational Report – H1 2013
	EU/EBRD SME Finance Facility Semi-annual Operational Report – December 2013
2014	Support to Small and Medium Enterprise (SME) Sector Development in Mongolia, Mid-term evaluation, Draft report, Ecorys, April 2014 for the Delegation of the European Union to the Republic of China and Mongolia
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, October 2014
	Private Sector Support Facility for the Western Balkans - SBS Programme Window, H2 2013
	EU/EBRD Private Sector Support Facility for the Western Balkans (WB-PSSF – IPA 2009) Semi-annual Report – H1 2014
	Support to small and medium-sized enterprises sector in Bosnia and Herzegovina, Contract No. 2010/241-163, Final report (November 2010 - May 2013)
	Project Report, Support to SME Development in Mongolia, Project Report 4, June-December 2013
	Advice for Small Businesses in Romania, Progress Report to Austria, EBRD Business Advisory Services Romania, August 2014
	Annual Progress Report of the EU IPA-funded project “Support to SME Development in Serbia”
	EU/EBRD Turkish Private Sector Support Facility 2009/228-868, 2013 Annual Report
2015	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) - in Eastern Partnership countries; Progress Report, November 2015
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, January 2015
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, November 2015
	EU/EBRD Private Sector Support Facility for the Western Balkans (WB-PSSF – IPA 2009) Semi-annual Report – H2 2014
	EU/EBRD Western Balkans Private Sector Support Facility (2009/229-273), SEMI - ANNUAL PROGRESS REPORT, January – June 2015
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Egypt, Morocco and Tunisia, Progress report December 2014
	Annual Progress Report of the EU IPA-funded project “Support to SME Development in Serbia”
	EU/EBRD Turkish Private Sector Support Facility 2009/228-868, Semi-Annual Progress Report, July - December 2014
	EU/EBRD Turkish Private Sector Support Facility 2009/228-868, Semi-Annual Progress Report, January - June 2015
	EU/EBRD Turkish Private Sector Support Facility 2009/228-868, Semi-Annual Progress Report, July - December 2015
2014	Turkey Women in Business Programme, First Interim Report, May 2014
	Turkey Women in Business Programme, Second Interim Report, October 2014
2015	Turkey Women in Business Programme, Third Interim Report, April 2015
	Turkey Women in Business Programme, Fourth Interim Report, September 2015
Italy, Luxembourg, Sweden, EBRD SSF	
2014	Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund
	Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD

Year	Title
	Shareholder Special Fund (September 2014)
2015	Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund (April 2015)
	Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund (September 2015)
Japan	
2013	Final Report to Japan, Business Advisory Services (BAS) in Far East Russia, Kazakhstan, Mongolia and Uzbekistan (December 2013)
	EBRD Enterprise Growth Programme. Donor Report to Japan. May 2013
2014	EBRD Small Business Support: Enterprise Growth Programme. Donor Report to Japan. May 2014
2015	EBRD Small Business Support (SBS) Donor Report to Japan. May 2015
Kazakhstan	
2013	Annual Progress Report to the Ministry of Regional Development of the Republic of Kazakhstan: Business Advisory Services (BAS), Kazakhstan April – December 2013
	Annual Progress Report to the Ministry of Regional Development of the Republic of Kazakhstan, Business Advisory Services (BAS), Kazakhstan, April - December 2013
2015	Annual progress Report to the Ministry of National Economy of the Republic of Kazakhstan (January – December 2014)
	Monthly Progress Report: July 2015 to the Ministry of National Economy of the Republic of Kazakhstan
2016	Annual progress Report to the Ministry of National Economy of the Republic of Kazakhstan (January – December 2015)
	Women in Business Programme in Kazakhstan. Report April-December 2015
Korea	
2013	EGP Donor Report to Republic of Korea
2014	EGP Donor Report to Republic of Korea
2015	EBRD Small Business Support (SBS) Donor Report to Korea
Netherlands	
2011	Progress Report to the Netherlands. Business Advisory Services (BAS) Programme in Serbia
2012	Final Report to the Netherlands. Business Advisory Services (BAS) Serbia
SECO	
2013	External Review: BAS EBRD Business Advisory Services Kyrgyz Republic, Final Report, Andreas Tarnutzer, June 2013, for the State Secretariat for Economic Affairs (SECO)
	Progress Report, EBRD BAS Kyrgyz Republic Phase III, January-June 2013
2014	Final Report on Phase III of SECO funding in the Kyrgyz Republic, November 2014
Sweden	
2013	Evaluation of the activities under the SIDA-EBRD SBS Energy Efficiency Fund for Moldova 2008-2012, Draft evaluation report, Rodrigo Ubierna Beguin, August 2013 for the Government of Sweden
	Sweden, ETCF
2014	Women in Business Programme in the Eastern Partnership. Report to the Sweden and ETCF. May - September 2014
2015	Women in Business Programme in the Eastern Partnership. Report to Sweden and ETCF. October 2014 - March 2015
	Taiwan
2014	EBRD Small Business Support: Enterprise Growth Programme. Donor Report to Taiwan. August 2014
2015	EBRD Small Business Support (SBS) Donor Report to Taiwan
	Taiwan and EBRD SSF
2015	Women in Business Programme in Croatia Funded by the EBRD. the TaiwanBusiness-EBRD Technical Cooperation Fund and
United States of America	
2013	Progress Report (February 2012 - January 2013) for the Small Business Support (SBS) Programme for export-oriented SBSs in Central Asia
2014	Small Business Support (SBS) Programme for export-oriented SMEs in Central Asia, Phase 1 - Completion Report to the United States, February 2012 - January 2014
	EBRD Small Business Support for Export-Oriented SMEs in Central Asia Annual Update 2014
2015	EBRD Small Business Support for Export-Oriented SMEs in Central Asia. Report 1 January - 30 June 2015

Annex 3 Interviews

The evaluation team interviewed a total of 315 individuals in 210 interviews (though interviews/meetings with SBS colleagues in EBRD HQ were counted only once). The tables below provide the details of the people interviewed divided the seven countries visited by the evaluation team and more general interviews held in EBRD HQ.

1. EBRD HQ interviews

EBRD team	Position	Date	Place of meeting
SBS team			
SBS	Director	Multiple	EBRD HQ
BAS	Principal Manager	Multiple	EBRD HQ
EGP	Principal Manager	Multiple	EBRD HQ
BAS	Associate Director	Multiple	EBRD HQ
EGP	Associate Director	Multiple	EBRD HQ
SBS	Associate Director	Multiple	EBRD HQ
BAS	Principal Manager, BAS Programme	04-Dec-15	EBRD HQ
SBS	Head of Regional Programme, Western Balkans I	16-Dec-15	EBRD HQ
SBS	Head of Regional Programme, SEMED	17-Dec-15	EBRD HQ
SBS	Associate, Analyst	21-Jan-16	EBRD HQ
EGP	Principal	22-Jan-16	EBRD HQ
EGP	Principal	22-Jan-16	EBRD HQ
BAS	Principal	22-Jan-16	EBRD HQ
EBRD – Banking and non-Banking teams			
Communications	Principal Donor Visibility Adviser, Long-Term Communications Output	14-Dec-15	EBRD HQ
Office of the General Counsel	Director, Chief Counsel, Institutional & Co-Financing Unit	19-Jan-16	EBRD HQ
Office of the General Counsel	Principal, Counsel, Institutional & Co-Financing Unit	19-Jan-16	EBRD HQ
Banking, Agribusiness	Senior Banker, Head of Agribusiness Advisory	22-Jan-16	EBRD HQ
Sectors Economics and Policy	Associate Director, Senior Inclusion Specialist	27-Jan-16	EBRD HQ
Project and Sector Assessment FFICA	Consultant	27-Jan-16	EBRD HQ
Technical Cooperation	Director	28-Jan-16	EBRD HQ
Technical Cooperation	Associate Director, Head of TC Com Secretariat	28-Jan-16	EBRD HQ
Sectors Economics and Policy	Principal Economist	03-Feb-16	EBRD HQ
Donor Co-Financing	Principal, Deputy Pillar Head	04-Feb-16	EBRD HQ
Technical Cooperation	Associate Director, Deputy Director TC	04-Feb-16	EBRD HQ
SME Finance and Development	Principal Banker	16-Feb-16	EBRD HQ
SME Finance and Development	Principal Banker	16-Feb-16	EBRD HQ
Banking - FI Operations Policy	Head of FI Operations Policy, Dialogue & Grants	05-Apr-16	EBRD HQ
Banking - FI TC Group	Acting Associate Manager	05-Apr-16	EBRD HQ

2. Armenia: interviews

Institution	Position	Date	Place of meeting
SBS Clients in Armenia			
Smart Construction Ltd	CEO	09-Nov-15	Yerevan
MER Software	CEO	09-Nov-15	Yerevan
ESCO Pharm	Director	09-Nov-15	Yerevan
Autorent	Managing Director	09-Nov-15	Yerevan
ARASO	Sales Director	10-Nov-15	Yerevan
Healthymushrooms	Director	10-Nov-15	Abovyan
ALIQ PC	CEO	10-Nov-15	Tsovagyugh
HAYR EV VORDI ALAVERDYANNER	Director	10-Nov-15	Yeranos
ARAKS-2 PC	President Strategy Director	10-Nov-15	Vardenis
Parvana Ojakh Ltd	Director	10-Nov-15	Gyumri

Institution	Position	Date	Place of meeting
Venera Ltd	Deputy Director	10-Nov-15	Gyumri
Leilo Ltd	Director	10-Nov-15	Gyumri
Lentex Ltd	Director	10-Nov-15	Gyumri
BIGA	Shareholder	12-Nov-15	Yerevan
	Shareholder, CEO		
	Chief Technologist		
Vasanavi Ltd	Director	13-Nov-15	Yerevan
Other stakeholders in Armenia			
IMC Armenia	President	09-Nov-15	Yerevan
	Executive Director, CMCE		
VINK Consulting	Managing Partner	09-Nov-15	Yerevan
	Partner		
Shirak Info	Consultant	11-Nov-15	Gyumri
EV Consulting	Manager	12-Nov-15	Yerevan
Chamber of Commerce and Industry of the Republic of Armenia	Head of International Collaboration Department	12-Nov-15	Yerevan
	Senior Specialist - International Collaboration Department		
SME Development National Center of Armenia	Training Support Programs Coordinator	12-Nov-15	Yerevan
AVENUE Consulting Group	Partner, Head of Strategic MAS	12-Nov-15	Yerevan
	Managing Partner, Head of Operational MAS		
GiZ	Private Sector Development in South Caucasus - Team Leader in Armenia	13-Nov-15	Yerevan
Foundation to Save Energy	Executive Director	13-Nov-15	Yerevan
Foundation for SMEs	Chairman	13-Nov-15	Yerevan
EBRD Business Support Office	Head of Office, Senior Consultant	13-Nov-15	Yerevan
Design Technology	Director	13-Nov-15	Yerevan
	Marketing Expert		
	Web designer		
	Programmer		
IFIs and donors			
EU Delegation	International Aid/Cooperation Officer, Trade and Private Sector Development	12-Nov-15	Yerevan
European Commission DG NEAR	Head of Sector for Economic and Urban Development, Unit C2	08-Feb-16	Phone call
	Programme Manager, Economic development, Unit C2	08-Feb-16	Phone call
	Programme Manager, Economic development, Unit C2	08-Feb-16	Phone call
	Policy Officer, Unit A4	08-Feb-16	Phone call
EBRD Banking in Armenia			
RO Yerevan	Head of RO	13-Nov-15	Yerevan
RO Yerevan	Principal Banker	13-Nov-15	Yerevan
RO Yerevan	Principal Banker	13-Nov-15	Yerevan
RO Yerevan	Associate Banker	13-Nov-15	Yerevan
RO Yerevan	Associate Banker	13-Nov-15	Yerevan
RO Yerevan	Banking Assistant	13-Nov-15	Yerevan
EBRD SBS Armenia			
SBS	Head of Regional Programme, Russia & South Caucasus	28-Oct-15	Phone call
SBS Programme Armenia	National Programme Manager		
SBS Programme Armenia	Project Specialist		
BAS Programme	Analyst, BAS		
SBS Programme Armenia	Senior Project Officer		
EBRD - SBS	Team Coordinator, EGP	28-Oct-15	Phone call

3. Croatia: interviews

Institution	Position	Date	Place of meeting
HAMAG-SBS Clients in Croatia			
Jedinstvo	General Manager	30-Nov-15	Zagreb
Quantcommerce	Director	30-Nov-15	Zagreb
Eukon	Director	30-Nov-15	Zagreb
Other stakeholders in Croatia			
HAMAG-BICRO	Advisor to Board of Directors	30-Nov-15	Zagreb
Ministry of Entrepreneurship and Crafts	Assistant Minister	30-Nov-15	Zagreb
EBRD Banking in Croatia			
RO Zagreb	Director, Head of Croatia	30-Nov-15	Zagreb
RO Zagreb	Senior Banker	30-Nov-15	Zagreb
RO Zagreb	Principal Banker	30-Nov-15	Zagreb
RO Zagreb	Principal Banker, SME Finance & Development	30-Nov-15	Zagreb
RO Zagreb	Analyst	30-Nov-15	Zagreb
EBRD SBS in Croatia			
SBS Programme Croatia	National Programme Manager	30-Nov-15	Zagreb
SBS Programme Croatia	Project Specialist	30-Nov-15	Zagreb

4. Kazakhstan: interviews

Institution	Position	Date	Place of meeting
SBS Clients in Kazakhstan			
ItellPack	Director	05-Oct-15	Almaty
South Textiline	CEO	06-Oct-15	Shymkent
	Chief Engineer		
	Commercial Director		
	Sales Director		
	Chief Accountant		
	EGP SIA for South Textiline		
KIDS plus	Hotel Manager	06-Oct-15	Shymkent
Otan Travel Shymkent	Director	06-Oct-15	Shymkent
Meiram Group	General Director	07-Oct-15	Shymkent
	Restaurant Manager	08-Oct-15	Shymkent
Molozhanova	General Director	08-Oct-15	Astana
Tsoi - Azimut Trade	General Manager	09-Oct-15	Karaganda
Santehprom	General Director	09-Oct-15	Karaganda
	Sales Director		
	Technical Director		
IPKON	Director	09-Oct-15	Karaganda
BI-Consulting / Asia-Soft	Executive Director	12-Oct-15	Almaty
	Head of Sales		
	Head of Training Centre		
	Contracts Manager		
IT Expert Group	Director	12-Oct-15	Almaty
	Commercial Director		
	Business Development Director		
INVIVO	Executive Director	13-Oct-15	Almaty
	Laboratory Head		
	Quality Management System, Manager		
Other stakeholders in Kazakhstan			
Consortium of Consulting and Research Organisations of Kazakhstan / National Association of Public Relations	Executive Secretary Consortium President of Kazakhstan Press Club	05-Oct-15	Almaty
	Treasurer of the CMC Chamber, member of the Consortium		
Kaznex Invest	Director Office in Almaty	05-Oct-15	Almaty
Business Women Association of South Kazakhstan	Head of the Board	06-Oct-15	Shymkent
DAMU - Entrepreneurship Development Fund - South Kazakhstan	Senior Manager of Non-financial Sector	07-Oct-15	Shymkent

Institution	Position	Date	Place of meeting
Chamber of Entrepreneurs South Kazakhstan	Deputy Director	07-Oct-15	Shymkent
Ministry of National Economy - Entrepreneurship Department	Director	08-Oct-15	Astana
	Deputy Director		
Business Club Impulse	Director General	08-Oct-15	Astana
Kazakh-Russian Enterprise Kaizen Arsenal	Partner - Leading trainer - adviser	11-Oct-15	Almaty
DAMU - Entrepreneurship Development Fund	Director of Marketing and International Cooperation Department	12-Oct-15	Almaty
	Training and Service Support Department, manager		
BRIF Research Group KAPIOR - Kazakhstan Association Professional Researchers of Public Opinion and Market	BRIF President & Chairman of KAPIOR	12-Oct-15	Almaty
CMC Kazakhstan	Chairwoman	16-Oct-15	Issyk-kul (Kyrgyz Republic))
IFIs and donors in Kazakhstan			
U.S. Department of the Treasury	Country Officer - International Affairs, Europe and Eurasia Office	16-Sep-15	Phone call
BG Kazakhstan	Social Performance Advisor	08-Oct-15	Astana
World Bank	Private Sector Development Specialist - Global Practice for Trade and Competitiveness	08-Oct-15	Astana
USAID Central Asia	Health and Education Office Director - Office of Health and Education	13-Oct-15	Almaty
	Regional Agricultural Officer - Economic Development Office		
EBRD Banking in Kazakhstan			
RO Almaty	Director, Kazakhstan	13-Oct-15	Almaty
RO Almaty	Principal Banker, Infrastructure	05-Oct-15	Almaty
RO Almaty	Senior Banker, M&S	05-Oct-15	Almaty
RO Almaty	Principal Banker, Agribusiness	12-Oct-15	Almaty
RO Almaty	Senior Banker, FI	12-Oct-15	Almaty
RO Astana	Principal Banker - Energy	08-Oct-15	Astana
RO Astana	Associate Banker	08-Oct-15	Astana
RO Astana	Analyst - MEI	08-Oct-15	Astana
EBRD SBS in Kazakhstan			
SBS Kazakhstan & Mongolia	Head of Regional Programme	05-Oct-15	Almaty
SBS Kazakhstan	National Programme Manager	05-Oct-15	Almaty
SBS Kazakhstan	Finance Officer	05-Oct-15	Almaty
SBS EGP	Manager	05-Oct-15	Almaty
SBS Kazakhstan	Senior Project Specialist	05-Oct-15	Almaty
SBS Kazakhstan	Project Officer	07-Oct-15	Shymkent
SBS Kazakhstan	Project Specialist	07-Oct-15	Shymkent
SBS Kazakhstan	Senior Project Specialist	08-Oct-15	Astana
SBS Kazakhstan	CCT Position	08-Oct-15	Astana
SBS Kazakhstan	Project Specialist	09-Oct-15	Karaganda
SBS	EGP Team Coordinator	12-Oct-15	Almaty

5. Kyrgyz Republic: interviews

Institution	Position	Date	Place of meeting
SBS Clients in Kyrgyz Republic			
UBS Transit	General Director	14-Oct-15	Bishkek
Lina	Executive Director	15-Oct-15	Bishkek
PE Kislov - Metalworks named after M.V. Frunze	Assistant General Manager	15-Oct-15	Bishkek
	RBC Consulting		
Saamal	General Director	15-Oct-15	Bishkek
Tolubaeva - Mona Liza Company	Owner/Manager	15-Oct-15	Bishkek
	Manager		
Reina Kench		16-Oct-15	Issyk-kul

Institution	Position	Date	Place of meeting
Ravenstvo	Office manager/Youth leader	16-Oct-15	Karakol
PE Aliev	Administrator	16-Oct-15	Karakol
Time is Money	Chairwoman	17-Oct-15	Balykchy
	Chief Accountant		
Other stakeholders in Kyrgyz Republic			
Ministry of Economy	Counselor-Minister	14-Oct-15	Bishkek
	Head of business regulation department	14-Oct-15	Bishkek
	Senior specialist, Investment department	14-Oct-15	Bishkek
	Senior specialist, Commerce department	14-Oct-15	Bishkek
Business Association JIA	Executive Director	14-Oct-15	Bishkek
International Trade Center	National Programme Manager - Trade Promotion in Kyrgyz Republic	14-Oct-15	Bishkek
Institute of Management Consultant	Chair of the Board	15-Oct-15	Issyk-kul
Group of SBS Consultants		16-Oct-15	Issyk-kul
IFIs and donors in Kyrgyz Republic			
IFC - International Finance Corporation	Country Officer	14-Oct-15	Bishkek
Embassy of Switzerland in the Kyrgyz Republic	Senior Program Officer for Economic Affaris	20-Jan-16	phone call
EBRD Banking in Kyrgyz Republic			
RO Bishkek	Senior Banker	14-Oct-15	Bishkek
RO Bishkek	Associate Banker	14-Oct-15	Bishkek
RO Bishkek	Principal Banker	14-Oct-15	Bishkek
EBRD SBS in Kyrgyz Republic			
SBS Central Asia	Head of Regional Programme	14-Oct-15	Bishkek
SBS Kyrgyz Republic	National Programme Manager	14-Oct-15	Bishkek
SBS Kyrgyz Republic	Finance Officer	14-Oct-15	Bishkek
SBS Kyrgyz Republic	Communication Specialist	14-Oct-15	Bishkek
SBS Kyrgyz Republic	Project Specialist	14-Oct-15	Bishkek
SBS Kyrgyz Republic	Project Specialist	14-Oct-15	phone call
SBS Kyrgyz Republic	Senior Project Officer	14-Oct-15	phone call
SBS Kyrgyz Republic	Project Officer	16-Oct-15	Karakol
SBS Kyrgyz Republic	Project Specialist	16-Oct-15	Karakol

6. Serbia: interviews

Institution	Position	Date	Place of meeting
SBS Clients in Serbia			
Ivkovic	General Manager	23-Nov-15	Belgrade
	Sales Director	23-Nov-15	Belgrade
Panonit	CEO	24-Nov-15	Novi Sad
Nip Offset Print	Owner and Financial Director	24-Nov-15	Novi Sad
	Quality and Technology Manager		
Enel PS	CEO	24-Nov-15	Belgrade
	Marketing Manager		
	Sales Manager		
Algotech	General Manager	24-Nov-15	Belgrade
Kreativa	Director	24-Nov-15	Belgrade
	Communication PR Director		
Nesa Komerc	General Manager	25-Nov-15	Svilajnac
	Commecial and Technical Manager		
	Quality Manager		
Sunce Marinkovic	CEO	25-Nov-15	Kragujevac
	Marketing Manager		
Medico Lab	Owner and General Manager	25-Nov-15	Kragujevac
Pekarska Radnja NIPEK	Deputy Director	26-Nov-15	Nis
	Owner and Director		
Best Man Group	General Manager	26-Nov-15	Leskovac
ORACAL Polikarbonati	Owner	26-Nov-15	Belgrade
	Quality Manager and IT		
DAM-MONT	Vice Director	27-Nov-15	Belgrade

Institution	Position	Date	Place of meeting
Other stakeholders in Serbia			
National Agency for Regional Development	Assistant Director Head of Sector for development of enterprise and entrepreneurship	23-Nov-15	Belgrade
Glenfield Training and Consulting	Managing Partner	23-Nov-15	Belgrade
Bizconnect7 - Access to Business	Executive Director	23-Nov-15	Belgrade
Regional Economic Development Agency for Sumadija and Pomoravlje	Director	25-Nov-15	Kragujevac
Chamber of Commerce and Industry of Serbia	Director National Coordinator SME-s week EU	27-Nov-15	Belgrade
Ministry of Economy	Assistant Minister	27-Nov-15	Belgrade
Association of Business Women	President	27-Nov-15	Belgrade
Cherie Blair Foundation for Women	Mentoring Programme Director	03-Feb-16	CBF London
Cherie Blair Foundation for Women	Fundraising and Partnerships Coordinator	03-Feb-16	CBF London
IFIs and donors - Serbia			
EU Delegation in Serbia	Programme Manager, Operations II	16-Dec-15	Phone call
SIDA - Swedish International Development Cooperation Agency	Senior Programme Manager / Advisor Market Development Unit for Eastern Europe and thematic support, Department for Europe and Latin America	16-Dec-15	Phone call
European Commission Regional Cooperation Programmes	Programme Manager - Directorate-General for Neighbourhood and Enlargement Negotiations	21-Jan-16	Phone call
EBRD Banking in Serbia			
RO Belgrade	Director, Head of Serbia	24-Nov-15	Belgrade
RO Belgrade	Senior Banker, Financial Institutions	23-Nov-15	Belgrade
RO Belgrade	Regional Lead Economist	23-Nov-15	Belgrade
RO Belgrade	Regional Head SME Finance and Development	27-Nov-15	Belgrade
EBRD SBS in Serbia			
EBRD - SBS	Head of Regional Programme, Western Balkans II	03-Dec-15	Conf call
SBS Programme Serbia	National Programme Manager		Belgrade
SBS Programme Serbia	Project Specialist		Belgrade
SBS Programme Serbia	Project Specialist		Belgrade
SBS Programme Serbia	Project Specialist		Belgrade
SBS Programme Serbia	Project Officer		Belgrade
SBS Programme Serbia	EGP Local Manager		Belgrade
SBS Programme Serbia	EGP Analyst		Belgrade
SBS Programme Serbia	EGP Analyst		Belgrade
SBS Consultant	Trainer GYCB		Belgrade
SBS Consultant	Team Coordinator		Belgrade

7. Turkey: interviews

Institution	Position	Date	Place of meeting
SBS Clients in Turkey			
Selma Sonmez - Yasam Ortopedi	Owner Marketing Officer	08-Dec-15	Samsun
SER Banyo Gerecleri	General Manager Company Manager Consultant	08-Dec-15	Samsun
Resman	Human Resources Manager	08-Dec-15	Samsun
Pelin Triko	General Manager Human Resources Manager	09-Dec-15	Samsun
Otat	Sales Manager Education and Government Coordinator Consultant	09-Dec-15	Samsun
Other stakeholders in Turkey			

Institution	Position	Date	Place of meeting
Frankfurt School of Finance & Management	International Advisory Services - Senior Project Manager	07-Dec-15	Ankara
	International Advisory Services - Project Coordinator		
ISKUR - Turkish Employment Agency	Employment Specialist	07-Dec-15	Ankara
	Employment Specialist		
Ministry of Labour and Social Security	EU Expert - Human Resources Development Operating Structure	07-Dec-15	Ankara
	WiB Contract Manager, European Union and Financial Assistance Directorate		
	EU Expert – Coordinator of Programme Management Monitoring and Evaluation Unit, European Union and Financial Assistance Directorate		
Izgoren Akademi	Consultant	09-Dec-15	Samsun
Turkish Women's International Network	Founder and Curator	10-Dec-15	Istanbul
IFIs and donors in Turkey			
EU Delegation to Turkey	Sector Manager, Economic and Social Development	07-Dec-15	Ankara
	Sector Manager, Social Policy and Employment, Economic and Social Development Section		
European Commission DG NEAR	IPA Coordinator, A5, Turkey	07-Mar-16	Phone call
EBRD Banking in Turkey			
RO Istanbul	Director, Head of Turkey	10-Dec-15	Istanbul
RO Ankara	Senior Banker, Head of RO Ankara	07-Dec-15	Ankara
RO Istanbul	Senior Banker, FI	10-Dec-15	Istanbul
RO Istanbul	Senior Banker, Regional Head SME Finance and Development Turkey	11-Dec-15	Istanbul
RO Istanbul	Principal Manager, Energy Efficiency	10-Dec-15	Istanbul
EBRD - Banking, FI/Insurance & Financial Services/Turkey	Senior Banker	26-Jan-16	EBRD HQ
EBRD SBS in Turkey			
EBRD - SBS	Head of Regional Programme, Turkey and Cyprus	17-Dec-15	EBRD HQ
SBS Programme Turkey	National Programme Manager	07-Dec-15	Ankara
SBS Programme Turkey	Project Specialist	07-Dec-15	Ankara
SBS Programme Turkey	Project Specialist	07-Dec-15	Ankara
SBS Programme Turkey	Project Specialist	07-Dec-15	Ankara
SBS Programme Turkey	Project Specialist	07-Dec-15	conf call
SBS Programme Turkey	Project Specialist	07-Dec-15	conf call
SBS Programme Turkey and Cyprus	EGP Local Manager - Senior Project Specialist	10-Dec-15	Istanbul
Entreprise Growth Programme	Intern	10-Dec-15	Istanbul

8. Ukraine: interviews

Institution	Position	Date	Place of meeting
SBS Clients in Ukraine			
V.M. LLC	CEO	09-Nov-15	Gatne village, Kiev oblast
LEDLIFE LTD	Director	11-Nov-15	Kharkiv
	General Director	11-Nov-15	Kharkiv
New Ton	Owner, Director	11-Nov-15	Kharkiv
Dirom Group LLC	Co-owner	12-Nov-15	Kharkiv
	Deputy Director	12-Nov-15	Kharkiv
KEP CJSC	General Director	12-Nov-15	Kharkiv
	Technical Director	12-Nov-15	Kharkiv
Integrity Vision LLC	General Director	13-Nov-15	Kiev
Yakaboo	CEO	13-Nov-15	Kiev
Other stakeholders in Ukraine			

Institution	Position	Date	Place of meeting
Ukrainian Association of Management Consultants (IMC-Ukraine)	President	09-Nov-15	Kiev
	Vice President	09-Nov-15	Kiev (Skype)
Ministry of Economic Development and Trade	Director, Department of Enterpreneurship Development and Regulatory Policy	10-Nov-15	Kiev
Kharkiv Oblast State Administration	Director, Department of Enhancing Regional Competitiveness	11-Nov-15	Kharkiv
UKEEP	Project Manager	10-Nov-15	Kiev
	Bank Relationships Manager	10-Nov-15	Kiev
	Bank Relationships Manager	10-Nov-15	Kiev
Horizon Capital	Partner	10-Nov-15	Kiev
ILF Legal Firm	Director, Business Development	11-Nov-15	Kharkiv
	Managing Partner	11-Nov-15	Kharkiv
IFIs and donors in Ukraine			
EU Delegation	Attache, Sector manager, Private Sector Development	09-Nov-15	Kiev
US Embassy in Kiev	Attache, US Treasury Department	10-Nov-15	Kiev
EBRD Banking in Ukraine			
RO Kiev	SME Finance and Development, Senior Banker	10-Nov-15	Kiev
RO Kiev	Deputy Director, Ukraine	10-Nov-15	Kiev
EBRD SBS in Ukraine			
SBS Programme Ukraine	National Programme Manager	09-Nov-15	Kiev
SBS Programme Ukraine, Moldova & Belarus	EGP Local Manager	09-Nov-15	Kiev
SBS Programme Ukraine	Project Specialist	09-Nov-15	Kiev
SBS Programme Ukraine	Project Specialist	09-Nov-15	Kiev
SBS Programme Ukraine	Project Officer	09-Nov-15	Kiev
SBS Programme Ukraine	Senior Project Specialist	09-Nov-15	Kiev (VC)
SBS Programme Ukraine	Project Specialist	09-Nov-15	Kiev (VC)
EGP/Agribusiness	Consultant	09-Nov-15	Kiev
EGP Ukraine	EGP Ukraine Country (Sector) Coordinator	25-Nov-15	Skype call
EBRD - SBS	Head of Regional Programme, Ukraine Moldova & Belarus	02-Dec-15	Conf call

Annex 4 SBS portfolio analysis

[Note: an extended version of SBS portfolio analysis is presented in the Approach paper to this evaluation.]

1. General overview

The SBS Programme 2011 to 2015 included advisory services projects and sector dissemination activities (SDAs) under the TAM/EGP Programme, and advisory services projects and market development activities (MDAs) under the BAS Programme. Projects and related activities with start date from 1 January 2011 until May 2015 are included for the purpose of this portfolio analysis. For more detailed description on what data have been included in the analysis and for detailed data presentation, see the evaluation approach paper.

All together the two programmes committed €57 million of donor funding in the implementation of advisory services projects with international and local consultants and almost €6 million to implement SDAs and MDAs. Moreover, donor resources (including the EBRD SSF) have been used to fund SBS staff in the countries of operations and in EBRD HQ in London – for an amount of more than €18 million over the time frame 2011 to 2015. Finally, SBS clients contributed to the advisory services projects with more than €32 million.

Annex 4, Table 1: Overview of SBS Programme resources

2011 to 2015	€ committed	%
Donors' grants for EGP projects	25,150,831	31%
Donors' grants for EGP SDAs	419,059	1%
Donors' grants for BAS projects	31,937,991	39%
Donors' grants for BAS MDAs	5,258,424	6%
Donors' grants for SBS Staff	18,424,154	23%
Subtotal donors resources	81,190,459	100%
Clients' contribution to EGP projects	2,821,366	9%
Clients' contribution to BAS projects	29,304,832	91%
Subtotal clients' contribution	32,126,197	100%

Sources: SBS MIS and EBRD Datawarehouse

The total commitments exclude EBRD administrative fees taken from donor funds

Annex 4, Table 2: Donor commitments for SBS advisory services projects and SBS staff (Jan 2011 – May 2015)

Donor	Advisory services committed resources	%	SBS staff committed resources	%	Total resources committed	%
EU	€24,650,590	43%	€6,779,039	37%	€31,429,629	42%
Bilaterals	€16,846,412	30%	€6,242,973	34%	€23,089,385	31%
EBRD SSF	€9,518,497	17%	€4,009,665	22%	€13,528,162	18%
Multi-Donor	€6,073,322	11%	€1,392,477	8%	€7,465,799	10%
Total	€57,088,821	100%	€18,424,154	100%	€75,512,975	100%

Source: EvD analysis based on SBS MIS and EBRD Datawarehouse

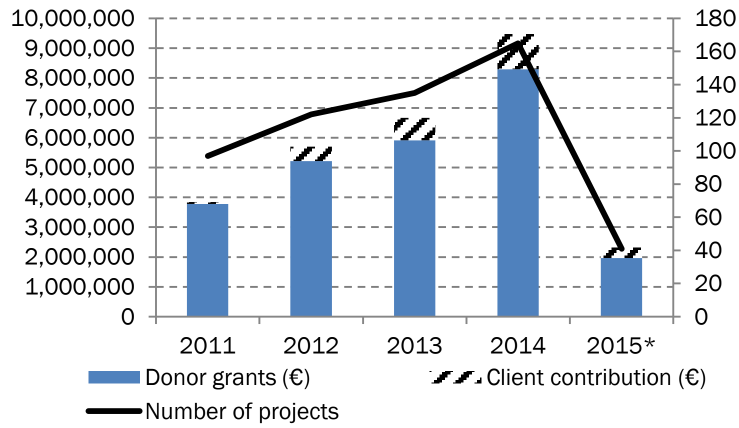
TAM/EGP overview

The main data from the portfolio analysis for the TAM/EGP Programme from 2011 until mid-2015 include:

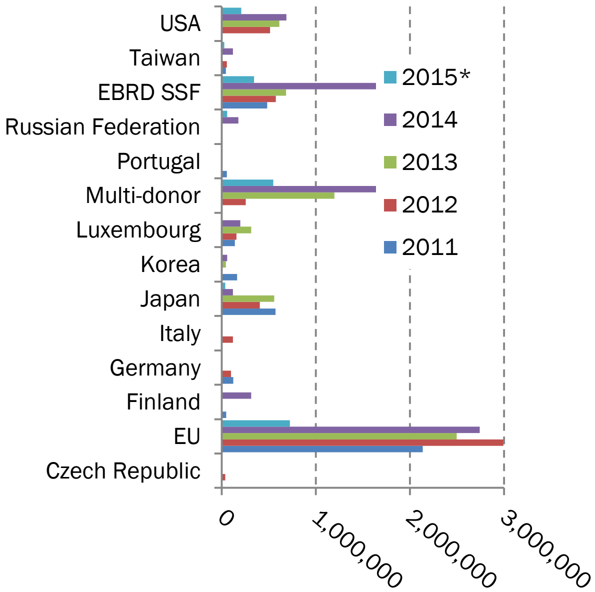
- 560 projects were initiated for a total budget of almost €28 million, and over €25 million of donor contribution – meaning that donors have contributed 90% and clients 10% to the costs of the EGP projects (figure 1).
- The average budget of an EGP project is almost €50,000.
- The main donor is the EU (44% of total commitments), followed by the EBRD Shareholders Special Fund (16%) and multi-donor funds (SEMED, ETC and Western Balkans funds; 15%). The largest bilateral donor is the United States of America (8%), followed by Japan (7%), and Luxembourg (3%). The Government of the Russian Federation has become donor for the EGP Programme implemented in Russia (see figure 2, below).
- The EBRD regions were EGP operates almost equally are three: South-Eastern Europe (132 projects – 24%); Central Asia (113 projects – 20%); and Eastern Europe and Caucasus (111 projects – 20%). After the start of activities in 2012, SEMED region has reached 99 projects (18%). The first five countries ranking in terms of number of projects are: Kazakhstan (8%), Ukraine (7%), Egypt (7%), FYR Macedonia (6%), and Mongolia (6%) (see table 3 below).

In terms of sectors, as classified in the EGP MIS, 63.1% of EGP committed projects are targeting the manufacturing sector. The second most targeted sector is wholesale and retail trade (10.6%) followed by ICT (7.6%), agriculture/forestry/fishing (4.3%) and construction (3.7%) (see figure 3 below).

Annex 4, Figure 1: Funds committed by donors and clients (€) and number of EGP projects initiated (right axis)



Annex 4, Figure 2: Donors commitments (€) to the EGP Programme – advisory services (2011-2015)



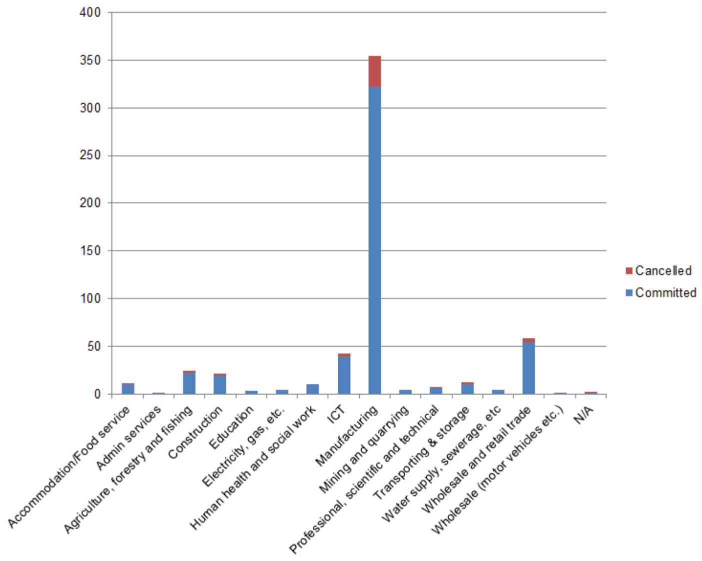
Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 4, Table 3 EGP projects 2011-2015 by EBRD region and country (excluding cancelled)

Region	Country	# projects	% # projects	Total cost €	% total cost	Client contr. €
Central Asia	Kazakhstan	42	8.2%	2,019,215	8.0%	201,835
	Kyrgyz Republic	17	3.3%	894,808	3.6%	32,843
	Mongolia	30	5.9%	1,633,232	6.5%	205,643
	Tajikistan	12	2.4%	616,946	2.5%	40,415
	Turkmenistan	12	2.4%	675,708	2.7%	69,000
	Subtotal	**113**	**22.20%**	**5,839,909**	**23.30%**	**549,736**
Central Europe & Baltics	**Croatia**	**8**	**1.6%**	**359,107**	**1.4%**	**30,311**
Eastern Europe & Caucasus	Armenia	18	3.5%	882,509	3.5%	123,918
	Azerbaijan	14	2.7%	765,380	3.0%	111,898
	Belarus	15	2.9%	789,793	3.1%	100,183
	Georgia	17	3.3%	972,616	3.9%	130,196
	Moldova	10	2.0%	520,912	2.1%	46,964
	Ukraine	37	7.3%	1,871,422	7.4%	195,324
	Subtotal	**111**	**21.70%**	**5,802,632**	**23.00%**	**708,483**
Russia	**Russia**	**22**	**4.3%**	**1,292,037**	**5.1%**	**142,905**
South-Eastern Europe	Albania	16	3.1%	553,591	2.2%	38,141
	Bosnia and Herzegovina	28	5.5%	1,081,186	4.3%	114,289
	FYR Macedonia	31	6.1%	1,181,022	4.7%	67,702
	Kosovo	11	2.2%	464,004	1.8%	40,456
	Montenegro	7	1.4%	285,794	1.1%	16,440
	Romania	15	2.9%	630,141	2.5%	62,532
	Serbia	24	4.7%	911,807	3.6%	108,661
	Subtotal	**132**	**25.9%**	**5,107,545**	**20.2%**	**448,221**
SEMED (since 2012)	Egypt	33	6.5%	1,927,943	7.7%	264,089
	Jordan	12	2.4%	697,046	2.8%	49,705
	Morocco	24	4.7%	1,295,385	5.2%	237,349
	Tunisia	30	5.9%	1,565,987	6.2%	290,951
	Subtotal	**99**	**19.5%**	**5,486,361**	**21.9%**	**842,094**
Turkey (since 2012)	**Turkey**	**25**	**4.9%**	**1,263,240**	**5.0%**	**99,620**
	TOTAL	510	100.0%	25,150,831	100.0%	2,831,366

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 4, Figure 3: EGP projects 2011-2015 by sector



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

2. BAS overview

The main data from the portfolio analysis for the BAS Programme from 2011 until mid-2015 include:

– A total of 6,472 projects initiated for a total budget of more than €61 million, with a donor contribution of nearly €32 million (52%), which means that BAS clients have contributed 48% of the costs of the advisory services projects (see figure 5 below)

– The average budget of a BAS project is around €9,400, while there is a wide regional variation of the grant

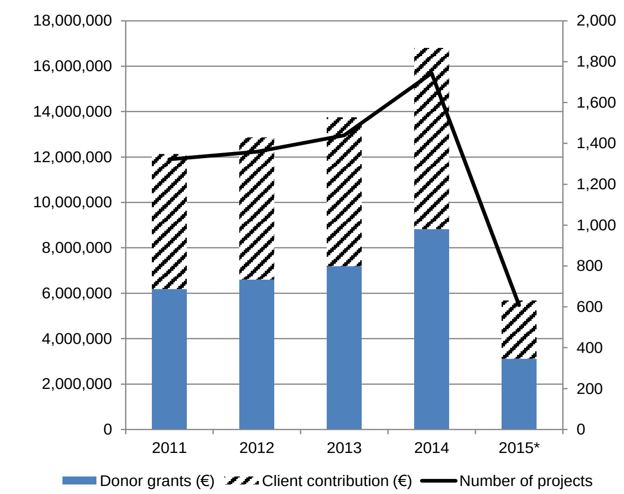
– The main donor is the EU (42% of total commitments), followed by the EBRD Shareholders Special Fund (17%) and multi-donor funds (SEMED, ETC and Western Balkans funds; 7%). The largest bilateral donor is Austria (6%), followed by Sweden (5%), Luxembourg and Japan (4% each). The Governments of Croatia, Kazakhstan, Russian Federation, and Turkey have become donors for the BAS Programmes implemented in their own countries. Also, a 0.4% of contribution is coming from a private sector donor in Kazakhstan (see figure 6 below)

– The EBRD regions where BAS operates the most are South-Eastern Europe (1,950 projects – 30%); Eastern Europe and Caucasus (1,684 projects – 26%); and Central Asia (1,587 projects – 25%). BAS started operating in SEMED in 2012 and since then 586 projects (9%) have been carried out. The first five countries ranking in terms of number of projects are: Kazakhstan (7%), Kyrgyz Republic (7%), Armenia (6%), Ukraine (5%), and Moldova (5%) (see table 4 below)

– With differences at regions level, overall BAS projects three top sectors in terms of project value are: food & beverages (18.7%); wholesale/retail distribution (13.5%); and construction/engineering (9.9%) (see figure 7 below)

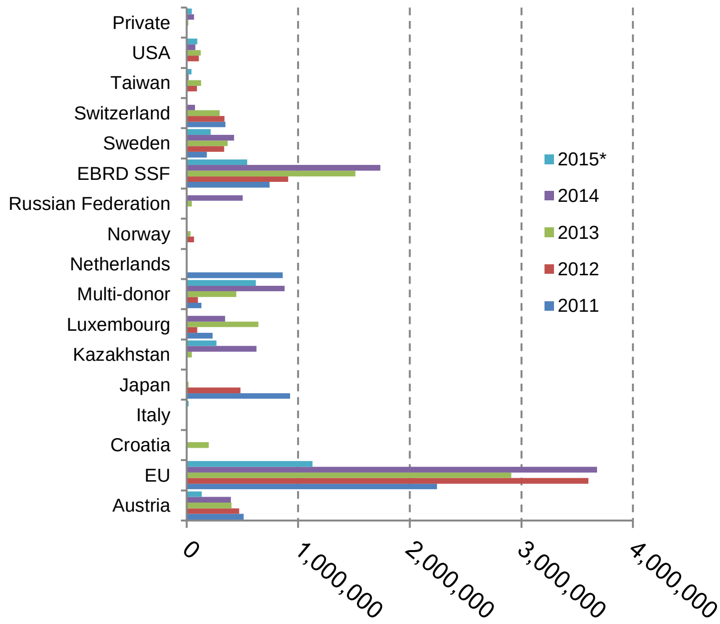
– The type of advisory services provided by the BAS Programme fall into five main categories (ICT – 26.1%; marketing – 22.9%; strategy – 13.0%; quality management 12.3%; and organisation – 7.9%). Other services, counting less than 5% each include energy efficiency; engineering; environmental management; accounting/financial resources; operations; and reorganisation/restructuring (see figure 8 below).

Annex 4, Figure 5: Funds committed by donors and clients (€) and number of BAS projects initiated (right axis)



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 4, Figure 6: Donors commitments (€) to the BAS Programme – advisory services (2011-2015)



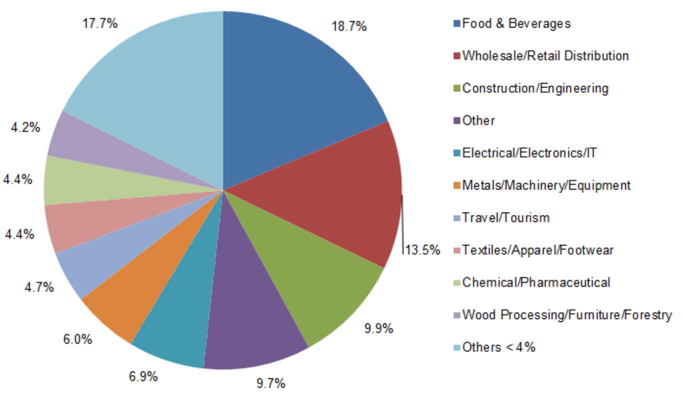
Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 4, Table 4: BAS projects 2011-2015 by EBRD region and country (including cancelled)

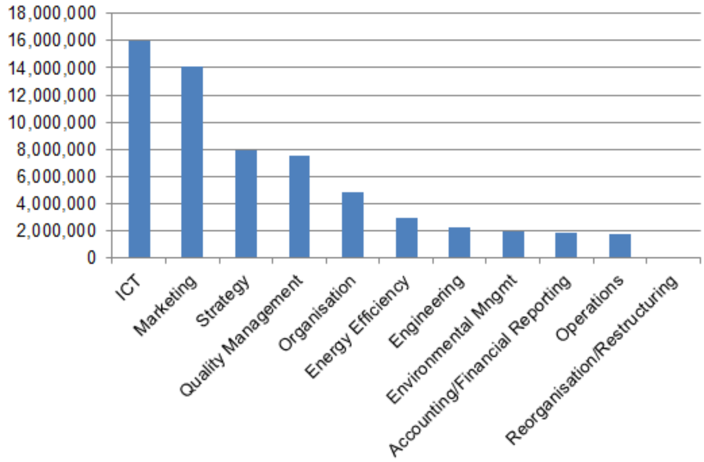
Region	Country	# projects	% # projects	Total cost €	% total cost	BAS grant €
Central Asia	Kazakhstan	462	7.1%	4,532,531	7.4%	2,184,004
	Kyrgyz Republic	461	7.1%	2,399,852	3.9%	1,528,551
	Mongolia	301	4.7%	1,962,307	3.2%	981,323
	Tajikistan	262	4.0%	1,194,713	2.0%	700,033
	Turkmenistan	101	1.6%	625,988	1.0%	471,182
	Subtotal	**1,587**	**24.5%**	**10,715,391**	**17.5%**	**5,865,093**
Central Europe & Baltics	**Croatia**	**149**	**2.3%**	**1,783,046**	**2.9%**	**890,426**
Eastern Europe & Caucasus	Armenia	362	5.6%	2,725,205	4.4%	1,582,089
	Azerbaijan	245	3.8%	2,811,344	4.6%	1,501,125
	Belarus	123	1.9%	1,694,701	2.8%	946,527
	Georgia	298	4.6%	3,590,074	5.9%	1,808,697
	Moldova	320	4.9%	3,635,334	5.9%	1,891,517
	Ukraine	336	5.2%	4,023,549	6.6%	2,121,069
	Subtotal	**1,684**	**26.0%**	**18,480,207**	**30.2%**	**9,581,024**
Russia	**Russia**	**261**	**4.0%**	**2,883,379**	**4.7%**	**1,181,864**
South-Eastern Europe	Albania	259	4.0%	2,331,797	3.8%	1,210,265
	Bosnia and Herzegovina	306	4.7%	2,384,014	3.9%	1,115,316
	FYR Macedonia	275	4.2%	3,199,350	5.2%	1,467,585
	Kosovo	317	4.9%	2,520,071	4.1%	1,306,782
	Montenegro	209	3.2%	1,755,892	2.9%	1,016,750
	Romania	277	4.3%	4,186,780	6.8%	1,917,345
	Serbia	307	4.7%	3,284,423	5.4%	1,591,886
	Subtotal	**1,950**	**30.0%**	**19,662,327**	**32.1%**	**9,625,929**
SEMED (since 2012)	Egypt	222	3.4%	1,732,307	2.8%	1,077,851
	Jordan	84	1.3%	864,007	1.4%	415,139
	Morocco	146	2.3%	1,486,785	2.4%	788,382
	Tunisia	134	2.1%	1,246,545	2.0%	685,901
	Subtotal	**586**	**9.1%**	**5,329,644**	**8.6%**	**2,967,273**
Turkey (since 2012)	**Turkey**	**255**	**3.9%**	**2,388,830**	**3.9%**	**1,556,382**
	TOTAL	**6,472**	**100.0%**	**61,242,822**	**100.0%**	**31,937,991**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 4, Figure 7: BAS projects 2011-2015 by sector



Annex 4, Figure 8: BAS projects 2011-2015 by type of advisory services



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5 Case study: Armenia

ADB	Asian Development Bank
AIP	Accounting Improvement Programme
BEEPS	Business Environment and Enterprise Performance Survey
BSO	Business Support Office
CMC	Certified management consultant
DCFTA	Deep and Comprehensive Free Trade Area
EaP	Eastern Partnership
EFSE	European Fund for Southeast Europe
ETC	Early Transition Country
ETCF	Early Transition Countries Fund
ETCI	Early Transition Countries Initiative
FRMP	Financial Reporting and Management Programme
IMC	Institute of Management Consultants
SEFF	Sustainable Energy-efficiency Financing Facility
SME DNC	Small and Medium Entrepreneurship Development National Center
STAREP	Strengthening Auditing and Reporting in Countries of the Eastern Partnership

Note: Unless otherwise indicated, all quantitative data on the SBS Armenia portfolio presented in this case study originate from the extraction of data from the SBS MIS obtained by the evaluation team for the purpose of the development of the Approach paper for this evaluation report. Projects and activities started in 2011 until 2015 were included. Data for 2015 were provided to month end April 2015 in the case of EGP activities and month end May 2015 for BAS activities.

Key points

- SBS strategic planning has been well aligned with the EBRD country strategies over the period. This has been facilitated by the status of Armenia as an ETC country where the Bank focuses on work with SMEs
- EU financing of the SBS programme in Armenia did not have major implications on the strategic planning and prioritisation of the SBS in the country
- SBS activity in the country is consistent with the country's strategic objective for the SME sector and reflects the needs of both SMEs and of local providers of business advisory services. It is also well integrated within the landscape of donor-funded programmes and able to coordinate with key stakeholders
- While it is not possible to quantify the contribution of the SBS projects to clients' improved business prospects, clients and other key stakeholders express confidence over the positive impacts of SBS advisory on the performance and competitiveness at SME level
- SBS has been instrumental in the establishment of the local consultants' association, and has consistently worked in building the local capacity and improving professionalism
- SBS has not been directly involved in policy dialogue on SME infrastructure but its work has been complementary to the efforts of EBRD and the Business Support Office
- Links to EBRD finance, both direct and indirect, have been seen as important in the ETC context where the Bank primarily works with SMEs in the business sector. Yet, for BAS clients the reported access to specifically EBRD-sourced indirect finance remained very low. EGP clients report substantial degree of access to external finance, including access to direct EBRD finance through available ETCI mechanisms

1. Armenia: Scope of the country case study

As indicated in the approach paper of this study:

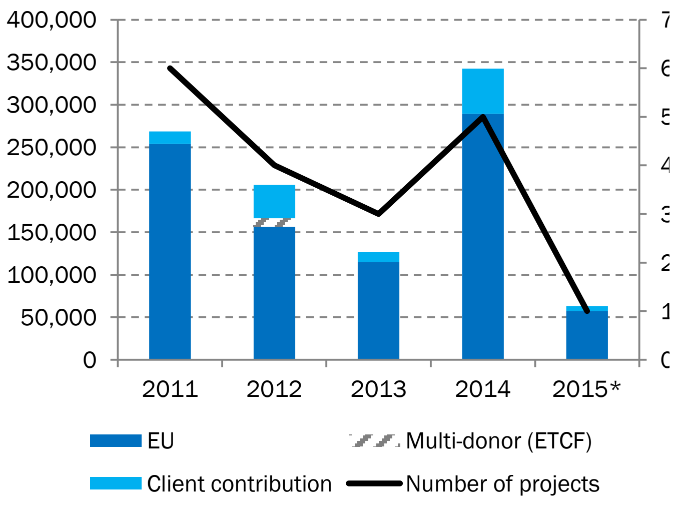
> "the objective of the country case studies is to gather information to feed into the answers to evaluation questions at aggregate level, and to explore the different contextual determinants of SBS Programme operations and success. They do not represent stand-alone evaluations of SBS Programme country programmes."

With this in mind the evaluation team has selected four countries, among which Armenia, and carried out evaluation missions.

Armenia: SBS portfolio

From the start of 2011 until mid-2015 EGP started 19 projects with a total budget just over €1 million, including almost €0.9 million in donor funding. Donor funds for EGP originated nearly entirely (99%) from the EU, complemented by the multi-donor Early Transition Countries Fund (ETCF) in 2012. The average size of an EGP project was almost €53,000, with 12% client contribution.

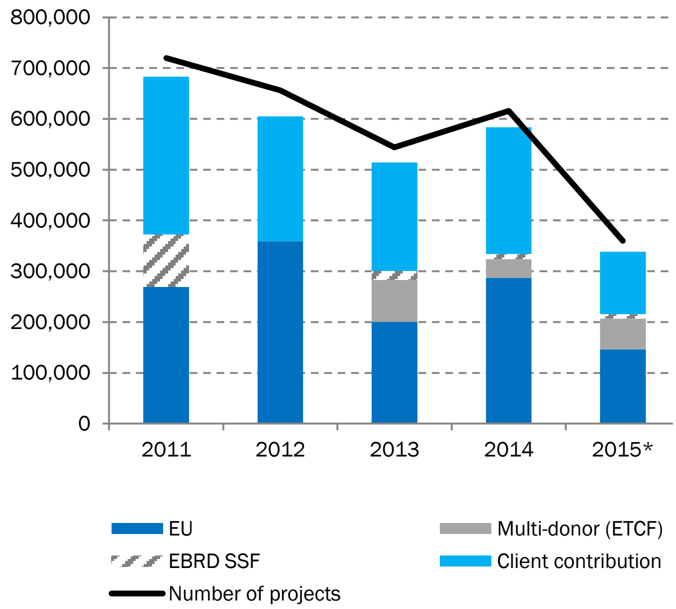
Annex 5, Figure 1: Armenia – Funds committed by donors and clients (€) and number of EGP projects initiated (right axis)



Source: EvD portfolio analysis based on SBS MIS; *) 2015 figures until April only

From the start of 2011 until mid-2015, BAS initiated a total of 362 projects in Armenia with total budget over €2.7 million, including donor commitment of over €1.5million. The annual number of BAS project had a slightly declining trend in the period 2011 to 2013, which was reversed in 2014. The EU has been the main donor, accounting for 80% of donor funds over the whole period. This was complemented by the EBRD Shareholder Special Fund especially in 2011 (9% of donor funds over the whole period), and by the multi-donor Early Transition Countries Fund (ETCF) from 2013 onwards (11% of donor funds over the whole period). The average size of a BAS project was €7,500 with a 42% client contribution.

Annex 5, Figure 2: Armenia – Funds committed by donors and clients (€) and number of BAS projects initiated (right axis)



Source: EvD portfolio analysis based on SBS MIS; *) 2015 figures until May only

Project implementation was accompanied by 23 MDAs and one event listed as SDAs.

The donor commitments presented above include only funds for project implementation, not donor funded staff costs.

Armenia: Evaluation mission

The evaluation team visited Armenia (Yerevan, Gyumri, Kotayk marz, and Gegharkunik marz) in November 2015. Other relevant interviews were held on the phone. The information are summarised in the table below. Special thanks go to the SBS team in Armenia, led by Tigran Aghabekyan, National Programme Manager – under the supervision of Jeff Ferry, Head of Regional Programme Russia and South Caucasus.

Annex 5, Table 1: Armenia – interviews held by the evaluation team

Type	# Institution	# Interviews	# persons in Armenia	# persons by phone or other
SBS clients	15	15	18	0
Stakeholders	12	12	19	0
Donors/IFIs	2	2	1	4
EBRD		2	6	0
SBS staff		6	48	2
Total	29	37		54

Armenia: Evaluation questions

Has SBS strategic planning been adequate for the Bank's evolving SMEs strategic agenda and the needs of SMEs in the countries of operation?

Alignment/integration of SBS strategic and business plans with SME components of EBRD's country strategies

Two EBRD country strategies were in force over most of the period under evaluation, while a third one was approved at the end of the period, in mid-2015.

The 2009 EBRD Strategy for Armenia (Board approved on 21 April 2009) places focus on MSME as the core of the Bank's activities in the enterprise sector using the instruments of the Early Transition Countries Initiative ETCI, namely financing through: the Direct Lending Facility (DLF), the Direct Investment Facility (DIF), as well as co-financing and risk sharing with local banks under the EBRD's Medium-Sized Co-Financing Facility (MCFF). The strategy expected further extending access to finance for SMEs through credit lines to partner banks and including microfinance lending through cooperation with non-bank microfinance intermediaries. It proposed additional emphasis on expanding the EBRD's TAM/BAS advisory services, as well as on strengthening their links with Banking Teams and the resident office.

TAM/BAS is then considered in a separate Annex of the Strategy, which was based on the TAM/BAS Country Brief for Armenia 2009-2011 dated November 2008. For TAM, priority sectors with growth potential are broadly identified (tourism, manufacturing, services, food processing and ICT). BAS is to focus on smaller companies and companies outside of the capital, while advancing its BAS general objective of developing the local consultancy market. Linkages with Banking are foreseen through creating a project pipeline for direct investments (identification of potential pipeline, pre-investment advisory, candidates for non-executive board members), and through expected linking of MSMEs in need of finance to local PFIs of the EBRD.

The 2012 EBRD Strategy for Armenia identifies the financial sector and access to finance as one of its priorities, with focus on providing its traditional SME and micro-finance lines targeting areas outside the capital city and facilitate access to credit for SMEs in rural areas. SBS is integrated within the Industry Commerce and Agribusiness (ICA) sector operational response through: a) ETCI/BAS financial management and reporting programme to improve the quality and transparency of financial reporting of local enterprises; and b) provision of advisory and development of the local consultancy market to enhance competitiveness of the SME sector. The Strategy notes that:

> "With funding from the EU's Eastern Partnership, SBS will focus on SMEs in agribusiness and ICT, exporters, and those located in the regions. Planned operations will strengthen performance and sophistication in areas such as managerial skills, marketing, human resources and environmental management." (Board Final, approved on 29 May 2012, page 19)

The Assessment of Transition Challenges in Annex 2 rates the MSME sector challenges as medium for both market structure and institutions/policies.

Separate SBS annex refers to EBRD's operational priorities in general terms, and broadly sets out priority sectors for EGP. It also refers to the financial management and reporting programme and improving clients' access to finance through the Banks' PFIs and external sources in Armenia.

The 2015 Strategy for Armenia (Board final, approved on 25 November 2015) does not present a separate SBS annex but SBS is further integrated in the strategy itself, within its first thematic priority

> 'Enhancing private sector competitiveness by strengthening capacity, increasing corporate transparency and improving the business environment'.

The EBRD intends to strengthen its assistance to MSMEs that strive to be more transparent and competitive through a combination of finance and advisory services. Indirect financing through PFIs remains the cornerstone of the EBRD's strategy, including credit lines for energy efficiency and for women-led businesses. The latter should be strengthened through the Women in Business (WiB) Programme implemented also by SBS. SBS-related indicators are included in the related results framework of the Strategy, linked to the objective of improved competitiveness, while SBS indicators are not linked to the access to finance objective. SBS is also included within the technical assistance section of the second thematic priority '*Developing capital markets and promoting local currency financing*', to provide assistance on the implementation of investor outreach on corporate governance, management and transparency.

The TAM/BAS Programme Strategic Plan 2011 – 2015 (TAM/BAS Programme Strategic Plan 2011 – 2015) does not discuss Armenia individually but does consider priorities at the level of Early Transition Countries (ETCs). For both TAM and BAS, close cooperation with ETCI is envisaged with respect to the direct finance targeted at medium sized companies. Especially TAM as a source of pipeline for DIF and DLF, while BAS would also support the needs of Banking clients more closely – an example is the development of ETCI programme to improve financial literacy.

The annual SBS Business and Operational Plans discuss the operational priorities of SBS along the lines of types of advisory to be provided, and broadly also the sectors of client companies. One focal area presented in all Operational Plans from 2011 to 2015 is the cross-cutting initiative (later renamed specific initiative) on Energy Efficiency promotion, both in the type of advisory projects implemented and in the development of local consultancy capacities via MDAs. Nevertheless, this area shows some disconnect between the strategic and operational SBS planning. While the SBS annex in the 2009 Strategy notes that:

> "TAM/BAS energy efficiency training qualifies companies that attended the

> course for EBRD energy efficiency credit lines, when one is established" and "TAM/BAS should promote measures to increase energy efficiency in production and reduce environmental pollution" ((Final), page 56)

the corresponding SBS Annex of 2012 EBRD Strategy for Armenia does not mention energy/resource efficiency at all. Similarly, none of the SBS Business Plans for Armenia identify energy efficiency as a priority or focal cross-cutting issue.

With respect to access to finance, all the Operational Plans contain a section on external finance and banking linkages, which focus on increasing integration of the SBS team activity within the resident office, helping to develop its pipeline through referrals, and linking clients to EBRD PFIs where possible. As of Operational Plan 2014, the Accounting Improvement Programme is also included, focusing on bankability of clients through the improvement of their financial reporting and management.

Overall, in Armenia SBS strategic planning has been well aligned with the EBRD Country Strategies over the period under evaluation. This has been facilitated by the status of Armenia as an ETC country where the EBRD focuses on work with SMEs through direct and indirect finance, and recognises the value of SBS in contributing to the building of the competitiveness in the sector, and to the development of its own pipeline. Some discrepancies have been observed in terms of sectors of interventions, but relevance was broadly ensured.

Implications of donor priorities on SBS strategic planning/prioritisation

In the period under evaluation, the EU has been the key donor to SBS. The EU provided finance for both programmes (TAM and BAS) via its regional 2010 Eastern Partnership (EaP, comprising Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine) SME Flagship Initiative (amended in December 2011 for budget increase). In August 2013 SBS received further regional EU funds through the Neighbourhood Investment Facility (NIF) Phase I, and in 2015 through its Phase II.

Despite the fact that SBS was from the point of view of the EU part of a large 'SME Flagship Initiative' in the EaP, the description of the SBS Programme in the 2010 contribution agreement represents the standard description of TAM/BAS objectives and activities, including the usual indicators of success, not tailored to accommodate specific donor priorities. The contribution agreement refers to the SME Flagship Initiative only briefly, in that SBS will '*seek to coordinate and create synergies*' with relevant EU projects in the region, particularly East-Invest and SME Facility, and '*common meeting may be organised*' to coordinate activities. No particular priorities were identified in terms of sectoral or geographic areas of SBS work. In cross-cutting issues, the agreement notes that:

> "[s]pecial priority will be given to supporting young IT companies, women entrepreneurs, rural development, energy efficiency and environmental projects".

While women entrepreneurship, rural development and energy efficiency/environmental management are standard SBS cross-cutting themes, reference to young IT companies is uncharacteristic. Nevertheless, this priority did not appear in any of the SBS Operational Plans in the period under evaluation.

The agreement also established a Steering Committee for the (regional) programme, to be organised twice a year as a formal process for influencing the planning and implementation of the Programme. The Steering Committee consisted of representatives of SBS, the European Commission and local authorities and it was tasked with: i) programme steering and coordination; ii) verifying and approving programming proposals; and iii) assessing reports on implementation. The Steering Committee could also take decisions on programme alterations.

The following EU NIF contribution agreement in 2013 also did not present any specific priorities, but the description of the SBS Programme shifts to considerably more pronounced focus on access to finance both in the rationale of the Programme and in its objectives. Where the 2010 agreement did not make any link to financing of SMEs throughout, the 2013 one includes improved access to finance as first of its specific objectives, describes EGP aim as '*prepare companies for investment*' and BAS as '*improving access to finance*', and frames the SBS Programme as a whole through this lens:

> "In order to foster growth and competitiveness of local SMEs, SBS focuses on improving clients' access to finance by working with EBRD's bankers, [European Fund for Southeast Europe] EFSE partner lending institutions, EBRD partner banks and other financial intermediaries serving MSMEs in the countries."

SBS assistance is to include: i) reducing information barriers on access to finance; ii) pre-investment support for direct financing; iii) pre-investment support for indirect financing; and iv) simultaneous or post-investment support. Correspondingly, the monitoring indicators include also targets for assisted enterprises receiving external investment. The agreement maintains the function of the Steering Committee for the regional programme.

The 2015 EU NIF contribution agreement builds up on the previous implementation, and adds focus on the Deep and Comprehensive Free Trade Area (DCTFA) related activities for the EaP countries where relevant (Georgia, Moldova, Ukraine, not the case of Armenia). It notes that the:

> "Action is expected to build on the programmes currently being funded by the EU under the SME Flagship Initiative but with greater focus on helping SMEs to access financing as well as supporting DCFTA implementation in the private sector."

It maintains the regional programme Steering Committee, which should now also ensure coordination with financing institutions, and other SME Flagship stakeholders and provide guidance on priority sectors or types of interventions. In addition, the agreement establishes a yearly progress meeting at country level to guide and coordinate activities in each country.

The 2015 contribution agreement also makes a reference to upcoming complementary financing of the programme from EU's national (as opposed to regional) programme for Armenia. This agreement was not finalised before the end of the period under evaluation.

Overall, the EU financing of the SBS programme in Armenia did not have major implications on the strategic planning and prioritisation of the SBS in the country. The donor's increased focus on access to finance for SMEs within the broader context of other EU-funded components of its SME Flagship Initiative coincided with SBS's own move towards more integration with Banking and intensified attention to SME financing. The EU ensured the establishment of the programme Steering Committee at regional level as a formal tool for prioritisation and coordination of SBS with other stakeholders' activities.

Consistency of SBS strategic planning/prioritisation with country needs

The Ministry of Economy and the Small and Medium Entrepreneurship Development National Center (SME DNC) are Armenia's main institutions responsible for SME development. However, for most of the period under evaluation there was not a national SME Strategy in Armenia. The Ministry was in charge of the development of SME policy, based on the Law on State Support and the Concept for SME Development Policy and Strategy (2000). A Medium-Term Financial Programme was developed every three years and an Annual State Programme for Small and Medium Entrepreneurship State Support included a detailed list of projected initiatives with implementation timelines (OECD, et al. (2012), SME Policy Index: Eastern Partner Countries 2012: Progress in the Implementation of the Small Business Act for Europe, OECD Publishing.)

In the absence of a medium-term SME Strategy, SME development was addressed in Armenia's main economic development document, the Armenian Development Strategy 2014-2025 (Annex to RA Government Decree # 442 - N on 27th of March, 2014: Armenia Development Strategy for 2014-2025). The objective with respect to SMEs is to increase the share of SME value in GDP from 40 to 60 per cent by 2025, and to improve the labour productivity of SMEs 2-3 times by the same year, contributing also to the increase of SME share in the country's exports. The main instruments for direct SME support revolve around improved access to finance, capacity building and skills development, and also the capacity development of companies rendering business services.

In October 2015 the national SME Strategy for the period 2016-18 was finally adopted.[1] The SME Strategy is organised around the ten principles of the Small Business Act for Europe, and was prepared with donor support.[2] Among its strategic objectives are: improving access to funding for SMEs; promotion and development of entrepreneurial capacity/culture; and increasing the internal and external competitiveness of SMEs (including standardisation, export capacity and provision of professional consulting services). The Strategy also specifically addresses the need to promote women's entrepreneurship.

SBS activities have been consistent with the SME policy of the Government and its development strategy in terms of SME sector. SBS also remains relevant within the scope of the 2015 medium-term SME Strategy objectives. The coordination of activities in the sector is largely the task of SME DNC which is ensuring complementarity of programmes and support delivery. During the interview held by the evaluation team during the mission to Armenia, SME DNC also confirmed the relevance of SBS activities, including its fit within the local and international programmes. On the donors' side, coordination is largely driven by the EU, under whose SME Flagship Initiative the SBS has been implemented (see 0). The importance of SBS and the unique nature of its services within the donor landscape have also been confirmed by consultants and the consultants' association, and by individual clients whose needs were addressed by BAS.

Given the broad parameters set by the contribution agreement with the EU, the prioritisation of the SBS Programme is based on the deep knowledge of the SBS team of the local context and consultation/coordination with key local stakeholders. Elements of local context analysis are present in the TAM/BAS Country Brief for Armenia 2009-2011, the SBS Annexes to the EBRD Country Strategies, and SBS annual Business and Operational Plans. However, these documents provide information about the context and local needs in a rather cursory manner, and rarely provide more detailed information for example on the fit and synergies of SBS within the broader SME Flagship Initiative (if any) or on the implications of ADB's concurrent support to the women entrepreneurship sector, including working with some of the same PFIs. Similarly SBS progress reports to the donors are largely activity-oriented and do not offer a comprehensive overview of the relevant developments in the sector context, challenges faced by the SBS Programme, or an analysis of changing needs at country level.

This can be mostly considered a presentation/communication issue, as the knowledge exists within SBS and is underpinned among other by its own survey of consultants (Annual Consultant Review – ACR), EBRD/SBS contributions to the development of OECD-led comprehensive assessments of the Small Business Act across all EaP countries,[3] EBRD BEEPS

[1] Annex to the Protocol Decision No 44 of the RA Government Session of October 1, 2015; Strategy for Small And Medium Entrepreneurship Development 2016-2018; http://www.mineconomy.am/eng/38/gortsaruyt.html

[2] OECD/European Union/EBRD/ETF (2015), SME Policy Index: Eastern Partner Countries 2016: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris.

[3] Most recently: OECD/European Union/EBRD/ETF (2015), SME Policy Index: Eastern Partner Countries 2016: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris

survey, EBRD SME-related policy dialogue via the SME Development Council and the Business Support Office (BSO), and SBS frequent interaction with key stakeholders (listed for example in donor reports), and is facilitated by the relatively small size of the country which allows personal connections with key stakeholders in the country. Nevertheless, according to the donor, improved strategic and analytical presentation of the programme might be required within the context of the upcoming national EU funding.

In summary, SBS activity in the country is consistent with the country's strategic objective for the SME sector and reflects the needs of both SMEs and of local providers of business advisory services. It is also well integrated within the landscape of donor-funded programmes and able to coordinate with key stakeholders.

Has the SBS programme delivered demonstrable and sustainable results in its countries of operations?

Improved performance and competitiveness

Improved performance and competitiveness of individual client SMEs is an important goal of all SBS projects and one that is comprehensively tracked through a number of indicators data which are collected before and after project and also at one year after project completion. Aggregate performance of clients across these indicators is reported in various donor reports (therefore usually at 'donor-level' rather than country level), and selectively it has also been reported in some SBS Business and Operational Plans. The most prominent indicators are increases in turnover and number of employees. In addition, a number of other indicators are tracked, sometimes specific to the project's objective (for EU-funded projects these were reported at regional (EaP) level in progress reports for most of the period).

Aside from collecting data on key indicators, the SBS self-evaluation at one year after completion also assesses the projects against criteria of effectiveness, efficiency, relevance and impact, arriving to an overall success rating (on a scale 0-10 for BAS, and 0-5 for EGP). According to the data available, projects under both programmes score very high in these assessments (table 2 below)

Annex 5, Table 2: Armenia – BAS and EGP self-evaluation final scores

BAS evaluations			EGP evaluations		
BAS final rating	Projects	%	EGP final rating[4]	Projects	%
Highly Successful (rating 10)	78	30%	5	0	0%
Successful (rating 8-9)	167	65%	4	9	100%
Satisfactory (rating 5-7)	11	4%	3	0	0%
Unsatisfactory (rating 0-4)	0	0%	2	0	0%
			1	0	0%
Total	256	100%		9	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

For EGP, which implements much lower number of (more complex) projects than BAS, performance indicators are available but only for a total of nine evaluated projects (out of 19 initiated), affecting the significance of average values. Nevertheless, out of the nine clients, six reported positive turnover growth and over a half reported positive employee growth.

Annex 5, Table 3: Armenia – EGP performance indicators

Performance indicator	Median	% of projects with positive growth
Turnover growth	40%	67%
Employees growth	4%	56%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

For BAS, according to the data available to the evaluation team on Armenia there were a total of 256 BAS projects (out of the 362 initiated) for which data were collected one year after completion (i.e. evaluated). As indicated in table 4 below, the most common objective was improvement of management effectiveness (60% of projects), followed by improvement of market performance (34% of projects). The most common type of advisory services provided was information and communication technology (59%), followed by marketing (20%) – see table 5 below.

Annex 5, Table 4: Armenia – BAS projects by objective (evaluated)

Objective	Number of projects	%
To Improve Management Effectiveness	154	60%
To Improve Market Performance	86	34%
To Reduce Costs	5	2%
To Improve Financial Management & Reporting	5	2%
To Introduce Quality Management &	4	2%
To Improve Environmental Management	2	1%
Total	256	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5, Table 5: Armenia – BAS projects by type of advisory (evaluated)

Type of advisory	Number of projects	%
Information Communication Technology	150	59%
Marketing	50	20%
Strategy	36	14%
Organisation	13	5%
Quality Management	4	2%
Accounting and Financial Reporting	1	0%
Total	256	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

For these (evaluated) projects the data on the growth of their turnover and the number of employees before and one year after the project completion are available. While some outliers are indicative of some data input inconsistencies, the median values and the distribution of values provide an insight into the developments of BAS clients.

[4] The final rating for EGP projects is done to two decimal points. Here, the ratings were rounded to the nearest integer.

Annex 5, Table6: Armenia – BAS performance indicators

Performance indicator	Median	% of projects with positive growth
Turnover growth	29%	94%
Employees growth	8%	56%
Productivity (Turnover/employees) growth	19%	87%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

The median turnover growth was 29%, and 94% of clients recorded a positive turnover growth. The largest density segment was for turnover growth between 20 and 30%, recorded by 19% of clients (see table 15 below). The median growth in the number of employees was 8%, with 56% of clients having positive growth and another 36% reporting zero growth. Competitiveness measured by productivity (turnover per employee), grew positively in 87% of clients, by a median value of 19%.

SBS reported these (and other selected) performance indicators in its progress reports to the donor. As already mentioned, these reports are activity and data-oriented and lacking discussion of the extent of the contribution to the achievement of results and related indicators (which seems to be taken for granted). In addition, in the case of Armenia, the reports were also fragmented by donor (EU, EBRD SSF, ETCF) while aggregated by region (EaP). This means that most of the reports to the main donor (EU) presented data only on projects funded by the EU funds aggregated across the whole region. While the disaggregation by donor funds probably did not make a significant difference, given that the EU covered the vast majority of funding at least in Armenia, the presentation of performance data averaged across the six EaP countries conceals the differences between them. Only in the last available progress report to the EU (dated November 2015) data are separated country by country. However, the opportunity to comment on the differences between the six countries in the same region and explain the contextual factors and local challenges causing them is not exploited. Such qualitative analysis would help understand the influence of local factors on the post-project performance of the clients and thus also provide more grounds in assessing the extent of the contribution of the projects themselves in the developments. Without this type if information the evaluation of the extent of the contribution of SBS to the observed growth is made more difficult.

Clients are carefully screened and selected by the SBS team, so their viability and growth path as well as commitment and motivation to make changes are a prerequisite for project implementation. These elements are reinforced by the added value of the SBS advisory projects in terms of performance improvements, as confirmed with strong confidence by most SBS clients interviewed during the evaluation mission in Armenia. This was especially observed for aspects of management effectiveness (often through implementation or upgrades of information systems) and market performance through marketing or standardisation tools. Apart from the impact on their businesses' performance and prospects, clients were also almost universally positive about the processes and approach of the SBS team and the support that SBS provides during project implementation.

Since 2011, energy efficiency and environmental management were included as a cross-cutting initiative (later renamed specific initiative) for Armenia, supported also by collaboration with E2C2 (see below). The Operational Plans for 2011 and 2012 included a target of 10% of (BAS) projects to be started with this focus, and this area was also included in the grant guidelines matrix for higher subsidies. The Operational Plans for 2014 and 2015 included a target for five and three projects to be started respectively. These indicators were not retrospectively reported on, but according to the data available to the evaluation team from the BAS MIS, they were considerably underachieved. In fact, only four projects (out of 362 initiated) have been implemented in this area over the whole period under evaluation – two categorised as environmental management (in 2011 and 2012) and two as energy/resource efficiency (in 2014 and 2015). The Operational Plan for 2013 also mentions cross-referencing of BAS beneficiaries to available financing through the Sustainable Energy-efficiency Financing Facility (SEFF) but this has not been reported on and given the almost non-existent BAS implementation in the sector is unlikely to have been implemented.

Focus on women's entrepreneurship was also a cross-cutting issue for Armenia throughout the period under evaluation. The Operational Plans for 2011 and 2012 included a 10% target on gender-focused projects, while the Operational Plans for 2014 and 2015 had a target of 15 projects under the new Women in Business Programme. According to the data available, the targets were overachieved overall, with 108 projects (out of 362 initiated) marked as having a gender aspect. From the overall number, by mid-2015, 10 projects were launched in Armenia under the Women in Business Programme, which combines EBRD financing provided via dedicated credit lines with non-financial toolkit provided by SBS in the form of: basic diagnostic services; the entrepreneurial skills development trainings; advisory projects; ongoing business coaching; mentoring; and networking opportunities for eligible enterprises. By the end of 2015 the financial component of the WiB Programme was not in place yet in Armenia, while positive feedback was received on the additional mentoring opportunities both from a client and from the SME DNC, who identifies the mentoring and the networking activities as a strong value added within the local context. (Further information on the WiB programme is in the respective thematic study of this report, Annex 9.)

Differences in availability and quality of local business advice between the capital city and the regions have been recognised as a justification for increased focus for SBS on working with clients in rural areas. This was reflected in the grant guidelines matrix throughout the period, where rural SMEs were awarded larger grants, and also as a specific cross-cutting issue in the Operational Plans for 2011 and 2012, which set the target as 40% of project to be in rural areas. According to the data available, 89 (out of 362 initiated) projects were marked as rural. For the initial two years, where targets existed, the proportion was 43 (out of 172), i.e. about 25%.

Overall, while it is not possible to quantify the contribution of the SBS projects to clients' improved business prospects, clients and other key stakeholders express confidence over the positive impacts of SBS advisory services on the performance and competitiveness at SME level. SBS also targeted important development segments such as women's entrepreneurship and energy efficiency. Nevertheless, the example of energy efficiency also shows that SBS has limited ability to create market where awareness and appetite are weak, and its targets in this respect were perhaps too ambitious.

Improved access to finance

According to the OECD-published SME Policy Index, access to finance continues to be a challenge for SMEs in Armenia, with high collateral requirements posing a significant problem. Required collateral has increased substantially (60 percent in 2009 to over 200 percent in 2013), and bank financing decreased from 21.7% to 9.5%– well below the regional average. SME access to finance is dominated by bank lending and some targeted support schemes for young enterprises and agricultural producers. Alternative sources of finance are not fully developed yet and could benefit from a stronger legal framework.[5]

The last World Bank Enterprise survey for Armenia (2013) indicates that the percentage of firms using banks to finance investment is 12% for small, 19% for medium and 27% for large businesses, and this indicator is also significantly lower for SMEs compared to the regional average (Eastern Europe and Central Asia, 21%, 27% and 33% respectively). Small businesses are also more likely to be rejected when applying for a loan (6.5% compared to 0% for both medium and large firms). The proportion of firms identifying access to finance as a major constraint is 24%, 29% and 24% for small, medium and large businesses respectively.

The EBRD/OCE Assessment of Transition Challenges (2014) in the MSME sector considers the challenges to be *medium* in both market structure and market institutions, and specifies key challenges as: (i) expanding local currency bank finance to SMEs; (ii) developing alternative financial instruments for SMEs such leasing and equity capital; (iii) improving institutional environment that supports lending to SMEs such as enforcement of creditor rights.

As discussed above in section 0, the EBRD Country Strategies for Armenia focus on support to SMEs both through direct and indirect finance, and consider SBS a useful tool to assist in the improvements of SME competitiveness and bankability, and potential source for the Banking investment pipeline and linking SMEs to PFIs. The emphasis was on strengthening links of the SBS with the Banking team, and also on advisory product aiming at financial management and reporting improvements in SMEs. The SBS annual Operational Plans contain a section on 'External finance & Banking linkages', which were broadly the same each year, focusing on cross-referrals with Banking and linking SMEs to PFIs. Corresponding monitoring indicators for these areas were included (yet not reported on, with the exception of the Operational Plan for 2013).

[5] OECD/European Union/EBRD/ETF (2015), SME Policy Index: Eastern Partner Countries 2016: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris.

With respect to the objective of improved financial reporting and management, the TAM/BAS Strategy 2011-15 referred to a programme:

> "under preparation with the ETC Initiative to improve the financial literacy of SMEs in the region. This will include the provision of grants to support enterprises to introduce adequate financial reporting systems and, in parallel, the training of local accounting firms in the preparation of consistent, transparent financial statements for SME clients" (page 8)

The BAS Operational Plan for 2011 refers to the ETC Financial Reporting and Management Programme (ETC FRMP) as an objective for the year's implementation and includes two targets (five consultants approved for FRMP and three assignments approved under FRMP). Nevertheless, the following 2012 Operational Plan does not mention FRMP (or targets any more), and neither does the one for 2013. Only in the SBS Operational Plan for 2014 the priority re-appeared, as one of the special initiatives, renamed to Accounting Improvement Programme (AIP). The target was for one project to be implemented in the year, and for the first time 'Financial reporting' also appeared in the grant guideline matrix as a priority type of advisory, with the highest possible grant contribution (75%).The same target for AIP (one project) was also included in the SBS Operational Plan for 2015.

While no reporting is available on the first target in 2011 (three FRMP projects implemented), according to the data provided by the BAS MIS no projects on financial reporting were actually implemented in Armenia in 2011-2012. In the second half of the period under evaluation, a total of three projects were implemented under AIP, two of which with the same company. The company subsequently received a loan through the Medium-Sized Co-Financing Facility (MCFF) in 2014 of US$8.6 million. This client had been supported by SBS over a long period – its first BAS project was implemented in 2008, and in addition to the two BAS AIP projects (2013, 2014), two EGP projects were also implemented (2010, 2012). The total donor/grant funding for these five SBS projects with a single client amounted to almost €150 thousand. The other client of AIP has not yet been linked to any external finance according to the data available.

As for the training of local accounting firms, foreseen in the TAM/BAS Strategy 2011-15, no records of that have been found for Armenia. Nevertheless, SBS has been cooperating with World Bank-implemented (EU-financed) programme STAREP (Strengthening Auditing and Reporting in Countries of the Eastern Partnership), and according to donor reports, one joint event was organised in December 2014 in Kiev, Ukraine (a seminar for local consultants and SMEs on the benefits of implementation of IFRS for SMEs).

The donor reports to the EU provide aggregated figures on clients' acquiring external finance, as self-reported at one year after project completion. The last progress report available (dated November 2015) notes that out of 740 BAS projects under the EU financing (over the entire EaP region), 19% received external investment, with a total amount of almost €53 million. This figure aligns well with the data available to the evaluation team (see table 14). Nevertheless, there are significant country differences within the region. According to the data available to the evaluation team, for Armenia the figure is similar to the regional average (20% of BAS clients report access to finance at one year after project completion), but the interval stretches from 5% for Belarus (followed by 6% for Azerbaijan) to 32% for Moldova. The report does not offer any explanations for the differences, or analysis of the challenges in different countries and the strategies to tackle them. It only notes that:

> "Access to finance efforts are hindered by complication of economic and political situation in some countries such as the military conflict in Ukraine or banking sector challenges in Moldova"

– yet, Moldova is the country with the highest rate, and Ukraine is at about average with 18%.

As for BAS contribution to these figures, it is difficult to ascertain what percentage of client SMEs would not have accessed finance without the SBS project – some projects surely contributed to company growth (see 0), possibly leading to increased need for finance, while others improved 'bankability' with improvements in financial reporting and management, or business strategy. Reports also make references to SBS building relations with local partner banks of the EBRD. Specifically for Armenia, one progress report to the EU (October 2014) notes a presentation of SBS to the Union of Armenian Banks, and 12 meetings with individual PFIs having been held. It also adds that referrals were made of clients either directly or through qualified consultants. The EBRD 2015 Strategy for Armenia, looking back at the past strategic period with respect to credit lines, reads:

> "a key aspect of the Bank's efforts to broaden access to finance for SMEs has been through targeted credit lines. However take-up, particularly for energy efficiency, has been slow." (page 9) and with respect to BAS contribution to direct financing: "While BAS has been highly effective in preparing potential clients for EBRD direct financing, and the resulting impact from direct investment is high, it is also a significant drain on the Bank's limited resources." (page 10)

The target for the share of clients obtaining finance in Armenia was 45% (quoted in the SBS Business Plan for 2014), which seems to have been underachieved. Moreover, according to the data available to the evaluation, out of the 55 evaluated companies, which reported obtaining access to finance within a year, only seven reported this as indirect EBRD finance (five via microcredit institutions, two via commercial banks; see also table 13). As mentioned above, expected cross-referrals of BAS clients to the Sustainable Energy-efficiency Financing Facility (SEFF) did not materialise either.

The Women in Business Programme, which by design intends to more systematically link SBS activities on access to know-how with SMEs' access to finance through PFIs had been implemented since January 2015 only in its SBS (advisory) component in Armenia, as no PFI have signed dedicated credit lines with the EBRD by the end of 2015. It is therefore not possible to comment on its contribution to improved access to finance within the period under evaluation. (Further information on the WiB programme is in the respective thematic study of this report, Annex 9.)

According to the data available to the evaluation team, for EGP seven out of nine evaluated projects reported some access to finance, out of which three directly via the EBRD instruments (DLF, DIF). The last progress report to the EU (dated November 2015) reports that 60% of 'evaluated and completed' EGP clients attracted external financing. According to the interviews held during the evaluation mission, the more intensive focus on finding clients of potential bankability is also due to the closer involvement of Banking and the direct co-approval by the EBRD Head of Office in Yerevan of all EGP.

SBS has also contributed to the availability of consultancy services by organising training in 2014 for consultants on the preparation of management presentation and investor factsheets for companies to be able to attract investment. In the upcoming period, the EU will most likely also support an EBRD equity fund in Armenia with a risk-sharing mechanism.

The interviews with some SBS clients during the evaluation mission revealed that there are difficulties in obtaining access to finance, citing high interest rates and high demands on collateral as the main reasons. Some clients had obtained loans subsidised by the SME DNC. One EGP client had expectations of future partnership with the EBRD Banking. Some clients did not currently have need to obtain external financing. One BAS client, who implemented a project in the area of energy efficiency in the agribusiness sector, emphasised the critical role of the consultant in obtaining the finance for the implementation of the energy efficiency measures (the same client also obtained equity investment from an international investor, and access to further subsidies for energy efficiency improvements).

Overall, SBS in Armenia made progressively strengthened efforts to facilitate SME access to finance. Links to EBRD finance, both direct and indirect, have been seen as important in the ETC context where the EBRD primarily works with SMEs in the business sector. SBS BAS maintained links to PFIs and in the latter years implemented projects of finance reporting improvements. Yet, the reported access to specifically EBRD-sourced indirect finance remained very low. EGP clients report substantial degree of access to external finance, including access to direct EBRD finance through available ETCI mechanisms. Gradually improved communication, coordination, and approval processes between SBS and Banking have contributed to this development.

Progress towards sustainable and commercially viable infrastructure (including consolidation of advisory services industry)

According to the 2011 Assessment of Transition Challenges in the infrastructure of MSME support, Armenia faced *large* transition challenges. The review concluded that despite improvements in the previous years, the quality of services was relatively low and local consultants lacked experience and international market insights. There was no professional association in place to support and develop the Armenian consultancy industry, further underlining the low level of maturity of the sector.[6]

Over the period under evaluation, SBS addressed the development of the local consultancy market mainly through its Market Development Activities (MDAs) with the objectives to increase the demand, supply and quality of local business advisory for SMEs and its consolidation. According to the data available, there was a total of 17 MDAs organised with the objectives outlined in Table 7.

Annex 5, Table 7: Armenia – MDA objectives and category[7]

		Number of MDAs
Increase **demand** for local consultancy services		7
	Training	*1*
	Visibility	*6*
Broaden **supply** of local consultancy services		2
	Training	*2*
Improve **quality** of local consultancy services		7
	Training	*6*
	Visibility	*1*
Consolidate the consultancy industry		1
	Visibility	*1*

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

The demand for consultancy services was promoted mostly through visibility events, raising awareness of consultancy and of the SBS Programme. This included official launches of TAM/BAS in the EaP funded by the EU, participation in 'Europe day' events in Armenia, and later on also the roll out of the SBS *Know-How* campaign aimed at promoting the value of external advisory, raising opportunities for SMEs to access professional know-how through SBS, and for consultants to engage in further professional development. The impact of these types of events is difficult to ascertain, but according to stakeholders interviewed, the services of SBS are fairly well known at least among consultants who provide services to the SME sector.

Overall however, the demand of SMEs for external advisory in Armenia is low, with only 6% of SMEs indicating previous use of external consultant, according to the BEEPS V (2013) survey. Over 90% of those who had not used consultants reported 'no need' as a reason, indicating a low level of awareness of the potential benefits. In principle, the implementation of BAS projects as such is also aimed at increasing further demands for SME advisory by introducing SME clients to these benefits, with the expectation that they will procure consultancy on their own in the future. SBS gathers the data on subsequent use of consultants at one year after the completion of the projects. In Armenia, almost 99% of clients reported to have used a consultant within a year. This figure is indeed very high, also compared to other countries where SBS operates – in Georgia it reaches about 23%, in Ukraine 35%, and 46% average across all countries. Regrettably, the SBS reports to the donors do not provide any analysis of the factors behind this achievement in particular. The clients interviewed during the evaluation mission recognised the benefits of the consultants, and would consider hiring consultants on their own in the future should the need arise, with some affordability constraints mentioned. BAS however does not exclusively work with SMEs with no previous consultancy experience, the main objective being the prospect of improved performance.

The supply and quality of local consultancy services has been addressed mainly through training events for local consultants. This included the implementation of core consultancy skills and professional ethics courses (some as regional events organised in another country of the Caucasus), business process optimisation training for HR consultants, and marketing and selling consulting services course. In later years the standardised SBS training series for consultants Grow Your Consulting Business (GYCB) were organised in Armenia. In addition, training was organised for consultants specialised in the area of attracting foreign and private equity investments and partner search.

In relation to the cross-cutting priority for Armenia in promoting consultancy in the energy efficiency sector, training was also organised for consultants in that sector, based on the lack of specialised services available to SMEs. The Operational Plan for 2013 notes:

> "Armenia was selected to participate in energy efficiency pilot project initiated by SBS and E2C2 teams. This will help BAS Armenia to create a pool of qualified resource efficiency consultants through specialised international trainings and to have these consultants apply the best practices in resource efficiency projects."

The development of training content was initiated in 2013, and training was organised in 2015, with further planned for 2016. According to local consultants in the sector, the general awareness of resource efficiency in production is still very low, while the constantly increasing energy prices mean that improvements in the area can have considerable impacts on improved competitiveness of local companies. While there is a broad availability of financing for the purpose from international organisations (including the EBRD), the availability and quality of consultancy services represents a bottleneck (together with still a limited demand for those services – which, as discussed above was also reflected in minimal BAS project implementation in the sector).

With respect to the consultancy industry consolidation, at the beginning of the period under evaluation, there was no formal association of management consultants. In 2011 SBS organised a roundtable for Armenian consultants to discuss professional development, CMC (Certified Management Consultant) certification processes and prospective establishment of a national consultancy association. At the end of 2011 a group of participants to the roundtable followed up with the establishment of the Institute of Management Consultants (IMC). IMC then participated in the development and implementation of courses for consultants in Armenia, leading to the CMCE (Certificate in Management Consulting Essentials) certification.

[6] Assessment of Transition Challenges: The Infrastructure of MSME Support, July 2011

[7] The distribution of MDAs into objectives and categories is given as per the data extract from SBS MIS. It should be viewed as only indicative, as some inconsistencies in the categorisation of MDAs have been observed.

According to the representatives of the IMC interviewed by the evaluation team, SBS support was instrumental in the establishment and capacity building of the association, and trainings for consultants organised with SBS support continue to be an important contribution to the development of the consultancy market in Armenia. Most of all, SBS/EBRD backing is viewed as a guarantee of good quality and professionalism that enhances the credibility of IMC. The key contribution of SBS to the development of the consultancy market in Armenia is also recognised by the SME DNC, especially in terms of the quality of the trainings and the establishment of IMC. The consultants interviewed in the course of the evaluation mission also pointed to the secondary benefits of the training events in networking possibilities and building professional connections.

In summary, while the market for SME consultancy in Armenia remains uneven in terms of supply and quality, and the awareness of SME of the benefits of external advisory is low, SBS has contributed to the improvements in both aspects. It has been instrumental in the establishment of the local consultants' association, and has consistently worked in building the local capacity and improving professionalism.

Progress towards institutional SME infrastructure

The 2011 Assessment of Transition Challenges in the SME sector[8] considered the institutional MSME support structure in Armenia comprehensive with an SME Law envisaging a Strategy, and an Agency in charge of MSME development. Since then, further improvements have been implemented. According to the OECD assessment:

> "the policy framework for SME development in Armenia has been considerably improved since 2012. Noteworthy reforms include a comprehensive guillotine process to streamline business legislation, an expansion of e-government services and the introduction of a one-stop-shop for business registration, the development of financial support measures for innovation, and the creation of an export promotion entity and an export insurance agency."[9]

SME DNC continues to be the main institution providing business, technical and financial services to SMEs in Armenia. Its services include: start-up support, guidance on promotion and branding of products and services, export assistance, provision of business information, consulting and training, and financial support. From 2012, the SME DNC introduced local economic development as a new strategic direction. SME DNC has wide geographical coverage through its 10 regional offices. In 2014, it provided support to 6 200 SMEs, 95% of which were based in the regions. [10]

In Armenia, the EBRD's main instrument for policy dialogue in the area of business environment is the Business Support Office (BSO), established in 2007 with the contribution of donors. The BSO provides technical support to the SME Development Council, which was established in 2011, it is chaired by the Prime Minister of Armenia and includes the EBRD with the presence of the Head of EBRD's Office in Yerevan. The SME Development Council "*serves as a platform for constructive policy dialogue aimed at identifying and resolving key constraints to the SME development*." The BSO, via the SME Development Council, has contributed to a number of improvements in the SME regulatory framework, including simplifications in tax regime or export procedures.

The SBS update to the EBRD Board on 2012 operations mentions the contributions of SBS to the policy dialogue in EaP countries via the OECD Policy index work:

> "SBS Team participated in April 2012 meetings in Kiev of the Organisation for Economic Cooperation and Development (OECD) with national authorities regarding the SME Policy Index. The Steering Committee for SBS' EaP Programme was organised to [precede] the OECD meeting. In October, SBS held its Steering Committee in conjunction with the OECD meeting with EaP national authorities in Batumi, Georgia, where concrete recommendations to improve the business environment were discussed." (SBS - Business Advisory Services and Enterprise Growth Programme 2012 Update and Business Plan for 2013, page 8)

Overall, the SME infrastructure and policy and regulatory environment have further improved over the period under evaluation. EBRD has contributed to these developments mainly through the work of the Business Support Office and policy dialogue platforms such as the SME Development Council. SBS not directly involved in policy dialogue on SME infrastructure but its work has been complementary to those efforts.

[8] Assessment of Transition Challenges: The Infrastructure of MSME Support, July 2011

[9] OECD/EU/EBRD/ETF (2015), SME Policy Index: Eastern Partner Countries 2016: Assessing Implementation of the Small Business Act for Europe, OECD Publishing, Paris; page 207

[10] OECD/European Union/EBRD/ETF (2015), SME Policy Index: Eastern Partner Countries 2016: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris.

Armenia: Sources

Armenia: Interviews

Interviews held for the country case study Armenia are specified in Annex 3, section 2.

Armenia: Key documents consulted

The main documents utilised for the purpose of this case study are listed in the table below. SBS projects' level documentation was provided and consulted as well.

Annex 5, Table 8: List of key documents consulted for the case study - Armenia

Donor, Government & related documents Armenia	
2010	Contribution Agreement for the TAM/BAS Programme in Eastern Partnership Countries between the EU and EBRD
2012	OECD, et al., SME Policy Index, Eastern Partnership Countries 2012, Progress in the Implementation of the Small Business Act
2013	European Union Contribution Agreement with an International Organisation (ENPI/2013/321-953) "Implementation of EBRD Small Business Support (SBS) programmes - Enterprise Growth Programme (EGP) and Business Advisory Services (BAS) - in the Eastern Partnership (EaP) countries Phase I" World Bank/IFC, Armenia Country Profile 2013 ADB, Armenia: Women's Entrepreneurship Support Sector Development Program
2014	Armenia Development Strategy for 2014-2015 Replenishment Agreement #1 Incorporating the Eastern Partnership Sub-Programme between Sweden and EBRD in respect of the EBRD - SIDA Women in Business Account ADB, Armenia: Women's Entrepreneurship Support Sector Development Program, Assessment of needs for business services among women entrepreneurs of Armenia, 2014 EU support to SMEs in the Eastern Partnership countries 2014-2020, The way forward for the SME Flagship Initiative
2015	Government Strategy for Small and Medium Entrepreneurship Development for 2016-2018 European Union Contribution Agreement with an International Organisation (ENPI/2015/360-798) "Implementation of EBRD Small Business Support (SBS) programmes - Enterprise Growth Programme (EGP) and Business Advisory Services (BAS) - in the Eastern Partnership (EaP) countries Phase II"
2016	OECD, et al., SME Policy Index, Eastern Partnership Countries 2016, Assessing the Implementation of the Small Business Act for Europe
EBRD documents Armenia	
2009	EBRD Strategy for Armenia (BDS/AR/09-1 Final)
2012	EBRD Strategy for Armenia (BDS/AR/12-1 Final)
2013	BEEPS Business Environment and Enterprise Performance Survey
2015	Regional: Eastern Partnership Countries Women in Business Programme (FRM) Shareholder Special Fund (SSF) – Regional: Eastern Partnership Countries Women in Business Programme Shareholder Special Fund (SSF) – Regional: Eastern Partnership Countries Women in Business Programme (under Regional: Small Business Initiative - Restructuring and Consolidating EBRD Operational Facilities for SMEs) EBRD Strategy for Armenia
SBS documents Armenia	
2008	TAM/BAS Country Brief for Armenia
2011	BAS Armenia Operational Plan 2011
2012	BAS Armenia Operational Plan 2012
2013	BAS Armenia Operational Plan 2013
2014	SBS Armenia Operational Plan 2014
2015	SBS Armenia Operational Plan 2015
2016	SBS Armenia Operational Plan 2016
Reports to donors Armenia	
2011	TAM/BAS Programme in Eastern Partnership Countries, Progress report to the EU, July 2011
2012	EGP and BAS Programmes in Eastern Partnership Countries, Progress report to the EU, January 2012 EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, July 2012
2013	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, January 2013 EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, March 2013 EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, August 2013
2014	Women in Business Programme in the Eastern Partnership, Report to the Sweden and ETCF, May - September 2014

	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, October 2014
2015	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, January 2015
	Women in Business Programme in the Eastern Partnership, Report to Sweden and ETCF, October 2014 - March 2015
	EBRD Small Business Support (SBS) programmes – Business Advisory Services (BAS) and Enterprise Growth Programme (EGP) – in Eastern Partnership Countries, Progress report to the EU, November 2015

Armenia: SBS portfolio

Annex 5, Table 9: Armenia – EGP projects

Start year		# of projects	€ committed	€ client contribution
2011		**6**	**254,133**	**14,500**
	Completed	1	40,142	0
	Evaluated/ Closed	5	213,991	14,500
2012		**4**	**166,376**	**39,218**
	Completed	2	107,729	33,353
	Evaluated/ Closed	2	58,647	5,865
2013		**3**	**115,000**	**11,500**
	Cancelled	1		
	Started/ On-going	2	115,000	11,500
2014		**5**	**289,500**	**52,950**
	Started/ On-going	5	289,500	52,950
2015		**1**	**57,500**	**5,750**
	Started/ On-going	1	57,500	5,750
Grand Total		**19**	**882,509**	**123,918**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5, Table 10: Armenia – SDAs

	#	Budget €
2014	1	0
Grand Total	**1**	**0**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5, Table 11: Armenia – BAS projects

Start year		# of projects	Total project cost €	BAS Grant €
2011		**90**	**683,259**	**372,266**
	Evaluated	90	683,259	372,266
2012		82	604,955	359,453
	Evaluated	82	604,955	359,453
2013		**68**	**514,517**	**300,495**
	Completed	1	17,640	4,410
	Evaluated	67	496,877	296,085
2014		**77**	**583,639**	**334,063**
	Completed	58	449,461	252,973
	Ongoing	19	134,178	81,090
2015		**45**	**338,835**	**215,813**
	Completed	31	238,290	151,939
	Ongoing	14	100,545	63,874
Grand Total		**362**	**2,725,205**	**1,582,089**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5, Table 12: Armenia – MDAs

Start year	# of MDAs	Sum of Funds committed on MDA contract/GE (€)
2011	4	2,650
2012	5	43,976
2013	6	50,376
2014	7	57,062
2015	1	27,920
Total	**23**	**181,985**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Armenia: Performance indicators

Annex 5, Table 13: Armenia – Access to finance data of BAS clients

Year of project/ Type of investment	# of projects	Sum of Investment Amount (€)
2011		
External - Leasing companies	1	42,000
External - Microcredit (only loan)	2	19,600
External- Bank	19	7,014,227
Indirect - Microcredit (only loan)	2	18,200
2012		
External - Microcredit (only loan)	7	124,000
External - Microfinance (loan + deposit + other)	1	9,500
External- Bank	7	1,073,000
Indirect - Microcredit (only loan)	3	94,000
2013		
External - Microcredit (only loan)	6	93,000
External- Bank	3	27,000
Indirect - Bank	2	8,610,000
2014		
External - Microcredit (only loan)	2	25,000
Total	55	17,149,527

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5, Table 14: EaP – Access to finance of BAS clients

	All projects				ENEB & ECEP only (EU EaP funding)			
	Evaluated projects	a2f reported	% of projects	Total amount (€)	Evaluated projects	a2f reported	% of projects	Total amount (€)
Armenia	258	55	21%	17,149,527	205	41	20%	2,668,027
Azerbaijan	188	13	7%	22,580,000	142	9	6%	3,590,000
Belarus	37	2	5%	19,500,000	37	2	5%	19,500,000
Georgia	178	33	19%	16,782,719	148	26	18%	8,409,030
Moldova	185	59	32%	16,503,233	69	22	32%	8,942,500
Ukraine	172	28	16%	9,267,977	121	22	18%	8,404,662
Total	1,018	190	19%	101,783,456	722	122	17%	51,514,219

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5, Table 15: Armenia – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients

Interval upper limit (included)*	Turnover	Employee	Productivity
-1.00	0	0	0
-0.90	0	0	0
-0.80	0	0	0
-0.70	0	0	0
-0.60	0	0	1
-0.50	1	1	2
-0.40	0	1	1
-0.30	0	1	1
-0.20	2	2	2
-0.10	4	9	9
0.00	8**	99**	17**
0.10	30	24	49
0.20	39	48	49
0.30	49	41	43
0.40	46	12	31
0.50	21	2	18
0.60	11	2	6
0.70	9	5	4
0.80	6	2	3
0.90	4	0	1
1.00	3	1	2
1.10	1	1	1
1.20	1	0	0
1.30	3	0	1
1.40	0	0	1

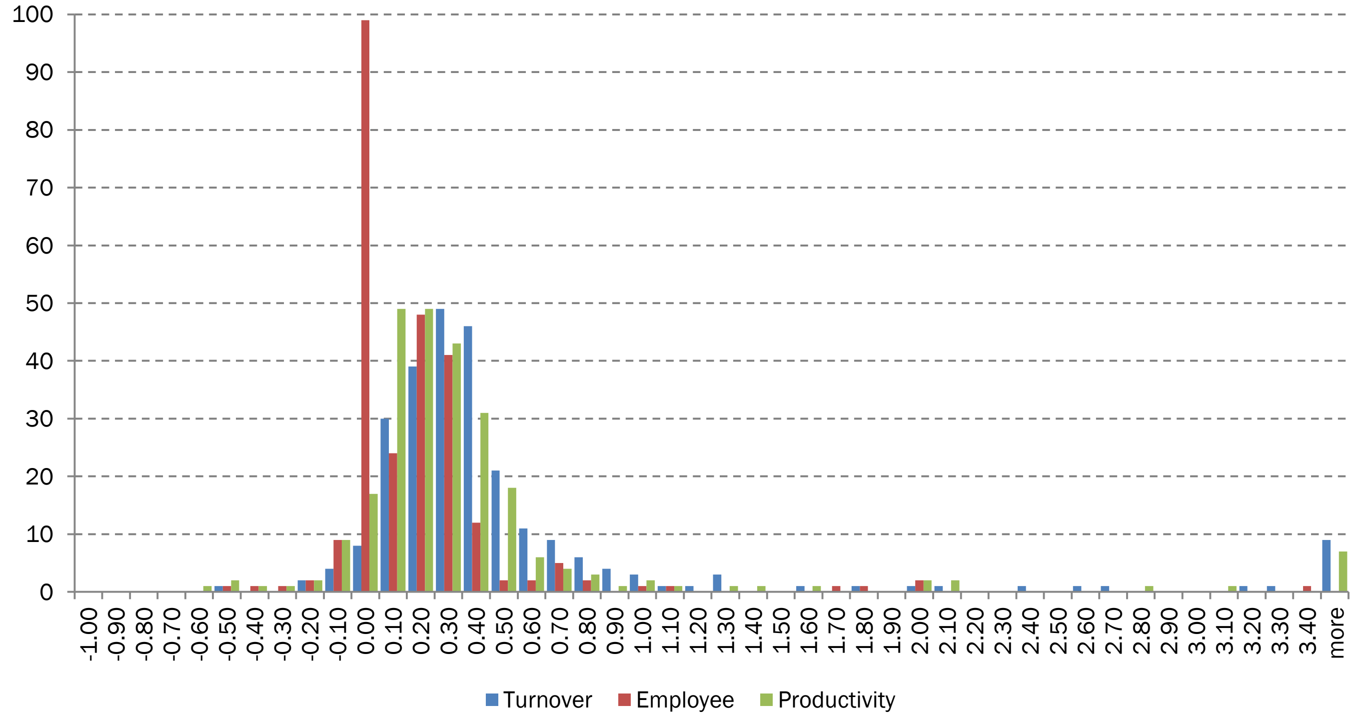
Interval upper limit (included)*	Turnover	Employee	Productivity
1.50	0	0	0
1.60	1	0	1
1.70	0	1	0
1.80	1	1	0
1.90	0	0	0
2.00	1	2	2
2.10	1	0	2
2.20	0	0	0
2.30	0	0	0
2.40	1	0	0
2.50	0	0	0
2.60	1	0	0
2.70	1	0	0
2.80	0	0	1
2.90	0	0	0
3.00	0	0	0
3.10	0	0	1
3.20	1	0	0
3.30	1	0	0
3.40	0	1	0
more	9	0	7
Total	256	256	256

*) Note: A data point is included in a particular bin if the number is greater than the lowest bound and equal to or less than the greatest bound for the data bin.

**Out of which zero growth: 5, 93, 5 clients respectively

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 5, Figure 3: Armenia – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients (number of projects)



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Armenia: Operational plans vs committed resources

BAS Armenia																		
	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ
2011	**65**	**90**	**25**	**611,000**	**683,259**	**72,259**	**305,500**	**372,266**	**66,766**	**4,700**	**4,136**	**-564**	**305,500**	**310,993**	**5,493**	**50.0%**	**45.5%**	**-4.5%**
Evaluated		90			683,259			372,266						310,993				
2012	**65**	**82**	**17**	**611,000**	**604,955**	**-6,045**	**305,500**	**359,453**	**53,953**	**4,700**	**4,384**	**-316**	**305,500**	**245,503**	**-59,998**	**50.0%**	**40.6%**	**-9.4%**
Evaluated		82			604,955			359,453						245,503				
2013	**60**	**68**	**8**	**545,450**	**514,517**	**-30,933**	**300,000**	**300,495**	**495**	**5,000**	**4,419**	**-581**	**245,450**	**214,022**	**-31,428**	**45.0%**	**41.6%**	**-3.4%**
Completed		1			17,640			4,410						13,230				
Evaluated		67			496,877			296,085						200,792				
2014	**73**	**77**	**4**	**645,000**	**583,639**	**-61,361**	**370,000**	**334,063**	**-35,938**	**5,068**	**4,338**	**-730**	**275,000**	**249,577**	**-25,424**	**42.6%**	**42.8%**	**0.1%**
Completed		58			449,461			252,973						196,488				
Evaluated		19			134,178			81,090						53,089				
2015	***80***	***45***		***705,000***	***338,835***		***415,000***	***215,813***		***5,000***	***4,796***		***290,000***	***123,022***		***45.0%***	***36.3%***	***-8.7%***
Completed		*31*			*238,290*			*151,939*						*86,351*				
Ongoing		*14*			*100,545*			*63,874*						*36,671*				
TOTAL	**343**	**362**		**3,117,450**	**2,725,205**		**1,696,000**	**1,582,089**					**1,421,450**	**1,143,116**				

EGP Armenia																		
	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ
2011		**6**			**268,633**			**254,133**			**42,356**			**14,500**			**5.4%**	
Completed		1						40,142						0				
Evaluated/Closed		5						213,991						14,500				
2012		**4**			**205,594**			**166,376**			**41,594**			**39,218**			**19.1%**	
Completed		2						107,729						33,353				
Evaluated/Closed		2						58,647						5,865				
2013		**3**			**126,500**			**115,000**			**38,333**			**11,500**			**9.1%**	
Cancelled		1																
Started/Ongoing		2						115,000						11,500				
2014	**4**	**5**	**1**		**342,450**			**289,500**			**57,900**			**52,950**			**15.5%**	
Started/Ongoing		5						289,500						52,950				
2015	***6***	***1***			***63,250***			***57,500***			***57,500***			***5,750***		***74.0%***	***9.1%***	
Ongoing		*1*						*57,500*						*5,750*				
TOTAL		**19**			**1,006,427**			**882,509**						**123,918**				

Annex 6 Case study: Kazakhstan

CES	Centre for Enterprise Service
CMC	Chamber of Management Consultants
Damu	Entrepreneurship Development Fund
EE&CA	Eastern Europe and Central Asia
EPFA	Enhanced Partnership Framework Agreement
ESC	Enterprise Service Centre
KAPIOR	Professional Association of Marketing Research Agencies
KazWiB	Kazakhstan Women in Business
MESC	Mobile Enterprise Support Centre
MOI	Management, Organisation and Innovation survey
NACO	National Public Relation Association of the Republic of Kazakhstan
SPMRK	Union of Project Managers

Note: Unless otherwise indicated, all quantitative data on the SBS Kazakhstan portfolio presented in this case study originate from the extraction of data from the SBS MIS obtained by the evaluation team for the purpose of the development of the Approach paper for this evaluation report. Projects and activities started in 2011 until 2015 were included. Data for 2015 were provided to month end April 2015 in the case of EGP activities and month end May 2015 for BAS activities.

Key points

- SBS priorities over the period under evaluation revolved around client sectors and type of advisory services to be provided and developed at local level. In this sense, it was complementary within the Bank's overarching objective of economy diversification and regional development, but less with the need to increase access to finance as indicated in the EBRD's Country Strategies for Kazakhstan.
- Donors' priorities have been reflected in SBS planning through grant agreements without affecting the SBS model of operations or its standard broad objectives (development of a strong MSME sector, development of SME consultancy sector) but affecting the choice of specifics of implementation (sector and geographical priorities).
- BAS is directly integrated into the Government's Strategy for business support (Business Road Map 2020).
- SBS activities are well coordinated with key local stakeholders, and are underpinned by adequate sector analysis and understanding of local needs.
- Advisory services provided through SBS to SMEs led to considerable improvements in the clients' performance and competitiveness, and contributed to their improved business prospects.
- SBS has consistently addressed the gaps in the local advisory market and has contributed to improved demand, supply and quality. It also played an important facilitating role in the consolidation of consultancy associations in Kazakhstan.
- There is little evidence that SBS specifically targeted improving access to external finance for their clients on larger scale. Collaboration with EBRD Banking has improved, but it is not structured yet.

2. Scope of the country case study

As indicated in the approach paper of this study:

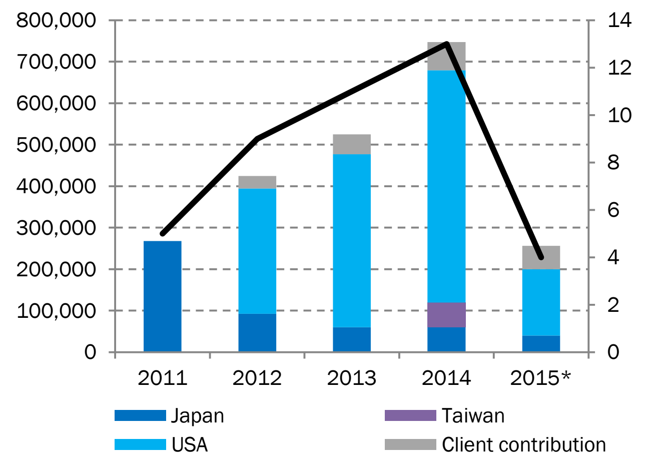
> "the objective of the country case studies is to gather information to feed into the answers to evaluation questions at aggregate level, and to explore the different contextual determinants of SBS Programme operations and success. They do not represent stand-alone evaluations of SBS Programme country programmes."

With this in mind the evaluation team has selected four countries, among which Kazakhstan, and carried out evaluation missions.

3. Kazakhstan: SBS portfolio

From the start of 2011 until mid-2015, EGP started 42 projects with a growing trend, totalling €2.2 million in budget, with over €2 million in donor funding. More than 70% of funds were committed by the USA, its largest donor, which started its export promotion programme in 2012, while Japan, historically the main donor in Central Asia started phasing out. The average EGP project was almost €53,000, with 9% of client contribution.

Annex 6, Figure 1: Kazakhstan – Funds committed by donors and clients (€) and number of EGP projects initiated (right axis)

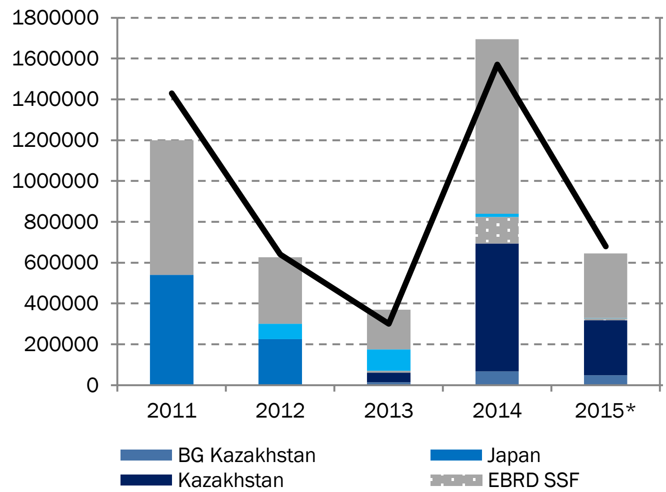


Source: EvD portfolio analysis; *) 2015 figures until April only

For more information about EGP projects in Kazakhstan see table 9 at the end of this case study.

From the start of 2011 until mid-2015, BAS initiated a total of 462 projects in Kazakhstan with a total budget of over €4.5 million, including donors' commitment of almost €2.2 million. The BAS portfolio had a declining trend until 2013 with its main donor, Japan, decreasing its funds. From 2014 this trend was reversed with the Government of Kazakhstan committing the majority of BAS grants and becoming the largest donor for the whole period (43% of total funds). Japan, while not present beyond 2012, committed 35% of funds for the period. The average budget of a BAS project was just under € 10,000, with a 52% client contribution.

Annex 6, Figure 2: Kazakhstan – Funds committed by donors and clients (€) and number of BAS projects initiated (right axis)



Source: EvD portfolio analysis; *) 2015 figures until May only

For more information about BAS projects in Kazakhstan see table 11 at the end of this case study.

Project implementation was accompanied by 74 MDAs (see table 12) and 8 events listed as SDAs (see table 10).

The donor commitments presented above include only funds for project implementation, not donor funded staff costs.

4. Kazakhstan: Evaluation mission

The evaluation team visited Kazakhstan (Almaty, Astana, Karaganda, and Shymkent) from 5 to 13 October 2015. Other relevant interviews were held on the phone. The information are summarised in the table below. Special thanks go to the SBS team in Kazakhstan, led by Alma Kassymova, National Programme Manager – under the supervision of Holger Wiefel, Head of Regional Programme for Kazakhstan and Mongolia.

Annex 6, Table 1: Kazakhstan – Evaluation team interviews

Type	# Institution	# Interviews	# persons in Kazakhstan	# persons by phone or other
SBS clients	12	13	27	-
Stakeholders	11	11	13	1
Donors/IFIs	4	4	4	1
EBRD Banking	-	8	8	-
SBS staff	-	6	11	-
Total	27	42		65

5. Evaluation questions

Has the SBS strategic planning been adequate to the Bank's evolving SMEs strategic agenda and the needs of SMEs in the countries of operation?

Alignment/integration of SBS strategic and business plans with SME components of the EBRD's country strategies

The EBRD operated under two country strategies for Kazakhstan over the 2011-15 SBS strategic period, approved in 2010 (approved on 26 January 2010) and 2013 (approved on 17 December 2013) respectively. The latter one was updated in 2015 (approved 8 April 2015).

The 2010 EBRD Country Strategy for Kazakhstan reflected the consequences of the international liquidity crunch, resulting in reduced access to finance for MSMEs in particular. The assessment of transition challenges for the MSME in the financial sector is presented as *Large* in the structure and extent of markets, and *Medium* in market-supporting institutions and policies. The strategy focuses on supporting the sector through partner financial institutions, with emphasis on supporting those in the regions. It adds that the EBRD will continue to promote its already extensive TAM/BAS advisory services, as well as strengthen their links with Banking.

TAM/BAS outlook is then considered in full detail in a separate annex of the Strategy. For TAM priority sectors and types of advisory services are identified, while for BAS the focus lies in the development of local business advisory sector. While former cases of cross-referrals between TAM/BAS and Banking are mentioned, the strategy does not indicate whether and how TAM/BAS plans to improve MSME access to finance or strengthen its links with Banking.

The 2013 EBRD Country Strategy for Kazakhstan also identifies access to finance as one of the key impediments of MSME development and therefore it forms the focus of the EBRD's operational response in the sector, including through local currency borrowing facilities and provision of technical assistance to local banks. It links to SBS instruments with the objective to enhance the competitiveness of the MSME sector through strengthening enterprise performance, management skills and access to new markets in key areas, while also promoting rural development and female entrepreneurship. The assessment of transition challenges for the MSME in the financial sector indicates *Large* in the market structure, and *Large* in market-supporting institutions.

Similarly as in the 2010 Country Strategy, SBS outlook is discussed in detail in a separate annex. It presents the priority areas of involvement for BAS and EGP, but relates to the main country strategy priority for MSMEs (access to finance) only briefly: "*SBS will facilitate client access to finance through the EBRD and its partner financial institutions*." (page 54)

In the TAM/BAS Strategic Plan 2011-15 the main priority for Kazakhstan is the diversification of the economy from its reliance on natural resources. Following that SBS prepared annual Business Plans and Operational Plans for every year over the period under evaluation. The Business Plans identified access to finance as an increasingly important objective of SBS activities in general, and referred to enhancing integration with Banking. Despite the absence of a specific reference to the EBRD Country Strategies for Kazakhstan, complementarity is implicit in the documents. All the Operational Plans included a section on external finance & banking linkages, including KPIs for monitoring cross-referrals. All the Operational Plans also include the statement that BAS/SBS:

> "will continue to assist the Bank to meet its objective of generating a commercially viable project pipeline for direct investments by the Bank through identifying potential pipeline (pre-investment)",

and by assisting existing EBRD clients. The Operational Plans for 2014 and 2015 further claim that

> "SBS will continue to work closely with the Bank's partner financial intermediaries (commercial banks and other financial entities) in order to improve access to finance for clients and to facilitate the engagement of advisory services by the SMEs receiving funding from FIs".

In the 2015 EBRD Country Strategy Update the contribution of SBS is integrated under Theme 1 on the economy diversification responding to the challenge for increased productivity in the corporate sector. This Country Strategy Update also reflects the signing of the Enhanced Partnership Framework Agreement (EPFA) between the EBRD and the Government of Kazakhstan in May 2014, which included the extension of funding for SBS by the Government of Kazakhstan for another five years, and additional support for the Women in Business (KazWiB) Programme.

Overall, SBS priorities over the period under evaluation revolved around client sectors and type of advisory services to be provided and developed at local level. In this sense, SBS priorities complements EBRD's overarching objective of economy diversification and regional development, but are not set around responding the strategic priority for the MSME sector (i.e. access to finance) as identified in the EBRD's Country Strategies for Kazakhstan over the period. Access to finance has been progressively addressed through increasing integration within the EBRD and targeting cross-referrals with both direct and indirect finance provided by EBRD.

Implications of donor priorities on SBS strategic planning/prioritisation

In Kazakhstan, donors' priorities have been reflected in SBS strategic and business planning following the signature of grant agreements, which specify the types of sectors, beneficiaries and/or geographic areas in which the SBS Programme would be implemented. Grant agreements with donors have not affected the SBS *modus operandi* or its standard objectives (development of a strong MSME sector, development of SME consultancy sector) but affected the choice of specifics of implementation along the above lines.

This is well illustrated in the case of the *SBS Programme for export-oriented SMEs in Central Asia*,[11] funded since 2012 by the US Treasury over two phases. The focus of the programme on export – assisting SMEs who are either exporters or have potential for export expansion,

[11] Implemented in Kazakhstan, Kyrgyz Republic and Tajikistan

and help them adopt international standards and best practices – was fully the choice of the donor that approached the EBRD/SBS with the intention to fund a programme focused on companies exporting products to be supplied to the military mission in Afghanistan. In fact, in the 2010 EBRD Country Strategy for Kazakhstan, the six-page annex on TAM/BAS does not specifically mention export as a priority sector. The following 2013 EBRD Country Strategy embraces this priority, with particular reference to the (then already on-going) US funded donor programme. In this sense, the Country Strategy retrospectively accepted the reality of the donor preference, and influenced also the EBRD's approval of Shareholders Special Fund (SSF) resources on the same export promotion programme.[12]

Similarly, the priorities of another donor, BG Kazakhstan (a private sector donor), including geographic location and the type of beneficiaries have been set through the grant agreement and implemented through a *Women and Youth-focused MSME development programme* in the Burlinskiy district of Western Kazakhstan.

A specific case is represented by the Government of Kazakhstan, who became the most important donor for BAS in the country (see Figure 2). The contribution of the Government did not impose specific priorities, except for BAS to operate in all priority sectors in accordance with the Government's Business Roadmap 2020 programme, which did not represent major limits on its activities. The agreement with the Government did however provide formal accountability mechanisms through the establishment of the Steering Committee. According to the Contribution Agreement signed in April 2013, the Steering Committee's functions comprise of (i) providing advice on strategic planning of the programme activities; (ii) accessing reports on the programme activities; and (iii) coordinating the activities of the Committee's members.

At implementation level, while not affecting the SBS general model of work, donors' priorities then influenced the SBS operations in additional ways. For Government of Kazakhstan funded projects, Regional Coordination Councils, which included representatives of government bodies, approved each individual project application (this practice was later terminated). Other examples include donors influence over the Grant Guideline Matrix (which is presented to the Steering Committee; it also specifies higher grants for projects in the Burlinskiy region), the budget split between projects and MDAs where agreed in a donor contribution agreement, or the average grant per project where a specific number of projects is agreed. In the earlier years of the period under evaluation, Japan's financing of the BAS Programme influenced the choice of the introduction of Kaizen principles of lean manufacturing in consultants' training.[13]

[12] Regional: Shareholder Special Fund – TAM/BAS programme for export-oriented SMEs in Central Asia (Kazakhstan, Kyrgyz Republic and Tajikistan)

[13] Kaizen is a Japanese methodology/philosophy that refers to activities that are aimed to improve all functions in a company and involves all employees.

Consistency of SBS strategic planning/prioritisation with country needs

The SBS Programme is explicitly indicated as a part of the Government of Kazakhstan Strategy supporting the development of the SME sector – the Business Road Map 2020. This makes the case of Kazakhstan a very specific one from the perspective of SBS. The Road Map 4th Direction – Enhancing the entrepreneurial potential, indicates "*Support for leading small and medium-sized businesses in the implementation of consulting projects – BAS programme*" in one of its ten actions of State non-financial support to SMEs. This is the result of the Government' financial contribution to the BAS programme and it amounts to more than an alignment or consistency of SBS with the national SME Strategy, it is a direct integration of the SBS Programme in the Government Strategy.

This integration facilitates also the coordination of SBS with key national stakeholders, as the Steering Committee established by the Contribution Agreement comprises of representatives of:

> "EBRD and the Ministry of National Economy, its Entrepreneurship Development Department, EDF Damu, the National Chamber of Entrepreneurs, the Consortium of Consulting and Research Institutes of Kazakhstan, private donors of the ASB program, namely BG Kazakhstan and TengizChevroil".[14]

The case of Kazakhstan is to be considered as a best practice: in fact, all donors and stakeholders involved in the SBS Programme are invited to the Steering Committee, regardless of their contribution or part in it. This will ensure complementarity of the activities of the SBS Programme (export promotion, Women in Business, etc.). In addition, SBS undertakes regular information meetings with some of the Committee members as well as other relevant stakeholders.

Satisfaction with the SBS programme and good coordination with key national and international stakeholders was confirmed in interview with the Ministry of National Economy, and is also evidenced by significant scaling up of the Government of Kazakhstan financial contribution to the programme within the Enhanced Partnership Framework Agreement (EPFA) signed by the EBRD and Government of Kazakhstan in May 2015.

SBS undertakes joint activities and events (market and sector development) with key national stakeholders, including the Entrepreneurship Development Fund (Damu), KazNexInvest (the national export promotion agency), and the Consortium of Consulting and Research Organisations of Kazakhstan. The consistency of the Programme with the country and SME/consultants needs was also confirmed by these stakeholders, who were in many cases also emphasising the complementarity of the SBS unique approach to other services and support (both non-financial and financial) available to SMEs and consultants from government or other donor support. The

[14] Annual Progress Report to Ministry of National Economy of the Republic of Kazakhstan (2015), page 11

relevance of the programme to the needs of the individual enterprises was confirmed by all clients visited during the evaluation mission.

The planning of SBS activities, while balancing and accommodating the priorities of donors, has also been underpinned by adequate sector analysis and understanding of local needs in the case of Kazakhstan. A comprehensive document based on statistical and documentary analysis, as well as consultations with a broad spectrum of stakeholders was the TAM/BAS Country Brief for Kazakhstan 2010-2012. The document has not been updated (or at least not available outside of the SBS team). Some elements of sector/needs analysis are present in the two SBS annexes of the EBRD's Country Strategies for Kazakhstan (2010, 2013) or in the annual Business and Operational Plans. Nevertheless, more detailed analysis of the MSME sector, SME support infrastructure and consultancy sector is often present in various donor progress and final reports. Sources of information referred to include the EBRD MOI survey,[15] the BEEPS survey, SBS own survey of consultants (Annual Consultant Review - ACR) and the Assessment of Transition Challenges, which was only in 2011 extended to include challenges of the SME support infrastructure and consultancy sector.

Has the SBS Programme delivered demonstrable and sustainable results in its countries of operations?

Improved performance and competitiveness

Improved SME performance is one of the key objectives of SBS at enterprise level, for both BAS and EGP. SBS collects monitoring data on several indicators relating to client performance, and systematically follows projects with an evaluation at one year after project completion, which allows it to collect update on the key indicators. Indicators collected for all clients include most notably the turnover and number of employees, and aggregate average changes along these indicators are routinely reported at portfolio (overall or country level) in SBS business plans updates and various donor reports.

In addition, other performance indicators are collected based on the project objective for BAS, for example for projects aimed at improved market performance the change in sales, exports or the introduction of a new product line would be monitored. Such disaggregated data by project objective are reported less frequently but can sometimes be found in donor reports.[16]

Aside from collecting data on key indicators, the SBS self-evaluation at one year after completion also assesses the projects against criteria of effectiveness, efficiency, relevance and impact, arriving to an overall success rating (on a scale 0-10 for BAS, and 0-5 for EGP). According to the data available, projects under both programmes score very high in these assessments (see table 2).

Annex 6, Table2: Kazakhstan – BAS and EGP self-evaluation final scores

BAS evaluations			EGP evaluations		
BAS final rating	Projects	%	EGP Final rating*	Projects	%
Highly Successful (rating 10)	24	12%	5	12	71%
Successful (rating 8-9)	144	71%	4	5	29%
Satisfactory (rating 5-7)	36	18%	3	0	0%
Unsatisfactory (rating 0-4)	0	0%	2	0	0%
			1	0	0%
Total	204	100%		9	100%

Source: EvD analysis based on SBS data, 2015 data incomplete

* The final rating for EGP projects is done to two decimal points. Here, the ratings were rounded to the nearest integer.

In the data available to the evaluation team on the BAS projects implemented over the period under evaluation, there were 204 completed projects (out of 462 initiated), for which data had already been collected through the SBS MIS in the (self-)evaluation at one year after completion. These projects had mostly the objective of improvement of management effectiveness (57%), and the most common type of advisory service was Information Communication Technology (31%).

Annex 6, Table3: Kazakhstan – BAS projects (evaluated) by objective

Objective	Number of projects	%
To Improve Management Effectiveness	116	57%
To Improve Market Performance	62	30%
To Introduce Quality Management &	22	11%
To Improve Environmental Management	3	1%
To Reduce Costs	1	0%
Total	**204**	**100%**

Source: EvD analysis based on SBS data, 2015 data incomplete

Annex 6, Table4: Kazakhstan – BAS projects (evaluated) by type of advisory

Type of advisory	Number of projects	%
Information Communication Technology	63	31%
Quality Management	38	19%
Strategy	37	18%
Marketing	35	17%
Organisation	20	10%
Operations	6	3%
Energy/Resource Efficiency	3	1%
Engineering Solutions	2	1%
Total	**204**	**100%**

Source: EvD analysis based on SBS data, 2015 data incomplete

For BAS evaluated projects the data on number of employees and turnover before and a year after project are available. Calculating averages in growth is not without its caveats, as the data contain some significant outliers that are probably a sign of invalid data.[17] The

[15] EBRD's management, organisation and innovation survey 2008/2009

[16] See for example the Final Report to Japan: Business Advisory Services (BAS) in Far East Russia, Kazakhstan, Mongolia and Uzbekistan, December 2013

[17] For example 9 projects show turnover growth greater than 1,000%, one with turnover growth of over 16,000% due to apparently incorrect 'before' project data. See Tables 8 & 14.

evaluation team does not have enough background information and resources to be able to clean the data. Nevertheless, calculating median values and considering the value distribution can present a helpful picture of the growth trajectory of BAS clients.

Annex 6, Table 5: Kazakhstan – BAS performance indicators

Performance indicator	Median	% of projects with positive growth
Turnover growth	40%	87%
Employees growth	12%	70%
Productivity (Turnover/employees)	15%	71%

Source: EvD analysis based on SBS data, 2015 data incomplete

As shown in table 5 above, the median turnover growth was 40%, and 87% of projects recorded a positive turnover growth. Split into increments of ten percentage points, the most densely populated segment is that of turnover growth of between 0% (not included) and 10%, which was recorded by 15% of clients. The median client employee growth was by 12%, and 70% of clients indicated a positive employee growth. Considering a simple measure of labour productivity with the data available (turnover/number of employees), which is a better measure of improved competitiveness, the median productivity growth was by 15%, and 71% of clients experienced a positive productivity growth.

For EGP, the total population of projects is considerably smaller, as is the subset of evaluated ones – there is data available for 17 evaluated EGP projects (out of 42 initiated). This somewhat affects the significance of mean values; yet, median turnover growth of an EGP client from pre-project screening to evaluation at one year after project completion is 40%, and over three quarters of clients recorded positive turnover growth in that period. Median growth of the number of employees was 10%, and positive growth was recorded for 59% of clients.

Annex 6, Table 6: Kazakhstan – EGP performance indicators

Performance indicator	Median	% of projects with positive growth
Turnover growth	40%	76%
Employees growth	10%	59%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

The type of data presented above is commonly reported by SBS at aggregate level in donor reports for Kazakhstan. The reports nevertheless rarely address the issue of the attribution of these observed changes in business indicators to the SBS-provided advisory services, and implicitly consider their (at the very least) contribution as self-evident. In this context it is important to note that SBS does not select its clients 'randomly' among eligible SMEs but intentionally targets high growth prospect clients (the SBS selection criteria refer to 'growth potential' for EGP and 'viability' for BAS, among others), so some – and likely above-average – growth of these companies would be expected regardless of the assistance provided.

While exact quantification of the SBS contribution to the observed growth is not possible, there is qualitative evidence available to support the view of SBS contribution to these figures. The vast majority of clients interviewed during the evaluation mission to Kazakhstan identified real and tangible benefits to specific aspects of their performance, which they unequivocally linked to the advisory services received through SBS. In line with the project objectives and type of advisory provided, most of the results revolved around improvement in management effectiveness, either through the implementation of information technology systems or through the implementation of Kaizen system of management improvements. Some clients were able to quantify the direct results in the reduction of time consumption of specific processes or in the reduction of work force needed. In EGP projects, the transfer of know-how of international senior experts was viewed as not only central to the success of the projects but also as something that would not be possible to source locally.

Overall, there is little doubt that the advisory services provided through SBS to Kazakh SMEs led to considerable improvements in the clients' performance and competitiveness, and contributed to their improved business prospects. While there are other contributing factors in the clients' growth and performance, there is sufficient qualitative evidence to conclude that SBS projects are consistently achieving their objectives at client level and positively contributing to the observed growth in key business indicators.

Improved access to finance

According to the World Bank, SMEs in Kazakhstan face disproportionate constraints in accessing finance. SMEs receive around one-eighth of total loans and grow slower relative to large enterprises and SMEs in peer comparison countries. Their share in total credit declined in the aftermath of the global financial crisis and continues to decline to date, demonstrating how SMEs are among the first and most affected casualties of a financing crunch. Lack of cash flow based financing, credit history, and high collateral requirements (on average 200 per cent) acutely constrain their access to funding.[18]

The last World Bank Enterprise Survey for Kazakhstan (2013) indicates that the percentage of firms whose recent loan application was rejected is considerably higher for SMEs than large businesses in the country (44% for small, 30% for medium and 0% for large businesses); these shares are also high compared to the (Eastern Europe and Central Asia) regional average (12%, 5% and 3% respectively). Percentage of firms using banks to finance investment is 10% for small, 16% for medium and 33% for large businesses (EE&CA: 21%, 27%, and 33%). Nevertheless, the percentage of firms identifying access to finance as a major constraint is relatively low compared to the regional average in the survey: 9% for small, 8 % for medium, and 11% for large businesses (EE&CA: 17%, 17%, and 19%).

The 2014 EBRD Assessment of Transition Challenges in the MSME sector (access to finance) considers the challenges to be large in both market structure and market institutions, and specifies key challenges as: (i)

[18] World Bank. 2015. Kazakhstan - Small and Medium sized Enterprise (SME) Competitiveness Project. Washington, DC ; World Bank Group.

expanding MSME lending capacity building of financial institutions towards sustainable MSME financing; (ii) improving delivery of financing to MSMEs in regions outside the capital city.

Local stakeholders interviewed by the evaluation team also referred to the need for improved SME access to finance – especially in terms of local currency lending and collateral requirements. The local Entrepreneurship Development Fund (EDF Damu) is providing subsidy for loan interest, and guarantee for up to 50% of required collateral.

Over the period under evaluation the yearly SBS Business Plans discuss access to finance as one of the objectives of SBS, referring especially to greater integration with Banking. In Kazakhstan, the yearly Operational Plans refer in general terms to assisting to generate project pipeline for direct investment by the EBRD, and providing pre-investment advisory. In addition, SBS also intended to link clients to EBRD's partner financial institutions for additional sources of finance. The SBS Operational Plans for 2014 and 2015 specifically note that:

> "SBS will continue to work closely with the Bank's partner financial intermediaries (commercial banks and other financial entities) in order to improve access to finance for BAS clients and to facilitate the engagement of advisory services by the SMEs receiving funding from FIs."

All Operational Plans contain KPIs for monitoring clients who were financed by the EBRD, by partner financial institutions or externally, and also for monitoring SBS referrals to Banking.

Given that the Operational Plans 2011-2013 only covered BAS (EGP was added from 2014), the allusion to facilitating EBRD's direct investment pipeline appears largely perfunctory, as there would be very little overlap between the BAS clients and prospective EBRD Banking clients. This would then become more relevant when EGP was included. Potential linking of BAS clients to PFIs would have certainly been a possibility. Nevertheless, there is little evidence that improving access to finance for BAS clients was a prominent objective or focus of the Programme – clients were not specifically selected of those who were in need (and facing obstacles in obtaining) external finance, and advisory services provided aimed more directly at improving performance and competitiveness. "Close work" with the EBRD's PFIs, while in general terms present in all the Operational Plans (see above), has not been referred to in more specific terms in any of the activity/results reports available.

This is expected to change with the launch and implementation of the Kazakhstan Women in Business Programme (KazWiB), which, by design, intends to more systematically link SBS activities on access to know-how with SMEs' access to finance through PFIs. KazWiB had only just started at the end of the period under evaluation, so it is not possible to comment on its contribution to improved access to finance. Some information about the design of KazWiB is provided in the thematic case study on the Women in Business Programme of this report.

Internally, EBRD bankers confirm much improved internal communication between SBS and Banking over the period under evaluation, including increase in referrals in both directions (EGP) and improved understanding of SBS staff of Banking needs, and view SBS as a potential step for companies to become an EBRD client. Nevertheless, some also commented that the size of most Banking clients in Kazakhstan in particular is too large compared to EGP target clients, so there is limited scope for overlap. There are also cases of SBS staff in satellite (SBS-only) offices supporting bankers in developing deals and carrying out monitoring visits with clients. An example was brought to the attention of the evaluation team by the EBRD Kazakhstan Director about an EBRD deal in Aktobe and another one in Shymkent.

The SBS Business Plan for 2014 summarily reports on SBS achievement in the period 2011-2013 in access to finance as "*No external investment received*." for EGP, and "*5% of enterprises obtained investment (target: 10%)*" for BAS. The Business Plan for 2015 updates aggregate data on 2014 (not disaggregated by BAS/EGP) as:

> "Enterprises received external financing of almost €16 million, of which €7.2 million was financed through the EBRD and €9 million through other sources."

In the portfolio data for the period under evaluation available to the evaluation team, 11 BAS clients out of 205 (who had provided the data 1-year after project completion) were identified as having received any type of external finance (bank or microcredit), and 2 EGP clients (out of 41) were linked to direct EBRD investment (Table 13 at the end of this case study). Another EGP client was reported as having received investment from an EBRD-supported equity fund.

The SBS clients that were interviewed during the evaluation mission represented a whole spectrum of different situations with respect to access to finance. Some indicated that they were not in need of external finance or that their needs were met by local banks or via government-subsidised finance for SMEs. Some clients had difficulties due to high interest rates. An EGP client expressed expectations of further relationship with the EBRD after the project completion. Another EGP client was in negotiations with the EBRD but eventually obtained a subsidised loan locally. One BAS client specifically indicated that the BAS-provided consultant helped the company with obtaining a loan from a local bank (subsidised by the Government).

Overall, there is little evidence that SBS specifically targeted improving access to external finance for their clients over the period under evaluation on a larger scale. It can perhaps be said that by pursuing performance and improved competitiveness in SMEs, SBS indirectly contributed also to need for finance which will come with growth, rather than specifically removing obstacles that hinder the access of SMEs to finance. This need was often filled by local banks (possibly also through EBRD credit lines) and Government support programmes. As confirmed during the evaluation mission, EGP has made more specific progress to integrate with direct EBRD Banking and has more potential to become progressively linked to helping clients access finance directly through EBRD.

Progress towards sustainable and commercially viable infrastructure (including consolidation of advisory services industry)

The SBS objectives in the development of local consultancy market are addressed through BAS, and the Programme has consistently presented its intention to improve the demand, supply and quality aspects of the market, and to contribute to the consolidation of the industry. According to one of the donor reports, shortly before the period under evaluation (in 2009 and 2010):

> "BAS together with several local private sector stakeholders, consultancy and training agencies, initiated two comprehensive studies of the business advisory and training services markets in Kazakhstan."[19]

In 2011, OCE and BAS carried out an Assessment of Transition Challenges (used only for internal purposes and never attached to the EBRD annual ATC) in terms of the infrastructure of MSME support and it considered also the maturity of local consultancy sector.[20] This review found that the Kazakh consultancy sector faced medium transition challenges, and was characterised by dominant international players and low-quality local providers. Market penetration of consulting services in Kazakhstan was low and awareness of business advisory services remained poor. This assessment was confirmed to the evaluation team by the representatives of the association of consultants during the evaluation mission.

Over the period under evaluation, SBS addressed the development of the local consultancy market mainly through its Market Development Activities (MDAs). According to the data available, there was a total of 70 MDAs classified by the SBS team with the objectives outlined in Table 7 below.

Annex 6, Table 7: Kazakhstan – MDA objectives and category[21]

	Number of MDAs
Increase **demand** for local consultancy services	38
Institutional Development	*1*
Training	*15*
Visibility	*22*
Broaden **supply** of local consultancy services	18
Training	*13*
Visibility	*5*
Improve **quality** of local consultancy services	7
Institutional Development	*1*
Training	*6*
Consolidate the consultancy industry	7
Institutional Development	*3*
Visibility	*4*

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

The <u>demand</u> for consultancy services was promoted via activities aimed at raising the awareness of the consulting profession to SMEs and educating them about the potential benefits of professional advice. A prominent product in this category represents the Consultancy Week (or sometimes Consultancy Day), an event comprising of presentations and workshops for local SMEs run by local consultants to showcase the type of services they provide and the advantages of professional advisory. Such events were organised in Astana, Karaganda, Aktau, Shymkent, Pavlodar, Aksai, and Almaty. Other events in this category included training and coaching sessions and workshops for SMEs and start-up entrepreneurs. In addition, various visibility/promotion events have been organised for journalists and media.

These types of events are usually reported on an output basis in the reports to donors, i.e. listing of events organised and type and numbers of beneficiaries attending. According to interviews with the SBS team, there is commonly some follow-up communication with interested SME participants, some of whom may become BAS clients. One BAS client interviewed during the evaluation mission indicated that they met their consultant and learned about BAS in the occasion of a promotional event.

The implementation of 'standard' BAS projects also falls into the category of raising demand for local consultancy services. The expectation is that after having been introduced to using local consultants with BAS and recognising the value of professional advice, SMEs will seek advisory services again on their own. To this end, SBS also collects data on the 'use of consultants' within the one year after project completion. In the data available on evaluated projects, 31% of BAS clients indicated that they had used consultants again within the year after the BAS project completion. BAS clients interviewed during the evaluation mission also expressed their willingness (and sometimes intent) to hire consultants again in the future if facing specific problems, in some cases qualified by affordability constraints. BAS does not however exclusively work with SMEs with no previous experience with consultancy (one donor report indicated that only one third of enterprises did not have previous experience with consultants before applying for BAS support[22]), and even carries out repeat projects with the same client.

With respect to the <u>supply</u> and <u>quality</u> of consultancy services, SBS carried out a number of training sessions for local consultants throughout the period under evaluation. In the earlier years this consisted of a number of workshops on the Kaizen strategy of management improvements for local consultants in different regions of

[19] Final Report to Japan: Business Advisory Services (BAS) in Far East Russia, Kazakhstan, Mongolia and Uzbekistan, December 2013

[20] Assessment of Transition Challenges: The Infrastructure of MSME Support, July 2011

[21] The distribution of MDAs into objectives and categories is given as per the data extract from SBS MIS. It should be viewed as only indicative, as some inconsistencies in the categorisation of MDAs have been observed.

[22] Annual Progress Report to the Ministry of Regional Development of the Republic of Kazakhstan: Business Advisory Services (BAS), Kazakhstan April – December 2013

the country. Later on, trainings on export promotion consulting were organised, and also the Grow Your Consulting Business training developed and harmonised across SBS countries. According to the interviews with the representatives of consulting associations, the implementation of projects through BAS also contributes to the quality of the services, as BAS staff employs consistent quality control and best practice standards.

According to the interviews with consultants, large share of the local management consultancy market is still being subsidised by donors through various programmes, and many of their SME clients would not be able to pay full price for the services provided. This is not entirely corroborated by the data collected through the Annual Consultant Review (ACR) in 2014, in which 29% of the 130 responding consulting companies indicated that they carry out subsidised projects but on average only 9% of respondents' projects are subsidised by the Government or donors.

BAS employs some mitigation strategies to the counter the risk of market distortions. This includes the limit on the volume of projects that a consultant (company) can implement with BAS, as well as limit on the overall BAS subsidy per one client. BAS has also been making effort to address actual gaps in the consultancy market – in Kazakhstan that meant providing services and training consultants increasingly outside the main cities and providing higher subsidy for the type of advisory services in underdeveloped segments. The Grant Guideline Matrix (GGM) has been used as a tool for this, and its rationale have been outlined in the yearly Operational Plans.

SBS has contributed to the consolidation of the consultancy market. According to the ACR of 2011, 99% of 230 respondents were registered as legal entities, indicating high level of formalisation of the industry. Nevertheless, as noted in the 2011 Assessment of Transition Challenges in terms of the infrastructure of MSME support, there was no formal professional association of management consultants. One donor report describes BAS contribution to the sector:

> "BAS introduced professional certifications, which helped three local women become the first local consultants to become Certified Management Consultants recognized by the International Council of Management Consultants Institutes (ICMCI). These women started a new national Chamber of Management Consultants (CMC-Kazakhstan) in December 2010 with a view to consolidate local leading management consultants and help them grow professionally. In 2013, CMC-Kazakhstan became a provisional member of ICMCI."[23]

According to the interviews held with representatives of consultant associations by the evaluation team, SBS continues to support the consolidation of the industry, especially through providing contributions to various events. This included for instance support for the annual National Professional Conferences of Kazakh consultants. SBS also cooperates with the Consortium of Consulting and Research Organizations of Kazakhstan, which associates the CMC Kazakhstan, the National Public Relation Association of the Republic of Kazakhstan (NACO), Professional Association of Marketing Research Agencies (KAPIOR), and Union of Project Managers of Kazakhstan (SPMRK).

In summary, there is evidence that SBS has been consistently addressing the local advisory market in the country. It has contributed to improved demand, supply and quality. SBS activities have been based on relevant needs analysis and coordination with key local actors, and their targeting was adjusted over the years to reflect the existing gaps. It also played an important facilitating and support role in the consolidation of consultancy associations.

Progress towards institutional SME infrastructure

The above mentioned 2011 OCE/BAS Assessment of Transition Challenges in terms of the infrastructure of MSME support considered the MSME sector challenges beyond access to finance, including an assessment of institutional SME infrastructure for SBS countries of operations. This was based on the existence of a Ministry in charge of SME development, the existence of a National SME Agency and public regional support centres as well as whether there is a Law and Strategy on SMEs in place. For Kazakhstan, it concluded that the:

> "MSME market support structure seems adequate with an SME law which appointed a specific Ministry overarching SME agency with local presence."

Key operational counterpart for BAS has been the Entrepreneurship Development Fund (EDF Damu), the Government SME Agency with offices in all regions and smaller support centres (Enterprise Service Centre ESC, Mobile Enterprise Support Centre MESC).

The donor agreement signed between EBRD/SBS with the Government of Kazakhstan included a provision for the capacity development of local institutions:

> "BAS will support the capacity building of Damu as well as other related local institutions by facilitating trainings for their staff [...] In particular, it is planned to organize a series of trainings required to ensure a quality approach in providing advanced business consulting, for employees of Damu, CESs, ESCs, MESCs and entrepreneurship support bodies, business associations, and Chambers of Commerce supporting SMEs.",

together with a general provision for continued policy dialogue. In 2013, SBS developed a training curriculum aiming at transferring skills and knowledge to the Damu branches and the staff of the support centres run by Damu. It included six modules and was expected to be run between July 2013 and December 2015. In 2013, the first module (Overview of EBRD BAS) workshop was delivered to all Damu branch offices and representatives of regional entrepreneurship departments (total of 120

[23] Final Report to Japan: Business Advisory Services (BAS) in Far East Russia, Kazakhstan, Mongolia and Uzbekistan, December 2013

participants) in all 16 regions. In 2014 the delivery of the second module (Consulting Basics) started with sessions for 13 Damu branch directors. Nevertheless, in 2014 the Government amended the Business Roadmap 2020, and among other changes EDF Damu was no longer appointed the operator of the BAS programme. Damu was therefore no longer mandated to promote the BAS programme to SMEs, and it was agreed that the planned training would not be continued through the rest of the planned modules. The reorganisation of the responsibilities in the system of SME support agencies was confirmed by the representatives of Damu in meetings with the evaluation team.

In summary, Kazakhstan has an adequate SME support infrastructure in place, including an SME Law, Strategy for SME development and an SME Agency. SBS initiated a programme of institutional strengthening and transfer of skills but this was discontinued due to internal reorganisation of the system. General cooperation/coordination with the EDF Damu remains a part of SBS activities.

Adequate exit strategies

At the beginning of the period under evaluation, SBS in Kazakhstan experienced decrease in donor funding, as the country's relative wealth within the region (and its middle-income status) made it increasingly less attractive to donors' development budgets. In fact, the SBS team planned for significant reduction of activities in the country as of 2012, if the negotiations with the Government of Kazakhstan initiated in 2011 did not lead to agreement on funding, as indicated in the SBS Business Plan for 2012. Consequently, the BAS Operational Plan for 2012 indicated that:

> "Possible downsize of Kazakhstan BAS operations as a result of lack of donor funding may result in decrease of the number of staff and closure of BAS offices.",

and noted that the adequate preparation for the possible downsize/closure may become another priority for the year. Given that the period for this preparation would have been less than half a year, this preparation presumably referred to administrative issues rather than an 'exit strategy' in terms of continued sustainability of previous BAS efforts, for which there would not have been enough time. In this sense, this not only confirms the donor-dependence of SBS but also suggests that the EBRD did not consider the Programme essential in achieving or facilitating its own strategic transition objectives in the country enough to provide dependable bridge funding or funding for a more extended 'exit period'.

Once an agreement with the Government of Kazakhstan on funding was reached, BAS started to significantly scale up its operations. Its inclusion in the national strategy (Business Road Map 2020) and the security of multi-year funding mean that it is focusing on expansion of activity. Nevertheless, the above mentioned (see 0) training curricula developed for EDF Damu were in fact presented as a prospective transfer of knowledge for sustainability:

> "...to establish a sustainable business infrastructure of support for the SME sector beyond the completion of operations. This involves the transfer of lessons learned and accumulated experience in the delivery of business advisory services to SMEs, sharing the database of local enterprises and providers of advisory services, as well as organizing capacity building activities for employees of institutions implementing SME support initiatives." (see Annual Progress Report to the Ministry of Regional Development of the Republic of Kazakhstan: Business Advisory Services (BAS), Kazakhstan April – December 2013)

As discussed above, due to the reorganisation of SME support infrastructure, this training programme was terminated in 2014 before running its full course.

According to the Ministry of National Economy, it is not likely that the Government support for SMEs and the priority of economic diversification should change after 2020. The long term objective is for SMEs to generate 50% of GDP by 2050. The Government is therefore not looking to 'take over' SBS-type services within its own SME support infrastructure and will continue to support BAS in the foreseeable future.

Kazakhstan: Sources

Kazakhstan: Interviews

Interviews held for the country case study Kazakhstan are specified in Annex 3, section 4.

Kazakhstan: Key documents consulted

The main documents utilised for the purpose of this case study are listed in the table below. SBS projects' level documentation was provided and consulted as well.

Annex 6, Table 8: Key documents consulted for the case study - Kazakhstan

Donor, Government & related documents Kazakhstan	
2010	Business Road Map 2020, implementing the Strategic Development Plan of Kazakhstan until 2020
2011	United States of America, EBRD SME Special Fund - TAM/BAS Programme in Central Asia
2012	Agreement between BG International Limited and EBRD in respect of the BG Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account
2013	Agreement between the Ministry of Regional Development of the Republic of Kazakhstan and EBRD in respect of the Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account
2014	Amendment and Replenishment to the Agreement between BG International Limited and EBRD in respect of BG Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account EBRD SME Special Fund - Extension of the US Small Business Support (SBS) Programme for Export Oriented SMEs in Central Asia Update of the Business Road Map 2020, implementing the Strategic Development Plan of Kazakhstan until 2020
2015	Agreement between the Ministry of National Economy of the Republic of Kazakhstan and EBRD in respect of the EBRD - Kazakhstan Women in Business Programme and Technical Cooperation Account Amendment and Replenishment to the Agreement between the Ministry of National Economy of the Republic of Kazakhstan and EBRD in respect of the Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account Amendment and Replenishment No. 2 to the Agreement between BG International Limited and EBRD in respect of BG Kazakhstan - EBRD Business Advisory Services (BAS) Technical Cooperation Account World Bank, Kazakhstan Small and Medium sized Enterprise (SME) Competitiveness Project
EBRD documents Kazakhstan	
2010	EBRD Strategy for Kazakhstan
2011	Regional: Shareholder Special Fund – TAM/BAS programme for export-oriented SMEs in Central Asia (Kazakhstan, Kyrgyz
2013	EBRD Strategy for Kazakhstan BEEPS Business Environment and Enterprise Performance Survey
2015	EBRD Country Strategy Updates 2015 Kazakhstan: Bank CenterCredit Women in Business (WIB) Loan Bank CenterCredit MSME II Loan Information Session: Kazakhstan Enhanced Partnership Arrangement
SBS documents Kazakhstan	
2009	TAM/BAS Country Brief for Kazakhstan 2010-2012
2011	BAS Kazakhstan Operational Plan 2011
2012	BAS Kazakhstan Operational Plan 2012
2013	BAS Kazakhstan Operational Plan 2013
2014	SBS Kazakhstan Operational Plan 2014
2015	SBS Kazakhstan Operational Plan 2015
2016	SBS Kazakhstan Operational Plan 2016
Reports to donors Kazakhstan	
2013	Progress Report (February 2012 - January 2013) for the Small Business Support (SBS) Programme for export-oriented SBSs in Central Asia Annual Progress Report to the Ministry of Regional Development of the Republic of Kazakhstan, Business Advisory Services (BAS), Kazakhstan, April - December 2013 Final Report to Japan, Business Advisory Services (BAS) in Far East Russia, Kazakhstan, Mongolia and Uzbekistan (December 2013)
2014	Small Business Support (SBS) Programme for export-oriented SMEs in Central Asia, Phase 1 - Completion Report to the EBRD Small Business Support for Export-Oriented SMEs in Central Asia Annual Update 2014 EGP Donor Report to Taiwan, August 2014
2015	Annual progress Report to the Ministry of National Economy of the Republic of Kazakhstan (January – December 2014) EBRD Small Business Support (SBS) Donor Report to Taiwan Women and Youth-Focused Micro and Small Enterprise Development Programme funded by BG Kazakhstan Phase II EBRD Small Business Support for Export-Oriented SMEs in Central Asia, Report 1 January - 30 June 2015 Monthly Progress Report: July 2015 to the Ministry of National Economy of the Republic of Kazakhstan
2016	Annual progress Report to the Ministry of National Economy of the Republic of Kazakhstan (January – December 2015)

Kazakhstan: SBS portfolio

Annex 6, Table 9: Kazakhstan – EGP projects

Start year		# of projects	€ committed	€ client contribution
2011		6	267,932	-
	Cancelled	1		
	Completed	5	267,932	-
2012		9	394,607	30,167
	Completed	7	262,581	26,258
	Evaluated/ Closed	2	132,025	3,909
2013		11	477,047	47,705
	Completed	8	337,047	33,705
	Started/ On-going	3	140,000	14,000
2014		13	679,629	67,963
	Completed	1	49,629	4,963
	Started/ On-going	12	630,000	63,000
2015		4	200,000	56,000
	Started/ On-going	4	200,000	56,000
Total		43	2,019,215	201,835

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 6, Table 10: Kazakhstan – SDAs

	# of SDAs	Budget €
2012	3	0
2013	2	0
2014	2	0
2015	1	0
Total	8	0

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 6, Table 11: Kazakhstan – BAS projects

Start year		# of projects	BAS Grant €	Total project cost €
2011		143	540,637	1,199,261
	Cancelled	15	63,915	139,390
	Evaluated	128	476,722	1,059,871
2012		64	299,557	625,813
	Cancelled	1	5,852	11,704
	Evaluated	63	293,705	614,109
2013		30	175,475	368,459
	Completed	16	79,035	166,373
	Evaluated	14	96,440	202,086
2014		157	839,723	1,694,124
	Cancelled	2	7,220	14,440
	Completed	116	559,965	1,115,971
	Ongoing	39	272,538	563,713
2015		68	328,611	644,874
	Cancelled	1	5,907	7,875
	Completed	12	49,663	94,997
	Ongoing	55	273,042	542,001
Total		462	2,184,004	4,532,531

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 6, Table 12: Kazakhstan – MDAs

	# of MDAs	Sum of Funds committed on MDA contract/GE €
2011	27	11,523
2012	16	44,140
2013	8	92,238
2014	18	107,745
2015	5	17,020
Total	74	272,666

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Kazakhstan: Performance indicators

Annex 6, Table 13: Kazakhstan – Access to finance data of BAS clients

Year of project/ Type of investment	# of projects	Sum of Investment Amount (€)
2011		
EBRD	1	167,095,000
External - Microcredit (only loan)	2	27,900
External- Bank	4	501,000
Indirect - Bank	2	390,000
2012		
External- Bank	1	4,000,000
Indirect - Bank	1	829,899
2013		
	-	
Total	**11**	**172,843,799**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 6, Table 14: Kazakhstan – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients

Interval upper limit (included)*	Turnover	Employee	Productivity
-1.00	1	1	1
-0.90	1	0	1
-0.80	1	1	1
-0.70	0	0	2
-0.60	2	0	1
-0.50	2	2	7
-0.40	1	1	4
-0.30	4	4	4
-0.20	4	3	5
-0.10	3	10	12
0.00	7**	39**	22**
0.10	31	34	36
0.20	28	29	14
0.30	5	18	14
0.40	12	12	10
0.50	9	10	7
0.60	6	4	4
0.70	11	6	3
0.80	5	3	5
0.90	6	2	6
1.00	5	1	3
1.10	9	2	4
1.20	3	4	3
1.30	2	0	4
1.40	4	3	1
1.50	3	2	3
1.60	2	1	4
1.70	0	0	1
1.80	2	2	0
1.90	2	1	1
2.00	4	2	2
2.10	3	0	1
2.20	0	1	1
2.30	1	1	1

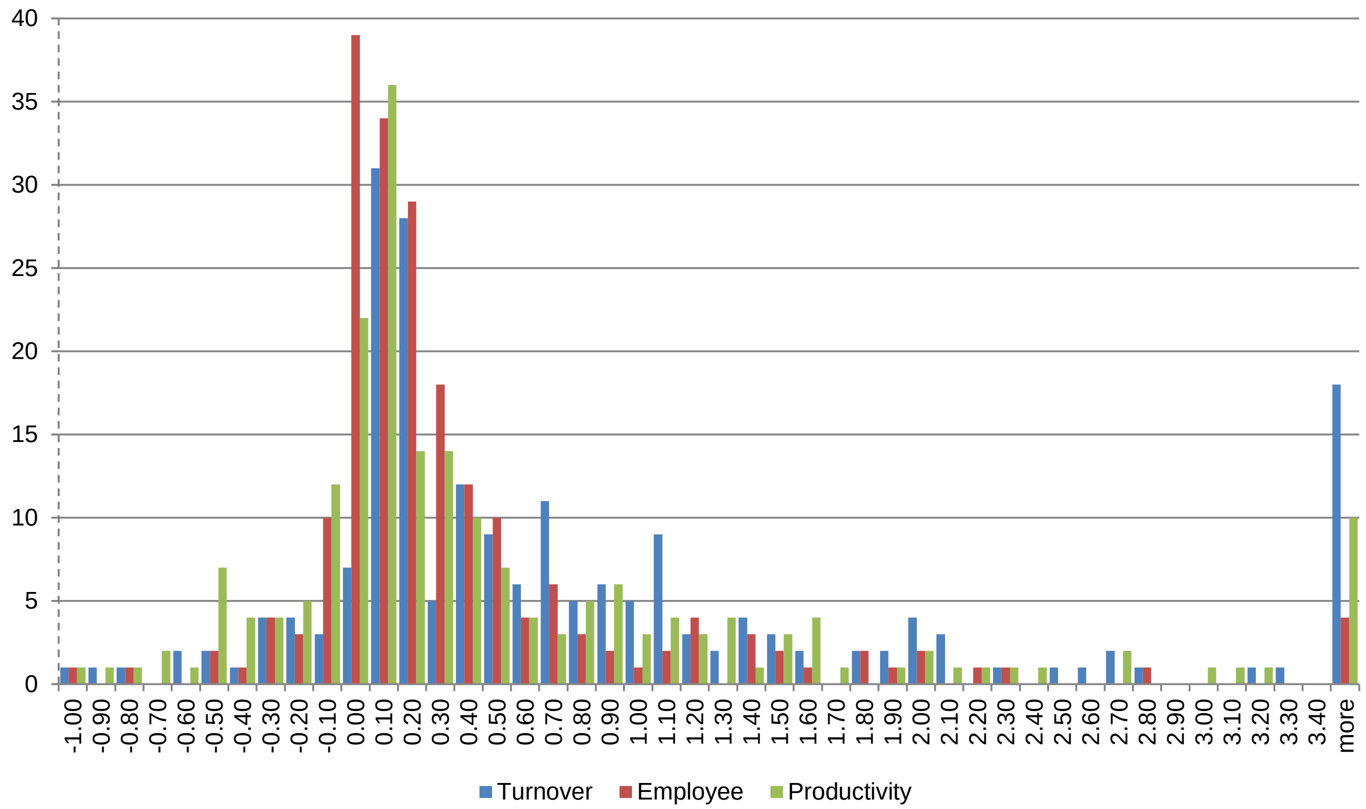
Interval upper limit (included)*	Turnover	Employee	Productivity
2.40	0	0	1
2.50	1	0	0
2.60	1	0	0
2.70	2	0	2
2.80	1	1	0
2.90	0	0	0
3.00	0	0	1
3.10	0	0	1
3.20	1	0	1
3.30	1	0	0
3.40	0	0	0
more	18	4	10
Total	**204**	**204**	**204**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

*) Note: A data point is included in a particular bin if the number is greater than the lowest bound and equal to or less than the greatest bound for the data bin.

**Out of which zero growth: 3, 28, 2 clients respectively

Annex 6, Figure 3: Kazakhstan – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients (number of projects)



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 6, Table 15: Kazakhstan: Operational Plans vs Committed resources

Kazakhstan: Operational Plans vs Committed resources

BAS Kazakhstan

	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ
2011	**144**	**143**	**-1**	**1,099,683**	**1,199,261**	**99,578**	**610,935**	**540,637**	**-70,298**	**4,243**	**3,781**	**-462**	**488,748**	**658,624**	**169,876**	**40.0%**	**54.9%**	**14.9%**
Cancelled	14	15		109,968	139,390		61,094	63,915					48,875	75,475				
Evaluated		128		0	1,059,871			476,722						583,149				
2012	**70**	**64**	**-6**	**424,300**	**625,813**	**201,513**	**254,580**	**299,557**	**44,977**	**3,637**	**4,681**	**1,044**	**169,720**	**326,256**	**156,536**	**40.0%**	**52.1%**	**12.1%**
Cancelled	7	1		42,430	11,704		25,458	5,852					16,972	5,852				
Evaluated		63		0	614,109			293,705						320,404				
2013	**77**	**30**	**-47**	**967,347**	**368,459**	**-598,888**	**474,000**	**175,475**	**-298,525**	**6,156**	**5,849**	**-307**	**493,347**	**192,984**	**-300,363**	**51.0%**	**52.4%**	**1.4%**
Cancelled	8	0		96,735	0		47,400						49,335					
Completed		16		0	166,373			79,035						87,338				
Evaluated		14		0	202,086			96,440						105,646				
2014	**120**	**157**	**37**	**1,454,500**	**1,694,124**	**239,624**	**713,000**	**839,723**	**126,723**	**5,942**	**5,349**	**-593**	**741,500**	**854,401**	**112,901**	**48.0%**	**50.4%**	**2.4%**
Cancelled	6	2		72,725	14,440		35,650	7,220					37,075	7,220				
Completed		116		0	1,115,971			559,965						556,006				
Ongoing		39		0	563,713			272,538						291,175				
2015	***150***	***68***		***1,612,500***	***644,874***		***886,875***	***328,611***		***5,913***			***725,625***	***316,263***		***45.0%***	***49.0%***	***4.0%***
Cancelled		*1*		*0*	*7,875*			*5,907*						*1,968*				
Completed		*12*		*0*	*94,997*			*49,663*						*45,335*				
Ongoing		*55*		*0*	*542,001*			*273,042*						*268,959*				
TOTAL	**561**	**462**		**5,558,330**	**4,532,531**		**2,939,390**	**2,184,004**					**2,618,940**	**2,348,527**				

EGP Kazakhstan

	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ
2011	**None**	**6**			**267,932**			**267,932**			**44,655**			**0**			**0.0%**	
Cancelled		1																
Completed		5						267,932						0				
2012	**5 to 25**	**9**		**405,000**	**424,774**			**394,607**			**43,845**			**30,167**			**7.1%**	
Completed		7						262,581						26,258				
Evaluated		2						132,025						3,909				
2013	**13 to 18**	**11**		**1,005,000**	**524,751**			**477,047**			**43,368**			**47,705**			**9.1%**	
Completed		8						337,047						33,705				
Started/Ongoing		3						140,000						14,000				
2014	**12**	**13**	**1**		**747,592**			**679,629**			**52,279**			**67,963**		**13.0%**	**9.1%**	
Completed		1						49,629						4,963				
Ongoing		12						630,000						63,000				
2015	***12***	***4***			***256,000***			***200,000***			***50,000***			***56,000***		***42.0%***	***21.9%***	
Ongoing		*4*						*200,000*						*56,000*				
TOTAL		**43**			**2,221,049**			**2,019,215**						**201,835**				

Annex 7 Case study: Serbia

BEEPS	Business Environment and Enterprise Performance Survey
EAR	European Agency for Reconstruction
EDIF	Enterprise Development and Innovation Facility
EU	European Union
IPA	Instrument for Pre-accession Assistance
LEF	Local Enterprise Facility
NARD	National Agency for Regional Development
RAS	Serbian Development Agency
SAA	Stabilisation and Association Agreement
SIEPA	Serbia Investment and Export Promotion Agency
UPKS	Association of Management Consultants of Serbia
WiB	Women in Business Programme

Note: Unless otherwise indicated, all quantitative data on the SBS Kazakhstan portfolio presented in this case study originate from the extraction of data from the SBS MIS obtained by the evaluation team for the purpose of the development of the Approach paper for this evaluation report. Projects and activities started in 2011 until 2015 were included. Data for 2015 were provided to month end April 2015 in the case of EGP activities and month end May 2015 for BAS activities.

Key points

- In the period under evaluation, SBS priorities have been broadly in line with EBRD strategic orientations through the implicit assumption of complementarity of activities towards MSMEs development. As of 2016, SBS priorities are more clearly derived from SBI priorities 2016-2018
- The Government of Serbia recognises the complementarity of the SBS Programme with country and sector strategies – good prospects for sustainability
- SBS Programme has demonstrably been well managed and has provided positive effects in the private sector development, and in particular in the development of a sound entrepreneurial mentality in the Serbian market which is relatively new to market economy
- SBS Programme is key in the development of the local consultancy market in a context where the Serbian association of management consultants is not active as in the past
- Donors express appreciation of the SBS Programme though some aspects of visibility should be enhanced
- Misalignment of the SBS Programme with financial EBRD products (such as WiB); however SBS is very helpful for the relationship building with clients
- EBRD Banking sees the value of SBS in relationship building, fundraising, marketing and visibility

1. Serbia: Scope of the country case study

As indicated in the approach paper of this study:

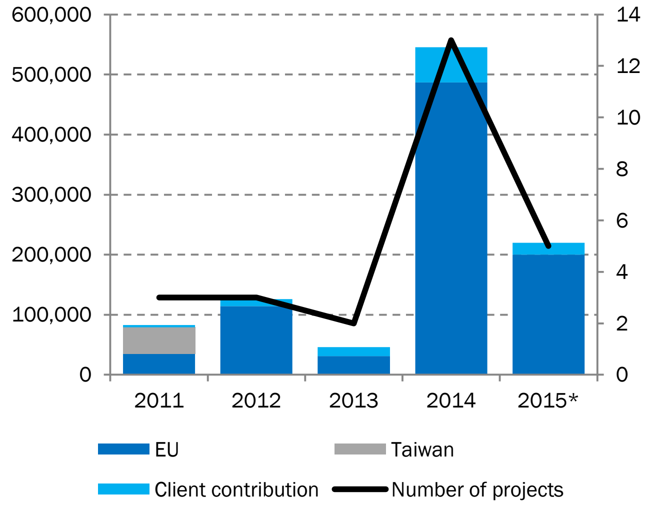
> "the objective of the country case studies is to gather information to feed into the answers to evaluation questions at aggregate level, and to explore the different contextual determinants of SBS Programme operations and success. They do not represent stand-alone evaluations of SBS Programme country programmes."

With this in mind the evaluation team has selected four countries, among which Serbia, and carried out evaluation missions.

Serbia: Overview of SBS portfolio 2011 to 2015

From 2011 until mid-2015 EGP started 26 projects with a growing trend and a peak in 2014 thanks to the EU 2012 IPA National Programme funds, totalling just over €1 million of budget (of which 89% donor funded). More than 95% of donor funds were committed by the EU complemented by Taiwan in 2011 only. The average size of an EGP project has been almost €39,000, with 11% client contribution.

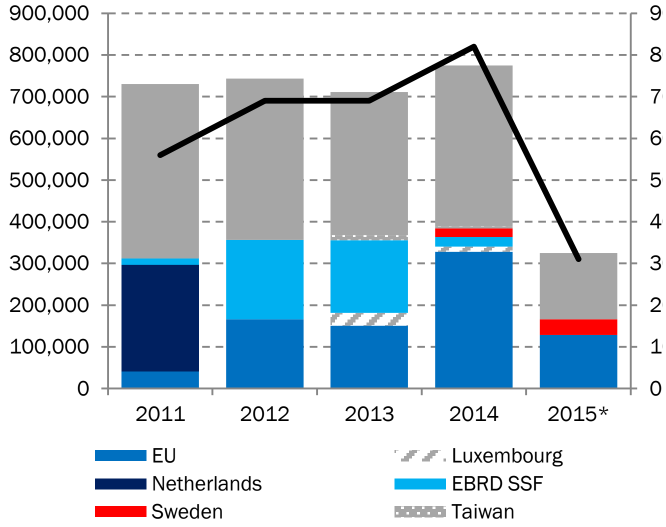
Annex 7, Figure 1: Serbia - Funds committed by donors and clients (€) and number of EGP projects initiated (right axis)



Source: EvD portfolio analysis; *) 2015 figures until June only

From the start of 2011 until mid-2015, BAS initiated a total of 307 projects in Serbia for the total amount of around €3.3 million (donor commitment of over €1.5 million and around €1.7 million in clients' contribution – i.e. 52%). In 2011 the Netherlands was still the main donor. As soon as these resources ended, the EU (and the EBRD Shareholder Special Fund) has been able to keep the BAS Programme stable. In absolute terms the EU is the largest donor for the period under consideration (51%), followed by the EBRD SSF (25%), the Netherlands (16%), Sweden (4%), Luxembourg (3%), and Taiwan (1%). The average budget of a BAS project was just above € 10,000.

Annex 7, Figure 2: Serbia - Funds committed by donors and clients (€) and number of BAS projects initiated (right axis)



Source: EvD portfolio analysis; *) 2015 figures until June only

Project implementation was accompanied by 16 MDAs and two events listed as SDAs.

NB The donor commitments presented above include only funds for project implementation, not donor funded staff costs.

Serbia: Evaluation mission

The evaluation team visited Serbia (Belgrade, Kragujevac, Leskovac, Niš, Novi Sad, Svilajnac) from 23 to 27 November 2015. Other relevant interviews were held on the phone. The information are summarised in the table below. Special thanks go to the SBS team in Serbia, led by Bojana Vukosavljević, National Programme Manager – under the supervision of Natalia Meylunas, Head of Regional Programme.

Annex 7, Table1: Serbia – interviews held by the evaluation team

Type	# Institution	# Interviews	# persons in Serbia	# persons by phone or other
SBS clients	13	13	23	-
Stakeholders	8	8	8	2
Donors/IFIs	3	3	-	3
EBRD	-	4	4	-
SBS staff	-	6	10	1
Total	**24**	**34**	**51**	

Serbia: Evaluation questions

Has the SBS strategic planning been adequate to the Bank's evolving SMEs strategic agenda and the needs of SMEs in the countries of operation?

Alignment/integration of SBS strategic and business plans with SME components of EBRD's Country Strategies

In the strategic period under evaluation two EBRD Strategies for Serbia were in force, one approved in 2007 and the other one in 2014.

In the 2007 Strategy for Serbia – which was in place for seven years, almost the entire period of the SBS strategic period under evaluation – the EBRD identified key transition challenges and related strategic priorities among which one was the corporate sector. It was specifically mentioned the EBRD will continue its assistance and provide support to local enterprises through the TAM and BAS Programmes. The Programmes were meant to promote private sector development of SMEs, enabling them to adapt to a free market economy and to assist companies to be more competitive on domestic and international markets. It was also specifically mentioned that:

> "there are strong parallels between the work of the TAM/BAS expertise and the investment priorities of the Bank, and the linking of TAM/BAS expertise with banking teams and resident office will be achieved during both pre-investment and post-investment activities". (Board approved 20 February 2007)

The TAM/BAS Strategic Plan 2011-15, approved in December 2010, specified its objectives in terms of regions in order to contribute to the achievement of CRR4 objectives. Referring to the Western Balkans, to which Serbia belongs, the focus was almost entirely on the TAM Programme and how its association with the EBRD direct lending facility for Western Balkans (Local Enterprise Facility – LEF) will support the CRR4 objective of engagement with the private sector.

In the 2014 Strategy for Serbia (Board approved 8 April 2014) the transition challenges for the SME sector were identified to be: (i) deepening and broadening bank lending to SMEs in particular in the regions; and (ii) broadening the scope of coverage from credit information systems that would lead to improving collateral requirements applicable to SME bank lending. The transition impact gaps for MSMEs were rated medium at market structure and market institutions. The gap in access to finance was captured in a pilot results framework which includes among the tracking indicators "*changes to financial and operational performance of private corporate clients including clients assisted by SBS*".

In the 2014 Strategy for Serbia an entire Annex was dedicated to SBS. The Annex gives an overview of the previous SBS experience in Serbia (in terms of quantity), elements about the MSME sector, the consultancy market, and the existing infrastructure of MSME support, as well as the main drivers for the continuation of the SBS in Serbia. The latter part mentions particular focus on: increasing export activity, and fostering innovation and employment in the domestic MSME sector. Also it stated that the SBS will work mainly with enterprises in priority sectors such as agribusiness, ICT, pharmaceuticals, transport and metal processing. Particular focus was meant to be placed on facilitating access to finance through the EBRD and its PFIs in Serbia, and the EBRD would implement the BAS/LEF accounting improvement programme (AIP) as a pre- and post-investment tool to raise enterprise financial management and standards.

SBS prepared annual Business Plans (submitted to the EBRD Board of Directors)[24] and related Operational Plans (as internal document for Management)[25] for every year of the period under the evaluation. The Business Plans focused on the limited management skills, business planning, financial management and accounting. BAS focus was put in the same areas and on developing a local consultancy market which was lagging behind the quality of services provided by international consultants. The Operational Plans did not reflect any special sectors targeted and merely spelled out types of advisory provided through the update of the grant guideline matrix. As indicated clearly, for instance, in the SBS Operational Plan for 2015:

> "for projects with local consultants in 2015 there will be no special sectors targeted; applications are accepted for various type of advisory. Under the new IPA funding the donor has not indicated any industry preferences, but referrals from the beneficiary – the Ministry of Finance and Economy – may be expected."

So, in the case in which the donor was not setting its own priorities, SBS did not refer to an internal strategic document (i.e. EBRD's Country Strategy) to set them, and showed readiness to accept further indication from the main beneficiary of the donor (EU) resources, namely the Government of Serbia.

Following the Small Business Initiative (SBI) Review in December 2013, which also foresaw the absorption of SBS into the new initiative, Serbia was selected as one of the pilot markets for launching SBI. For SBS this meant establishing joint contacts with PFIs, mutual referrals and joint promotional activities with EBRD Banking – but no changes in priorities. A special initiative was introduced instead in late 2014 as soon as the new Women in Business Programme was approved for the Western Balkans and resources of the donors were made available also for Serbia (see section 0).

Overall, SBS annual Business and Operational Plans for the period under evaluation did not focus on specific sectors or type of advisory services derived from the

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[24] Annual Business Plans for Serbia are available for 2012, 2013, and 2014. For 2015 the Business Plan was prepared for the region of the Western Balkans.

[25] Annual BAS Operational Plans are available for 2011, 2012, and 2013. The Operational Plans 2014 and 2015 are including BAS and EGP implementation modalities.

EBRD Country Strategies and instead there was an implicit (and in some instances explicit) assumption that guidance in terms of priorities should have come from donors, who, in this case, did not have specific requirements. On the contrary, once the WiB Programme was approved, SBS shifted focus of its activities to it. On the whole, given the broad scope of EBRD's engagement in a country in terms of MSMEs development, there is little doubt that SBS Business and Operational Plans have been complementary in addressing the underdeveloped private sector in Serbia.

As for the future, the evaluation team notices that the SBS Operational Plan 2016 (therefore falling outside the strategic plan under evaluation) has changed focus and clearly stated to have moved towards strategic priorities rooted into the 2014 Strategy for Serbia and the SBI priorities 2016-2018. The shift in focus is very clear and the identification of priorities follows Banking needs.

Implications of donor priorities on SBS strategic planning/prioritisation

Grant agreements are the formal occasion in which donors and the EBRD negotiate priorities on which to focus activities to be implemented by the EBRD through its SBS Programme. The evaluation team cannot retrospectively know how these negotiations were held, but indeed the documentation available can help to form a view. In the strategic period under consideration, the EU, the EBRD Shareholder Special Fund, the Netherlands, Taiwan, Luxembourg, and Sweden have been the donors for the BAS Programme; the EGP Programme has been entirely funded by the EU with a minor contribution from Taiwan in 2011.

In a country like Serbia, where the EU accession process is driving the political and economic agenda, the partnership with the EU and its financing schemes is very important. The collaboration with the EU dates back to the times when the European Agency for Reconstruction was channelling EU funds in the country before handing over to the EU Delegation. From end 2011 until June 2013 the main funding source for BAS and EGP was the EU/EBRD Private Sector Support Facility for Western Balkans.[26] €5 million were allocated for TAM/BAS in the whole region with

> "the overall objective of transferring management skills to SMEs, leading to restructuring and improvements in all aspects of business operations of local enterprises, and supporting the improvement of the infrastructure of local business advisory services".[27]

The EU was not requesting to focus on particular regions or sectors in the Western Balkans and/or specifically in Serbia.

From 2013 the EU funding came from the 2012 IPA National programme – EU Support to SME Development in Serbia. Both the Government and the EU recognised the value of the SBS Programme to achieve the overall objective of enhancing the competitiveness of Serbian economy through the strengthening of private sector and its performance. Even in this case, the EU was not requesting to focus on particular regions or sectors of Serbia as soon as there was complementarity with national priorities in terms of SMEs competitiveness - which was eventually reflected in a very generic description of implementation modalities for SBS (see section 0).

In the case of the Netherlands, Taiwan, and the EBRD SSF, the SBS team has not been given any restriction on the utilisation of funds, which allowed implementing the standard SBS formula.

A different case is the one that related to the Women in Business Programme. In 2014, the fortunate combination of the Swedish interest in gender issues and its commitment to pledge resources for a Women in Business Programme in the Western Balkans (together with other donors), has brought to the launch of the EBRD Women in Business Programme also in Serbia. As confirmed by the operation team and by the donor, shaping the Women in Business Programme in the Western Balkans with Sweden was a joint exercise. However, the evaluation team notes that the donor agreement signed with Sweden in May 2014 foresee specific objectives in terms of jobs creation that are not included in the document approved by the EBRD Board of Directors for the Western Balkans WiB Programme as approved in July 2014.[28] The specific reference to job creation was removed as falling out the transition impact methodology. This difference does not necessarily indicate a contradiction in stated priorities of the programme towards different stakeholders, but shows at least a big degree of flexibility of the EBRD in adjusting to and meeting donor priorities to ensure donor funds. Presenting the same Programme to the EBRD Board of Directors omitting some key objectives and indicators as presented to the donors inevitably creates room for different expectations. More details about this point are provided in the thematic case study about the WiB Programme, Annex 9.

Overall, donors' financing in Serbia in the period under evaluation did not have major implications on the planning and prioritisation of the SBS Programme in the country, as the donors did have very broad priorities. The more recent donors' and EBRD's focus on women-led enterprises has shifted part of the focus of SBS on that specific market segment, while maintaining the vast

[26] The EU/EBRD Private Sector Support Facility for Western Balkans was established in the framework of the IPA Multi-Beneficiary Crisis Response Package 2009 for Western Balkans and Turkey. The purpose of the latter was to provide economic actors in the Western Balkans and Turkey, i.e. the financial institutions and businesses (MSMEs), with the necessary financial means, human resources to offer competitive products and services and support them to face the challenges of the economic and financial crisis in the short and longer term. In the case of the Western Balkans, the Facility (managed directly from EU Brussels) was composed by three windows: (i) the SME Competitiveness Support Window, (ii) the Energy Efficiency Window, and (iii) the EBRD TAM/BAS Programme Window.

[27] EU Contribution Agreement with the EBRD (Contract number 2009/228-273), Private Sector Support Facility for the Western Balkans, Appendix 3

[28] BDS14-193 approved on 23 July 2014

majority of activities with the standard SBS implementation modality.

Consistency of SBS strategic planning/prioritisation with country needs

SBS Operational Plans mention different sources of information in terms of SME needs at country level. Those include, for instance, the EBRD MOI survey,[29] the BEEPS survey,[30] SBS own survey of consultants (Annual Consultant Review - ACR) and the OCE Assessment of Transition Challenges. However, there is no reference to national strategic documents and/or sector analysis conducted by others. As mentioned in section 0, the SBS Programme did not really embarked in a country tailored prioritisation exercise, which resulted in very broad Business and Operational Plans. On the other hand, the evaluation team notes that the absence of a structured prioritisation exercise has been mitigated by the deep knowledge of the SBS team of the country context thus contributing to create the SBS niche and building a very positive dialogue with national counterparts (see section 0).

In fact, the Government of Serbia has recognised the value and the relevance of the SBS Programme and for this reason it has proposed it for the 2012 IPA National programme (see 0). From the interviews held by the evaluation team during the mission in Serbia, the SBS Programme is considered to be complementary with the Government programmes to support SME development. Its value it is especially recognised in the capacity building and the development of the local consultancy market. Also, through the EGP Programme, SBS gives access to a database of international advisors to which Serbian SMEs would not have had access in other ways. In a way, from the qualitative data available to the evaluation team, the SBS Programme is providing a continuous and reliable support to SMEs and inducing an entrepreneurship culture that is missing in Serbia and that the Government is not capable to address fully with its own programmes.

The support of the Government of Serbia to the SBS Programme is explicit through the Steering Committee[31] meetings of the EU funded programme where, for instance, EGP projects are presented and approved. The Steering Committee is mostly an occasion to exchange information among stakeholders in the SME development, not a place where priorities are actually defined. However, it gives the opportunity to all key stakeholders to meet and update on relevant developments, not only related to the implementation of the EU funded programme.

[29] EBRD's management, organisation and innovation survey 2008/2009

[30] Business Environment and Enterprise Performance Survey; http://ebrd-beeps.com/

[31] Permanent members are: Delegation of the EU to Serbia, Ministry of Economy, Ministry of Finance, EBRD, National Agency for Regional Development NARD, Chamber of Commerce and Industry of Serbia, Serbian Export Promotion Agency SIEPA. Observing members are: Serbia Innovation Fund, Association of Management Consultants of Serbia, Association of Business Women, Serbian European Integration Office SEIO.

In 2015 the Government of Serbia has adopted the new Strategy for Support the Development of SMEs, Entrepreneurship and Competitiveness from 2015 to 2020. The strategy is aimed at improving the business climate, providing better access to sources of financing, continued development of human resources and strengthening the sustainability and competitiveness of SMEs. The Strategy builds on the previous 2008-13 SME Strategy, but further improves co-ordination and monitoring mechanisms by aligning strategic objectives over several ministries for the first time. In this context it is worth mentioning that the Action Plan for the implementation of the Strategy specifically mentions the implementation of the SBS Programme. The Action Plan also mentions other programmes implemented via international partners (such as USAID, GiZ, etc.) which demonstrates the effort from the side of the Government of Serbia to create a coordination mechanism in terms of private sector development implementation in the country.

Having said that, the evaluation team notes that in a country like Serbia where SBS is funded by many donors working at the same time a comprehensive report/occasion of discussion about the entirety of activities and results of the SBS Programme is not available thus decreasing the chances of giving to the Government of Serbia and the donors an overall picture of the Programme and its complementarity with other key players.

In summary, SBS activities in the country are complementary with the country's efforts towards the development of a vibrant SME sector. This is confirmed by the Serbian authorities who appreciate and support the implementation of the SBS Programme in the country.

Has the SBS programme delivered demonstrable and sustainable results in its countries of operations?

Improved performance and competitiveness

Improved performance and competitiveness of individual client SMEs is an important goal of all SBS projects and one that is comprehensively tracked through a number of indicators data which are collected before and after project and also at one year after project completion. Aggregate performance of clients across these indicators is reported in various donor reports (therefore usually at 'donor-level' rather than country level), and selectively it has also been reported in some SBS Business and Operational Plans. The most prominent indicators are increases in turnover and number of employees.

Aside from collecting data on key indicators, the SBS self-evaluation at one year after completion also assesses the projects against criteria of effectiveness, efficiency, relevance and impact, arriving to an overall success rating (on a scale 0-10 for BAS, and 0-5 for EGP). According to the data available, BAS projects in Serbia scored very high in these assessments (table 2 below). For EGP no projects have been yet evaluated.

Annex 7, Table2: Serbia – BAS self-evaluation final scores

BAS final rating	Number of projects	% of projects
Highly Successful (rating 10)	17	11%
Successful (rating 8-9)	102	66%
Satisfactory (rating 5-7)	35	23%
Unsatisfactory (rating 0-4)	0	0%
Total	154	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

In Serbia, generally SBS clients have reported increased productivity and growth. It is very difficult to attribute such positive effects entirely to the SBS assistance, though indeed there is a positive contribution. From the data harvested by the SBS team and registered in the SBS MIS, out of the 307 BAS projects initiated in Serbia, 154 have got data from the self-evaluation carried out one-year after completion. As indicated in table 3 below these evaluated projects had mostly the objective of improvement of market performance (30%), and (see table 4) the most common type of advisory service was Environmental Management (24%).

Annex 7, Table 3: Serbia – BAS projects by objective (evaluated)

Objective	Number of projects	%
To Improve Market Performance	46	30%
To Improve Environmental Management	42	27%
To Improve Management Effectiveness	38	25%
To Introduce Quality Management & Certification	24	16%
To Reduce Costs	4	3%
Total	154	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 7, Table 4: Serbia – BAS projects by type of advisory (evaluated)

Type of advisory	Number of projects	%
Environmental Management	37	24%
Quality Management	24	16%
Marketing	24	16%
Information Communication Technology	23	15%
Strategy	22	14%
Organisation	11	7%
Operations	6	4%
Energy/Resource Efficiency	6	4%
Engineering Solutions	1	1%
Total	154	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

For these projects the data on number of employees and turnover before and a year after project completion are also available (see **Error! Reference source not found.**). The median turnover growth was 13%, and 67% of projects recorded a positive turnover growth. The distribution of projects based on the growth of turnover is presented in table 13 of this annex.

The median employee growth was 0%, and 42% of clients indicated a positive employee growth. The most densely populated segment is that of employee growth from -10% to 0% (53 projects out of 154, namely 34% - see table 13 of this annex).

In terms of labour productivity calculated to measure competitiveness, the median productivity was by 9%, and 64% of evaluated clients experienced a positive productivity growth. The distribution of projects in terms of productivity growth is presented in table 13 of this annex.

Annex 7, Table 5: Serbia – BAS performance indicators

Performance indicator	Median	% of projects with positive growth
Turnover growth	13%	67%
Employees growth	0%	42%
Productivity (Turnover/employees) growth	9%	64%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

For EGP in Serbia there are no data available from the EGP MIS about self-evaluated projects as none of the projects initiated since 2011 has been subject to one-year after evaluation.

In terms of qualitative data harvested by the evaluation team during the mission in Serbia in November 2015, the companies supported by SBS expressed satisfaction with the consultants' services as well as the SBS team relationship. They value the approach tailored to their needs and they all perceive the benefits coming from the Programme. SBS clients are aware that in Serbia there is a general lack of entrepreneurship culture and this is reflected in poor corporate governance standards particularly related to skills in general and financial management. SBS clients in Serbia are learning the value of the availability of the consultants' skills to them. Some valued mostly the cost-sharing component because it allowed to speed up the achievements of their needs (as they had already a clear idea of their needs and in some cases even the consultant to use), while others can see the long-term value of the advices in terms of growth mainly through the establishment of the proper corporate structures that were missing. Also, as stressed by many stakeholders including the donors, the co-financing model ensures ownership over the projects by the SMEs which positively affect the achievement of sustainable results.

Overall, while it is not possible to quantify the contribution of the SBS projects to clients' improved business prospects, clients and other key stakeholders express confidence over the positive impacts of SBS advisory services on the performance and competitiveness at SME level.

Improved access to finance

In the 2007 EBRD Strategy for Serbia access to finance was not really considered a priority. Following the financial crisis, the issue became very important for the development of the Serbian real sector. In BEEPS V (2013) poor access to finance was still a chronic problem that affected the vast majority of SMEs in Serbia and it was the third most severe obstacle after political instability and tax administration. This was confirmed in the 2014 EBRD Strategy for Serbia where it is stated that MSMEs continue operating in a difficult business environment and competition from the extensive informal economy and insufficient access to finance remain main obstacles for growth. In particular it was identified the issue of women entrepreneurs' access to finance. The 2016 OECD SME Policy Index confirmed that SME access to finance has improved only marginally over the previous years and the financial sector remains vulnerable due to high levels of non-performing loans and exposure to Greek banks.[32] Having said that, at the time of the evaluation mission to Serbia in November 2015, there was a situation of over-liquidity in Serbian banks which was brought to the attention of the evaluation team and that has been reflected in the qualitative data (coming from interviews) described at the end of this section; but indeed, in the post financial crisis years, access to finance was a severe problem as described below.

For SBS, the focus on access to finance has been operationally translated mainly in the cross-referrals from SBS to EBRD Banking teams, and since the start of SBI, in terms of joint activities of communication and promotion with Banking. The annual SBS Business and Operational Plans for Serbia (2011-2015) contain KPIs for monitoring clients who were referred to EBRD Banking, clients referred to EBRD PFIs, projects reaching the phase of Concept Review, and clients receiving finance from EBRD PFIs. In particular the focus has been on the complementarity of the BAS Programme with the EBRD direct lending facility for Western Balkans Local Enterprise Facility – LEF:

> ("facilitating client access to finance through the Bank and its partner financial institutions in Serbia, and the EBRD will implement BAS/LEF accounting improvement programme (AIP) as a pre- and post-investment tool to raise enterprise financial management practices and standards. Possible inclusion into the Western Balkans EDIF will further increase SBS' role as a facilitator for financing", page 54)

and lately with the Women in Business Programme to promote women entrepreneurship through access to finance and access to know-how.

The evaluation team notes that already when the SBS Programme was funded by the EU/EBRD Private Sector Support Facility for Western Balkans, of which SBS was one of the windows, linkages with access to finance and EBRD financial products could have been expected. However, a form of cross-fertilisation between the PSSF Windows was not embedded in the design of the programme: the SME Competitiveness Support Window and the Energy Efficiency Window were not monitored with respect to their complementarity with the TAM/BAS Window. From 2013 the funding came from the 2012 IPA National Programme "Support to SME Development" that did not focus on access to finance, but on enhancing the performance of SMEs.

As a matter of fact, access to finance was then seen instrumental with the establishment of the Western Balkans Enterprise Development and Innovation Facility (WB EDIF)[33] and in particular its Enterprise Expansion Fund (ENEF) which is meant to provide equity financing for the expansion of high growth potential businesses. The evaluation team has not been provided enough background information on that, but it has been brought to its attention that some WB EDIF resources will be dedicated to SBS in its function of promoting access to finance. The synergy is expected to be on the EGP component of the SBS Programme given the size of the companies and the potential for growth. For this reason, as confirmed by the SBS team in Serbia, the target of the EGP clients has changed towards bigger, potentially more bankable, companies – which is very challenging goal in a country where SMEs composition is mainly micro and small. At present there is no evidence about the positive benefits of this collaboration in terms of deals for ENEF – though the SBS team in Serbia has provided the information that companies supported by EGP have been referred to ENEF. However, in general, EBRD Bankers interviewed by the evaluation team see the added value of SBS not necessarily on the pre- and post-investment stage, but for the relationship building, fund-raising and visibility.

An interesting case already under implementation of expected direct contribution of the SBS Programme to access to finance is the Women in Business Programme. This was established in the Western Balkans in 2014 with grant funding from Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund.[34] The objective of the Programme is to promote women's participation in business, by assisting women-led SMEs to access finance, know-how and non-financial business development services to demonstrate that, when market failures are addressed, obstacles removed and women-led SMEs are given equal opportunities, they can deliver in terms of economic performance and growth, job creation, and a number of social gains. Based on that, the Women in Business Programme was designed to comprise of: women-dedicated credit lines; risk mitigation schemes; technical assistance to PFIs; and direct support to small business through the SBS Programme. The latter is not including only typical SBS advisory services provided by local consultants, but also: Business Lens and Women in Business seminars; Women in Business workshops; on-going business coaching projects; mentoring provided by Cherie Blair Foundation for Women; events and networking opportunities.

In Serbia, the advisory services component run by SBS started the implementation of the activities in December 2014 while there was not yet a PFI ready to be involved in the financial part of the WiB Programme. Moreover, the technical assistance for PFIs started in October 2014 and implemented by Frankfurt School of Finance and

[32] SME Policy Index, Western Balkans and Turkey 2016, Assessing the Implementation of the Small Business Act for Europe, page 327

[33] The Western Balkans Enterprise Development & Innovation Facility (WB EDIF), funded by the EU, has been designed to offer complementary financial engineering instruments addressing the entire range of SME financing needs in the Western Balkans. The overall initiative is coordinated by the European Investment Fund (EIF). The EBRD has the lead in implementing the Enterprise Expansion Fund (ENEF). More information are available at http://www.wbedif.eu/about-wb-edif/technical-assistance-facility/

[34] Regional: Western Balkans Women In Business Programme approved by EBRD Board of Directors on 23 July 2014

Management. Eventually the first and (so far) only credit line in Serbia was approved by the EBRD in November 2014 and signed in February 2015 with Banca Intesa Beograd for the amount of €5 million. As part of the WiB Programme, Frankfurt Scholl, in collaboration with the local Association of Business Women, completed the baseline assessment for Banca Intesa Beograd by March 2015 including a country market level gender gap analysis and a PFI-level gender gap analysis.

As explained in more details in the thematic case study about the WiB Programme (Annex 9), it is unclear if and how the financial component and the advisory services component of the WiB Programme are to be synchronised and how mechanisms of cross-referrals should be in place. This concern has been flagged by many stakeholders interviewed by the evaluation team, including the Ministry of Economy, the donors, the SBS team as well as the EBRD FI team (for which the added value of the WiB Programme is on the first-loss cover component and the technical assistance to the PFIs). As indicated in the Board approval document of the Western Balkans Women in Business Programme, Frankfurt School (the consultant) is supposed to develop and facilitate cross referral mechanisms at the level of each local bank in order to increase women's access to finance. From the information available to the evaluation team such mechanisms are not in place yet, also due to the fact that there is a mismatch in timing of implementation of the SBS component and the technical assistance to PFIs, considering that there is only one PFI at the moment in Serbia. The reporting to the donors is silent on this matter.[35]

Moreover, the lack of synchronisation has affected, for instance, the choice of the beneficiaries of the mentoring part of the SBS programme run by the Cherie Blair Foundation, which is targeting five women in Serbia that should have been nominated also by the PFIs. Since the credit lines are delayed in signing, mentees had to be nominated among SBS clients. It is expected that the second intake for mentoring programme will be able to involve mentees referred by PFIs and/or among SBS WiB clients. Overall, all these issues are taken into consideration in the Women in Business thematic case study included in this evaluation and should be taken into consideration in an in-depth future evaluation of the WiB Programme.

In the overall context of access to finance, it is worth mentioning that the SBS team is monitoring access to finance of its clients. Information about that is collected by the SBS team in the one-year after completion evaluation to EGP and BAS clients.

Bearing in mind that there is little possibility to make conclusions about attribution/contribution of acquired funding thanks to the BAS projects, the BAS MIS indicates that out of the 154 BAS clients for which the project was evaluated, 69 (i.e. 45%) borrowed from microcredit institutions or commercial banks between 2011 and 2015 for a total amount of around €17.4 million (see table 12 of this annex). These figures are broadly in line with what reported by the SBS team in the 2014 Business Plan that indicates that in the period 2011-2013 47% [BAS supported] enterprises obtained an investment.[36] This is also in line with BEEPS V findings which states that firms with a loan in 2013 counted for 40% (below the South-East Europe average of 48.9%). Out of the 69, 51 BAS evaluated clients received finance from an EBRD partner financial or a microcredit institution (though it is not indicated if through an EBRD credit line or others).

In the case of Serbia, the one-year-after evaluation has not been conducted yet on any of the initiated EGP projects. Data about acquired funding through financial and non-financial institutions is not available through the EGP MIS. As confirmation to that, the SBS team reported in the 2014 Business Plan that no external investment was received by EGP clients in the period 2011-2013. On the other hand, one Banking client (€4 million loan signed in 2011) was referred to EGP and received advisory services through the Programme after signing (2011-2013). In terms of EBRD funding, according to the available data, between 2011 and 2015, there have not been mutual clients between EGP and EBRD Banking. Only in 2015 it is recorded that one subordinated loan for an EGP client has passed concept review at EBRD SBIC in the framework of the Direct Financing Facility.

As indicated at the beginning of this section, in the specific moment of the visit of the evaluation team in Serbia in November 2015, there was a situation of over-liquidity in Serbian banks – which gives a very different perspective from the situations just described of the preceding years post-financial crisis. This has impacted the EBRD financial products for SMEs through PFIs. And, as confirmed in many interviews, the PFIs do prefer disbursing their own credit lines before the EBRD ones. This makes the case for proposing more tailored and blended products that can attract commercial banks towards borrowing from the EBRD.

Also, SBS clients interviewed by the evaluation team did not indicate access to finance as a constraint for their growth. In the majority of the cases they did not have issues in getting finance from commercial banks, and in other cases they were not in need to borrow. According to World Bank Enterprise Surveys (2013) an average of 43% of firms has a bank/loan line of credit and an average of one third does not need a loan (with significant differences depending on the size of the firms: 17.5% of large; 36.7% of medium; and 39.8% of small). There are no rejections of loan applications (3.6% for small firms mainly located in Southern and Eastern Serbia and 0% for medium and large firms) but firms tends to finance investments internally (51.8% of small, 68% of medium, and 53.6% of large).

In summary, access to finance did not seem to be a main criterion for SBS to select its clients in the period under evaluation, though SBS monitors this information about its clients' one-year after completion, while bearing in mind that there is little possibility to make conclusions about attribution/contribution of acquired funding thanks to the BAS projects. Accordingly there have been unclear expectations of SBS contributing to access to finance via

[35] Women in Business Programme in the Western Balkans, September 2015

[36] Small Business Support – 2013 Update and Business Plan for 2014, page 35

LEF, EDIF and the WiB Programme. Indeed, there has been a closer collaboration between the SBS team and EBRD Banking in terms of promotion of products, donor relations and client relationship which ensure complementarity between access to know-how and access to finance opportunities provided by the EBRD. Having said that, as indicated in section 0, the SBS focus as part of SBI has clearly moved towards strategic priorities rooted into SBI priorities 2016-2018 fully focused on access to finance. How this is going to be translated operationally into the SBS activities (not only in Serbia) is unclear yet.

Progress towards sustainable and commercially viable infrastructure (including consolidation of advisory services industry)

From the information available to the evaluation team, the local consultancy market is developing in Serbia, though slowly. As indicated in the 2011 Assessment of Transition Challenges about the Infrastructure of MSME Support (carried out jointly by BAS team and the Office of the Chief Economist) the

> "Serbian consultancy industry faces medium transition challenges with regard to MSMEs. Market penetration and demand for consultant services are well advanced. The market demonstrates a level of development but lacks specialised expertise."[37]

As indicated in BEEPS V (2013) 36% of MSMEs declared to have hired an external consultant. Still, the advice from abroad is considered more valuable; but at the same time companies have a language barrier with international consultants. In this context, the SBS team worked on addressing the development of the local consultancy market through its Market Development Activities which are carried out in collaboration with many stakeholders (National Agency for Regional Development, Chamber of Commerce, Association of Business Women, etc.) and very much appreciated at local level.

In order to plan its MDAs and track progress of the contribution to the development of a well-functioning local market for business advice, SBS country teams review local providers of advisory services through the Annual Consultant Review (ACR). The ACR is sent out to all consultants that are registered in the MIS and actively providing advisory services in the market (so, not to a representative or stratified sample of local consultants). In the case of Serbia ACR results are available for 2011 (100 respondents), 2012 (121 respondents) and 2014 (129 respondents); ACRs changed criteria in the years in which they were performed so they are not comparable, however they provide useful information about the needs of the local consultants registered in the BAS database. ACRs are confirming that there is a wide spectrum of consultancy services available in the country (particularly on development planning, market analysis, restructuring and quality management). Also, for instance, the ACR 2012 revealed that Serbian consultants are not specialised in a particular industry and accept assignments in all sectors in order to have more clients. The same ACR 2012 informed that the supply of services in the country is very good as on average each BAS consultant was used 1.1 times.

The information is used by the SBS team to plan its MDAs as spell them out in the annual Operational Plans. The number of MDAs each year in Serbia was planned to be from six to ten. Actually only two to four MDAs per year took place, which could be also explained by the limited human resources available in the SBS team Serbia to carry out MDAs in addition to their regular activities. Overall, from 2011 SBS carried out 15 MDAs spread as indicated in table 6 below.

Annex 7, Table 6: Serbia – MDA objectives and type[38]

		Number of MDAs
Increase demand for local consultancy services		8
	Policy Dialogue	*2*
	Training	*2*
	Visibility	*4*
Broaden supply of local consultancy services		1
	Training	*1*
Improve quality of local consultancy services		5
	Training	*5*
Consolidate the consultancy industry		1
	Training	*1*
Total		**15**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

As indicated in the table above, MDAs did focus mostly on the demand side and on increasing the awareness of the role of professional advice for SMEs – a total of eight events took place. Those categorised as "policy dialogue" were two occasions (in 2011 and in 2015) in which SMEs and consultants were brought together on a platform for discussion and constructive dialogue. Two trainings took place in 2013, one devoted to on-line marketing for women in business, and one in the framework of the Grow Your Consultancy Business trainings developed and harmonised across SBS countries (in the specific case it was a training about starting your own business). Visibility events covering the demand side were in total four: one about creating a platform for energy efficiency related activities in Serbia; the launching event of the Women in Business Programme in 2012 and a 2014 event to promote Women in Business; and in 2015 an event to promote SBS activities and its complementarity to ENEF. The evaluation team has harvested positive comments about SBS MDAs and their implementation. However, it seems that since the launch of the streamlined series of training GYCB, MDAs are perceived not to be tailored enough to the local context according to the Ministry of Economy of Serbia.

In terms of supply of local consultancy services, one training was organised in 2013 about energy efficiency and environmental compliance. In terms of improving the quality of local consultancy services, SBS organised five MDAs: one training on industrial energy audit for

[37] Assessment of Transition Challenges, The Infrastructure of MSME Support, July 2011, page 20

[38] The distribution of MDAs into objectives and categories is given as per the data extract from SBS MIS. It should be viewed as only indicative, as some inconsistencies in the categorisation of MDAs have been observed.

consultants in 2011; one training on managing information technology projects in 2012; two trainings in 2014 about business diagnostics for consultants; and a training in 2014 about energy efficiency for consultants. The latter was organised in the framework of the cooperation between SBS and the EBRD Energy Efficiency and Climate Change team (E2C2) and part of a broader series of energy efficiency trainings piloted in Romania, Moldova, Armenia, Kosovo, and Serbia. The evaluation team notes that there is no indication in the SBS Business and Operational Plans about a specific need to focus on energy efficiency for Serbian consultants.

In terms of consolidation of the consultancy industry in the country, SBS has been always engaged with local stakeholders on that. As indicated in the 2011 Assessment of Transition Challenges about the Infrastructure of MSME Support (carried out jointly by BAS team and the Office of the Chief Economist)

> "There is an active professional association of management consultants in Serbia, which has become an active and growing organisation with the support of BAS and other international donors. It currently has 61 members and has demonstrated a strong commitment to complying with international norms and standards for consulting profession, such as CMC, and therefore showing a discrete level of development." [39]

From the information available to the evaluation team, in 2011 SBS organised a training for the members of the Association of Management Consultants of Serbia (UPKS) to develop its capacities. However, in the recent years UPKS is not actively engaging in the development of the market as before. According to the consultants interviewed by the evaluation team, the SBS Programme is actually acting as catalyser of a network of consultants through its trainings and other activities and UPKS activities are not valuable and consistent. From the consultants' perspective the collaboration with the EBRD is important also in terms of reputation as being a registered SBS consultant gives assurance of transparency and professionalism. Most of all, consultants interviewed confirmed that through the matching of consultants with SMEs, the SBS Programme is giving an opportunity to SMEs to test their knowledge and decide to accept the advice from the outside. Of course, the grant component is appreciated and helps, but from the consultants' perspective the added value is in the creation of a new mentality and culture in Serbia: to help SMEs to understand the value of the advice from an external person. According to them and other stakeholders this is not distorting the market as there is not a developed market yet. The positive effect of the SBS Programme on the use of consultants by SMEs is monitored by the SBS team through the MIS. According to the available data for BAS evaluated projects (a total of 159), 68 clients have utilised a consultant after the BAS project completion, namely around 43%.

It should be also added that SBS is working on the development of the consultancy industry in close collaboration with the Ministry of Economy and the National Agency for Regional Development (NARD). The latter has introduced a system for local consultants' certification as outcome of an EU funded project and the SBS Programme is complementing the NARD database with its own process of qualifying local consultants.

To conclude there is little doubt that the SBS role has been instrumental for the development of the local consultancy market in Serbia through its MDAs and through the involvement in the other stakeholders' activities, such as the Ministry of Economy, NARD, Chamber of Commerce, and the Association of Business Women. This allows SBS and the EBRD to be considered an important player in the development of the sector and ensure complementarity with activities carried out by the Government and other key players.

Progress towards institutional SME infrastructure

The 2011 Assessment of Transition Challenges in terms of the infrastructure of MSME support considered the MSME sector challenges beyond access to finance, including an assessment of institutional SME infrastructure for SBS countries of operations. This was based on the existence of a Ministry in charge of SME development, the existence of a National SME Agency and public regional support centres as well as whether there is a Law and Strategy on SMEs in place. The Ministry of Economy is responsible of MSME-supportive policies, which are implemented through the National Agency for Regional Development (NARD) and accredited Regional Development Agencies. Together with the regional agencies, NARD provides financial and non-financial support to SMEs. As confirmed in the 2016 SME Policy Index:

> "Serbia continues to have a proactive and very well-developed approach to SME policy, with a forward-looking SME development strategy and a wide range of support services in place. The legislative review process is well advanced and regulatory impact assessment continues to take place and take SME aspects into consideration."[40]

The SBS Programme has always worked in collaboration with NARD and regional development agencies through the promotion of the respective programmes as well as occasions of exchange of information to avoid any overlapping. For instance, the Steering Committee established under the existing EU funded programme "Support to SME Development in Serbia" has set a regular occasion where all stakeholders meet and exchange information while discussing the main achievements of the running SBS Programme.

However, the perception of SMEs, consultants and other stakeholders interviewed by the evaluation mission is that the Serbian government's programmes to support SMEs are not consistent and systematic. Especially in

[39] Assessment of Transition Challenges, The Infrastructure of MSME Support, July 2011, page 20

[40] SME Policy Index, Western Balkans and Turkey 2016, Assessing the Implementation of the Small Business Act for Europe, page 312

areas with high potential economic development because of the presence of big industries (i.e. in Kragujevac where FIAT has started a new production) it was expected that the Government of Serbia would have put in place tools to support the creation of a conducive environment for SME development in a specific sector. However, this did not happen, as well as in other regions of the country. In addition, there is a perceived lack of information about Government programmes available for SME development. Moreover, the institutional framework is going to be restructured in 2016 (NARD will be merged with SIEPA into a new Serbian Development Agency – RAS) which does not give any assurance of continuity about the current programmes.

In contrast, the SBS Programme is perceived to be a well-run and set product with clear rules and procedures and a team in place fully responsive. This is very much appreciated by SMEs and local consultants.

Overall, as mentioned in section 0, SBS activities are in line and complements Government's activities to enhance the institutional SME infrastructure. As these are currently under restructuring SBS is following closely the developments and available to be part of policy dialogue platforms in that respect.

Adequate exit strategies

The SBS team has started consultations with the Government of Serbia and the Delegation of the European Union about the continuation of the SBS Programme until 2020, including a specific reference to the transfer of the EBRD's SBS instruments to a local institution as soon as the Programme will end. The EBRD is proposing to continue the implementation of the SBS Programme until 2020 based on: (i) lack of competitiveness of Serbian SMEs especially in terms of management, technical, and operational expertise; and (ii) the need to offer continuity of support to Serbian SMEs while the institutional framework is under restructuring (in 2016 NARD will be merged with SIEPA into a new Serbian Development Agency – RAS). According to the current proposal as soon as the market gaps become smaller and RAS will become fully operational, the EBRD will seek to transfer elements of its programme and methodology to the new agency. The proposal also includes information about the complementarity of the SBS Programme in the next phase with the Western Balkans Enterprise Development and Innovation Facility (WB EDIF) and the Women in Business Programme.

From the elements gathered during the evaluation mission in Serbia, the Ministry of Economy as well as the SBS team are following the developments of the SMEs institutional framework and aware of the importance to identify the right partner for a successful hand over process. The experience of the neighbour Croatia could indeed provide useful lessons for Serbia, among, which, for instance to have ready more than one exit plans. Further details are available in the thematic study of this evaluation about exit strategies, Annex 10.

The evaluation team appreciates the commitment of the Serbian Government and the SBS team to initiate a process of transfer of knowledge of the SBS Programme to the local counterparts – which is mostly driven by the EU integration process of the country. The Serbian Government demonstrates to have full understanding of the processes as well as the needs of the country in terms of SMEs development. In summary, a structured conversation has started among all stakeholders on the sustainability of the Programme, but not focusing yet on phasing out segments of it.

Serbia: Sources

Serbia: Interviews

Interviews held for the country case study Serbia are specified in Annex 3, section 6.

Serbia: Key documents consulted

The main documents utilised for the purpose of this case study are listed in the table below. SBS projects' level documentation was provided and consulted as well.

Annex 7, Table 7: Key documents consulted for the case study - Serbia

Donor, Government & related documents Serbia	
2009	EU IPA Multi-Beneficiary Crisis Response Package 2009 European Union Contribution Agreement with an International Organisation 2009/229-273 "Private Sector Support Facility for the Western Balkans"
2012	OECD SME Policy Index - Western Balkans and Turkey 2012: Progress in the Implementation of the Small Business Act for Europe EU Project Fiche - IPA National Programme / Component I Support to SME Development USAID: Financing the Growth of Small and Medium Sized Enterprises Critical issues and Recommendations for Serbia.
2013	European Union Contribution Agreement with an International Organisation 2013/316-230 "Support to SME Development in Serbia"
2014	Agreement between Sweden and EBRD in respect of the EBRD-SIDA Women in Business Account
2015	Serbia 2015 Progress Report Government Strategy for the Support to Development of Small and Medium-Sized Enterprises, Entrepreneurship and Competitiveness for the period from 2015 and 2020 Government Action Plan for the Implementation of the Strategy to Support the Development of Small and Medium-Sized Enterprises, Entrepreneurship and Competitiveness
2016	OECD SME Policy Index - Western Balkans and Turkey 2016: Assessing the Implementation of the Small Business Act for Europe
EBRD documents Serbia	
2007	EBRD Strategy for Serbia (BDS/SB/07-01 Final)
2013	BEEPS Business Environment and Enterprise Performance Survey
2014	Shareholder Special Fund: Proposal for Non-TC` Allocation - Regional: Western Balkans Women in Business Financing Regional: Western Balkans Women in Business Programme (BDS14-193) EBRD Strategy for Serbia (BDS/SB/13-1 Final) Women in Business: Banca Intesa Beograd
SBS documents Serbia	
2011	BAS Serbia Operational Plan 2011
2012	BAS Serbia Operational Plan 2012
2013	BAS Serbia Operational Plan 2013
2014	SBS Serbia Operational Plan 2014
2015	SBS Serbia Operational Plan 2015
2015	Concept note: Continuation of Support to SME Development in Serbia – A project to be funded by the EU, implemented by the EBRD, in cooperation with the Ministry of Economy, Republic of Serbia
2016	SBS Serbia Operational Plan 2016
Reports to donors Serbia	
2010	Report: EU Private Sector Support Facility for the Western Balkans - BAS
2011	Progress Report to the Netherlands, Business Advisory Services (BAS) Programme in Serbia Report: EU Private Sector Support Facility for the Western Balkans - Non-lending TAM/BAS activities
2012	Final Report to the Netherlands, Business Advisory Services (BAS) Serbia
2014	Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund Annual Progress Report of the EU IPA-funded project "Support to SME Development in Serbia" Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund (September 2014)
2015	Annual Progress Report of the EU IPA-funded project "Support to SME Development in Serbia" Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund (April 2015) Women in Business Programme in the Western Balkans funded by EBRD, Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund (September 2015)

Serbia: SBS portfolio

Annex 7, Table 8: Serbia – EGP projects

Start year		# of projects	€ committed	€ client contribution
2011		3	79.142	3.492
	Cancelled	1		
	Completed	2	79,142	3,492
2012		3	114.513	11.451
	Completed	2	73,013	7,301
	Started/ On-going	1	41,500	4,150
2013		2	31.151	15.018
	Completed	1	11,151	5,018
	Started/ On-going	1	20,000	10,000
2014		13	487.000	58.700
	Cancelled	1		
	Started/ On-going	12	487,000	58,700
2015		5	200.000	20.000
	Started/ On-going	5	200,000	20,000
Grand Total		26	911.807	108.661

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 7, Table 9: Serbia – SDAs

Year	# of SDAs	Budget €
2011	1	9.000
2012	-	0
2013	-	0
2014	-	0
2015	1	55,700
Grand Total	2	64.700

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 7, Table 10: Serbia – BAS projects

Start year		# of projects	BAS Grant €	Total project cost €
2011		56	730.191	312.200
	Cancelled	3	61,195	22,080
	Evaluated	53	668,996	290,120
2012		69	743.479	356.554
	Cancelled	4	52,262	17,548
	Evaluated	65	691,217	339,007
2013		69	710.760	367.747
	Cancelled	2	28,380	15,630
	Completed	25	293,277	143,315
	Evaluated	41	369,039	200,442
	Ongoing	1	20,064	8,360
2014		82	775.006	389.113
	Cancelled	2	15,480	8,450
	Completed	68	648,672	319,574
	Ongoing	12	110,854	61,089
2015		31	324.988	166.272
	Completed	1	8,600	6,450
	Ongoing	30	316,388	159,822
Grand Total		307	3.284.423	1.591.886

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 7, Table 11: Serbia – MDAs

Year	# of MDAs	Budget €
2011	3	44.200
2012	4	40,858
2013	3	24,797
2014	4	38,639
2015	2	11,300
Total	16	159.794

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Serbia: Performance indicators

Annex 7, Table 12: Serbia – Access to finance data of BAS clients

Year of project/ type of investment	Investment amount in €	# BAS clients
2011	**5,709,773**	**11**
External - Microcredit (only loan)	31,536	1
External- Bank	705,000	3
Indirect - Bank	4,932,121	6
Indirect - Microcredit (only loan)	41,116	1
2012	**3,193,855**	**18**
External - Microcredit (only loan)	1,440,000	2
External- Bank	75,000	2
Indirect - Bank	1,678,855	14
2013	**4,554,600**	**19**
External - Microfinance (loan + deposit + other)	17,500	1
External- Bank	556,500	5
Indirect - Bank	3,980,600	13
2014	**3,922,243**	**20**
External- Bank	1,073,925	4
Indirect - Bank	2,848,318	16
2015	**50,000**	**1**
Indirect - Bank	50,000	1
Total	**17,430,471**	**69**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 7, Table 13: Serbia – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients

Interval upper limit (included)*	Turnover	Employee	Productivity
-1.00	0	0	0
-0.90	2	2	1
-0.80	0	0	1
-0.70	0	1	3
-0.60	3	1	2
-0.50	1	1	3
-0.40	4	6	6
-0.30	8	5	6
-0.20	6	3	8
-0.10	7	18	10
0.00	20**	53**	15**
0.10	20	19	24
0.20	25	18	18
0.30	12	5	11
0.40	12	6	7
0.50	5	2	5
0.60	6	2	9
0.70	4	1	6
0.80	5	2	2
0.90	2	2	1
1.00	1	0	1
1.10	1	0	1
1.20	1	2	1
1.30	1	0	0
1.40	0	0	0
1.50	0	1	0
1.60	1	0	0
1.70	2	0	2
1.80	0	1	2
1.90	0	0	2
2.00	0	0	0
2.10	1	0	1
2.20	0	0	0
2.30	0	0	0
2.40	0	0	0
2.50	0	0	0
2.60	0	1	0
2.70	0	0	0
2.80	0	0	0

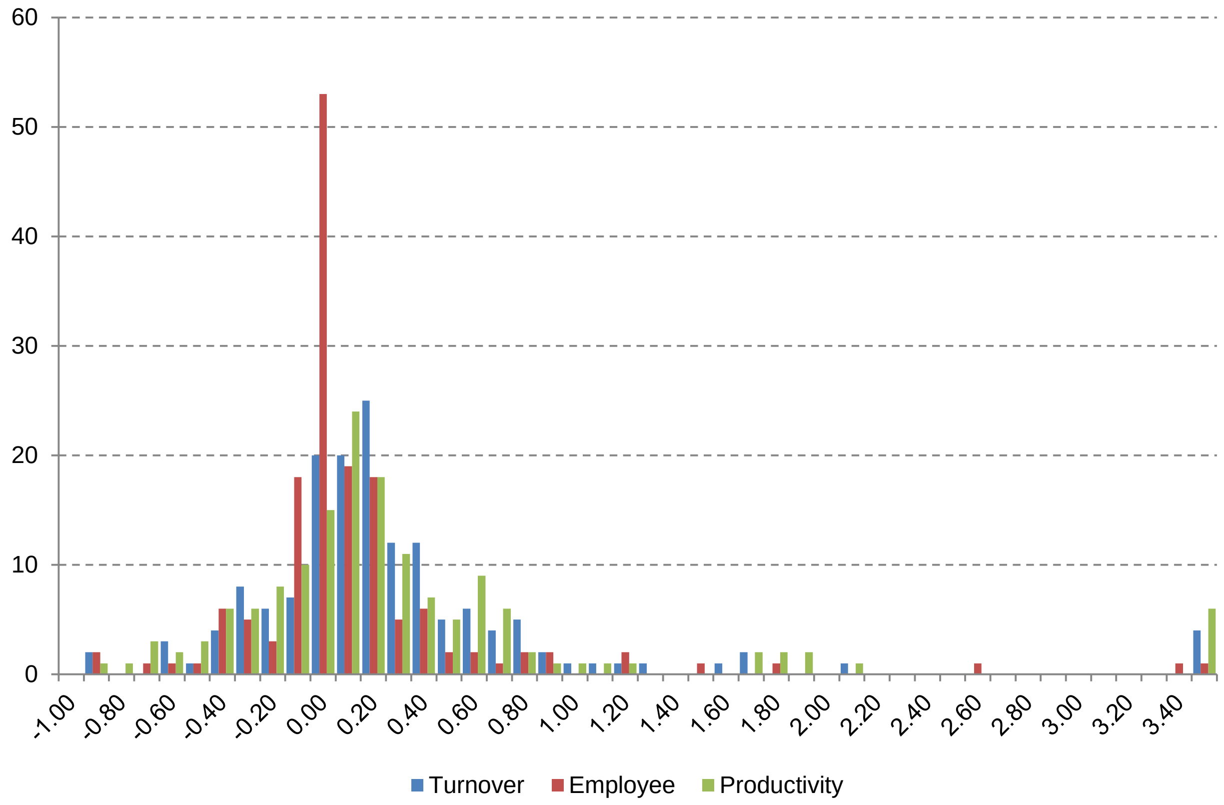
Interval upper limit (included)*	Turnover	Employee	Productivity
2.90	0	0	0
3.00	0	0	0
3.10	0	0	0
3.20	0	0	0
3.30	0	0	0
3.40	0	1	0
more	4	1	6

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

* Note: A data point is included in a particular bin if the number is greater than the lowest bound and equal to or less than the greatest bound for the data bin.

** Out of which zero growth: 2, 37, 1 respectively

Annex 7, Figure 3: Serbia – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients (number of projects)



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 7, Table 14: Serbia: Operational Plans vs Committed resources

Serbia: Operational plans vs committed resources

BAS Republic of Serbia																		
	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ
2011	**54**	**56**	**2**	**603,423**	**730,191**	**126,768**	**286,626**	**312,200**	**25,574**	**5,300**	**5,575**	**275**	**316,797**	**417,990**	**101,193**	**52.5%**	**57.2%**	**4.7%**
Cancelled	5	3	-2		61,195		28,663	22,080	-6,583					39,115				
Evaluated		53			668,996			290,120						378,876				
2012	**69**	**69**	**0**	**757,652**	**743,479**	**-14,173**	**391,479**	**356,554**	**-34,925**	**5,700**	**5,167**	**-533**	**366,173**	**386,925**	**20,752**	**48.3%**	**52.0%**	**3.7%**
Cancelled	7	4	-3		52,262			17,548						34,715				
Evaluated		65			691,217			339,007						352,210				
2013	**69**	**69**	**0**	**582,164**	**710,760**	**128,596**	**379,500**	**367,747**	**-11,753**	**5,500**	**5,330**	**-170**	**202,664**	**343,013**	**140,349**	**49.1%**	**48.3%**	**-0.8%**
Cancelled	7	2	-5		28,380		37,950	15,630	-22,320					12,750				
Evaluated		25			293,277			143,315						149,963				
Completed		41			369,039			200,442						168,596				
Ongoing		1			20,064			8,360						11,704				
2014	**80**	**82**	**2**	**885,312**	**775,006**	**-110,306**	**440,000**	**389,113**	**-50,887**	**5,525**	**4,745**	**-780**	**445,312**	**385,893**	**-59,419**	**49.2%**	**49.8%**	**0.6%**
Cancelled	4	2			15,480			8,450						7,030				
Completed		68			648,672			319,574						329,098				
Ongoing		12			110,854			61,089						49,765				
2015	***86***	***31***		***933,639***	***324,988***		***461,218***	***166,272***		***5,363***			***472,421***	***158,716***		***50.6%***		***-50.6%***
Completed		*1*			*8,600*			*6,450*						*2,150*				
Ongoing		*30*			*316,388*			*159,822*						*156,566*				
TOTAL	**358**	**307**		**2,828,551**	**3,284,423**		**1,958,823**	**1,591,886**					**1,803,367**	**1,692,537**				

EGP Republic of Serbia																		
	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ
2011		**3**			**82,634**			**79,142**			**26,381**			**3,492**			**4.2%**	
Cancelled		1																
Completed		2						79,142						3,492				
2012		**3**			**125,965**			**114,513**			**38,171**			**11,451**			**9.1%**	
Completed		2						73,013						7,301				
Started/Ongoing		1						41,500						4,150				
2013		**2**			**46,169**			**31,151**			**15,576**			**15,018**			**32.5%**	
Completed		1						11,151						5,018				
Started/Ongoing		1						20,000						10,000				
2014	**10**	**13**	**3**		**545,700**			**487,000**			**37,462**			**58,700**		**10.0%**	**10.8%**	
Cancelled		1																
Started/Ongoing		12						487,000						58,700				
2015	***12***	***5***			***220,000***			***200,000***			***40,000***			***20,000***		***42.0%***	***9.1%***	
Ongoing		*5*						*200,000*						*20,000*				
TOTAL		**26**			**1,020,468**			**911,807**						**108,661**				

Annex 8 Case study: Turkey

ABIGEM	European Turkish Business Centres Network
BEEPS	Business Environment and Enterprise Performance Survey
EU	European Union
IPA	Instrument for Pre-accession Assistance
ISKUR	Turkish Employment Agency
KOSGEB	Republic of Turkey – SMEs Development Agency
RCOP	Regional Competitiveness Operational Programme
WiB	Women in Business Programme
YDD	Association of Management Consultants in Turkey

Note: Unless otherwise indicated, all quantitative data on the SBS Turkey portfolio presented in this case study originate from the extraction of data from the SBS MIS obtained by the evaluation team for the purpose of the development of the Approach paper for this evaluation report. Projects and activities started in 2011 until 2015 were included. Data for 2015 were provided to month end April 2015 in the case of EGP activities and month end May 2015 for BAS activities.

Key points:

- SBS annual Business and Operational plans in Turkey for the period under evaluation have been broadly aligned with EBRD Country Strategy especially in terms of geographical priorities, and also coinciding with donors' via Government priorities in terms of SMEs development
- In the specific case of the WiB Programme in Turkey, EBRD has showed a big degree of flexibility in adjusting to and meeting donor priorities to secure donor funds, committing itself to contribute to employment creation.
- Sustainability of the SBS Programme seems to be very tied to current/future donor priorities such as innovation, support to refugees and export promotion
- There are differences in expectations about synergies/interlink between the financial and non-financial components of EBRD's products such as the Women in Business Programme and in turn about the direct contribution of SBS to increase access to finance
- Clients and other key stakeholders express confidence over the positive impacts of SBS advisory services on the performance and competitiveness at SME level. Available quantitative and qualitative data provide evidence for that.
- Support to the development of the already well established local consultancy industry has been mainly focused on promotion of the WiB Programme rather than on the whole industry

1. Turkey: Scope of the country case study

As indicated in the Approach Paper of this study:

> "the objective of the country case studies is to gather information to feed into the answers to evaluation questions at aggregate level, and to explore the different contextual determinants of SBS Programme operations and success. They do not represent stand-alone evaluations of SBS Programme country programmes."

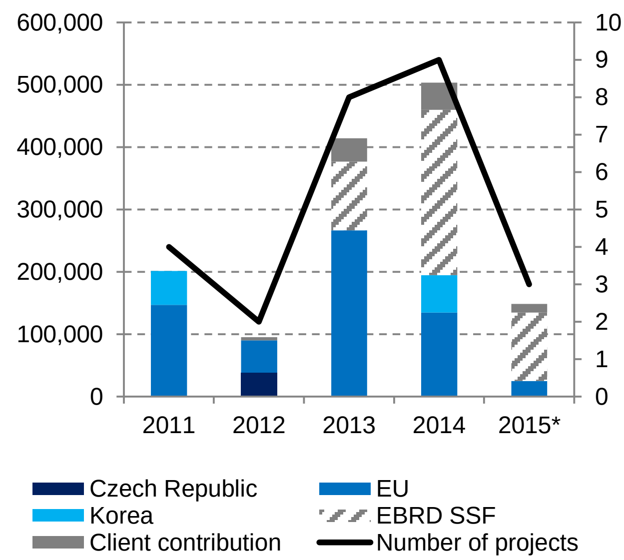
With this in mind the evaluation team has selected four countries, among which Turkey, and carried out evaluation missions.

Turkey: Overview of SBS portfolio 2011 to 2015

Turkey became an EBRD's country of operation in 2009. The SBS Programme started to operate in the country with EGP in late 2011 while BAS started in 2012.

From 2011 EGP started 26 projects with a growing trend totalling just over €1.3 million of budget (of which 93% donor funded). More than 46% of donor funds were committed by the EU, 36% by the EBRD Shareholder Special Fund, 8% by Korea and 3% by the Czech Republic. The average size of an EGP project has been around €52,400, with 7% client contribution.

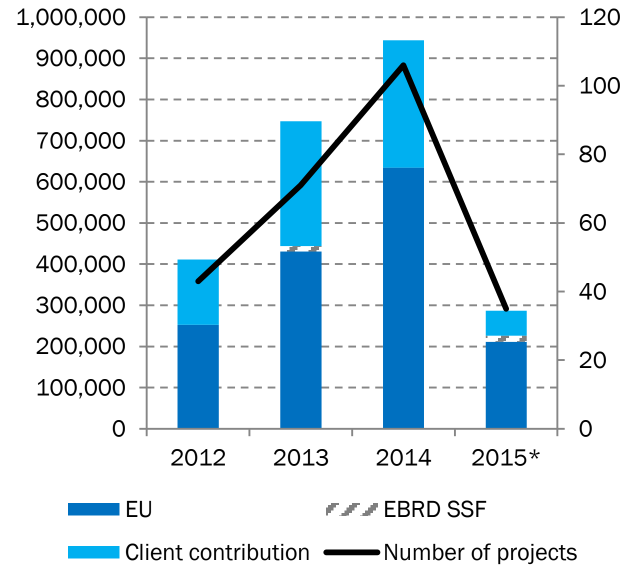
Annex 8, Figure 1: Turkey - Funds committed by donors and clients (€) and number of EGP projects initiated (right axis)



Source: EvD portfolio analysis; *) 2015 figures until June only

From the beginning of 2012 until mid-2015, BAS initiated a total of 255 projects in Turkey for the total amount of around €2.4 million (donor commitment of over €1.6 million and around €800k million in clients' contribution, that is, 35%). The EU is the sole donor with minor contributions from the EBRD Shareholder Special Fund (2%). The average budget of a BAS project was just above € 9,300.

Annex 8, Figure 2: Turkey - Funds committed by donors and clients (€) and number of BAS projects initiated (right axis)



Source: EvD portfolio analysis; *) 2015 figures until June only

Project implementation was accompanied by 23 MDAs and one event listed as SDA.

The donor commitments presented above include only funds for project implementation, not donor funded staff costs.

Turkey: Evaluation mission

The evaluation team visited Turkey (Ankara, Istanbul, and Samsun) from 7 to 11 December 2015. Other relevant interviews were held on the phone or in EBRD HQ. The information are summarised in the table below. Special thanks go to the SBS team in Turkey, led by Serpil Cetincift, National Programme Manager – under the supervision of Jaap Sprey, Head of Regional Programme Turkey and Cyprus.

Annex 8, Table 1: Turkey – EvD interviews

Type	# Institution	# Meetings	# persons in Turkey	# persons by phone or in EBRD HQ
SBS clients	5	5	11	-
Stakeholders	5	5	9	-
Donors/IFIs	2	2	2	1
EBRD Banking	-	6	5	1
SBS staff	-	5	6	3
Total	12	23		38

Turkey: Evaluation questions

Has the SBS strategic planning been adequate to the Bank's evolving SMEs strategic agenda and the needs of SMEs in the countries of operation?

Alignment/integration of SBS strategic and business plans with SME components of EBRD's Country Strategies

In the strategic period under evaluation three strategies for Turkey have been setting the priorities of EBRD's intervention in the country.

The 2009 EBRD Strategy (approved in July 2009), the first for Turkey, identified the main constraints for Turkish MSMEs in the form of cumbersome business creation, registration and bankruptcy procedures. MSMEs have historically had limited access to credit as public financing requirements have tended to crowd out those of the private sector. And, access to credit has been a particular problem for MSMEs in rural areas. Accordingly, the EBRD identified among its priorities in the country:

> "increase availability of risk capital and long term funding to the MSMEs sector together **with appropriate support to management, especially in less developed regions**".[41]

This set the ground for the implementation of the TAM/BAS Programme. In addition, the EBRD Office of the Chief Economist developed in 2009 a Country Brief [42] for Turkey (not attached to the EBRD Country Strategy) that provided information about the MSME sector and main impediment to business, the available institutional infrastructures, the advisory services industry and recommendations for future TAM/BAS interventions to be initiated in Turkey to be consistent with EBRD's operational priorities. Focal areas of intervention were: MSMEs in less developed regions; agriculture and food processing in terms of sectors; organisational strategy, quality management and certification, raw materials management and international best practices in terms of type of advisory services; in terms of cross-cutting issues rural development, energy efficiency and gender were identified as areas in which TAM/BAS could contribute. Lastly, TAM/BAS was meant to link MSMEs in need of finance with available EBRD instruments, including direct investments, as well as credit lines from EBRD-supported local banks.

The TAM/BAS Strategic Plan 2011-15, approved in December 2010, clearly indicates that both TAM and BAS, which eventually started operating in Turkey in 2011-12, will address investment plans of companies and will focus operations in the east and in rural areas, promoting the CRR4 objectives of **MSME rural financing**. TAM will prioritise companies in Eastern Turkey that are engaged in trade with the neighbouring Caucasus countries. Also, considering that Turkey is a key transit country for natural resources, TAM/BAS will seek to replicate the Local Business Development Programme to support oil and gas pipeline projects. The strategic economic importance of agribusiness activities in Turkey creates potential for TAM/BAS to support SMEs, including EBRD investee companies, along the food chain, from primary agriculture, to processing, storage and warehousing and wholesale and retail activities.

The 2012 Strategy for Turkey (approved in April 2012) states clearly that the Bank's activities will concentrate on specific areas including the promotion of the development of MSMEs:

> "The Bank will continue to increase the availability of risk capital and long term funding to MSMEs, including those engaged in agribusiness, through intermediated financing together with appropriate support to management through its Small Business Support (SBS) programmes, especially in the less developed regions". "To strengthen the growth and competitiveness of the Turkish MSME sector, the Bank will combine advice and mentoring at the enterprise level with the development of a sustainable infrastructure of business advisory services at the market level. Key industry sectors to be supported will include agribusiness (in particular food processing), manufacturing (in particular textiles and furniture), in services (wholesale and trade) and machinery. SBS programmes – Enterprise Growth Programme (EGP) and Business Advisory Services (BAS) – will strengthen micro, small and medium enterprise performance and sophistication in areas such as managerial skills, branding and marketing skills as well as human resources and environmental management. Both EGP and BAS will focus increasingly on the rural areas outside Ankara and Istanbul and in particular in the **less developed eastern parts of Turkey.** SBS programmes will seek to supplement the delivery of management and advisory services with increased access to finance through linkages with EBRD banking teams, credit lines and partner financial institutions."

Also, Annex 5 to the 2012 Strategy describes the previous SBS activities in the country, the MSME and consulting sector in Turkey, and the continuation of the SBS Programme in Turkey mainly focusing on its implementation modalities.

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[41] Strategy for Turkey, , page 24 – emphasis added

[42] The Country Briefs were developed with the main objectives to: (i) Lay out the main challenges and transition obstacles for the MSME sector in the country; (ii) Provide recommendations for TAM/BAS intervention in the country in terms of level and nature of activities, in order to address identified challenges; (iii) Define transition objectives for the country in relation to the MSME sector; (iv) Provide input to EBRD policy dialogue, in relation to MSME sector development; and (v) Provide opportunity for dialogue between TAM/BAS, OCE, EBRD Banking country and sector teams.

SBS prepared annual Business Plans (submitted to the EBRD Board of Directors)[43] and related Operational Plans (as internal document for Management)[44] for every year under the evaluation period in Turkey. In terms of procedures and processes to design them, the case of Turkey deserves particular mention. From the information available to the evaluation team, in preparation of the identification of the activities for the annual planning, the SBS team Turkey follows a good practice process in the form of a strategy workshop ahead of the development of the Operational Plan to develop priorities. The workshop is not mandatory but it has proved to be very useful to understand where SBS can be additional in Turkey, how it is linked to the EBRD Country Strategies, to the EBRD Small Business Initiative and where common areas of interests with donors could emerge. The workshop also helps to develop a shared understanding of future directions within the SBS team, and ensure consistency in implementation. The Head of EBRD in Turkey was also taking active part to the exercise.

In terms of content of the annual documents, in 2012, the first year of the implementation of the BAS programme in Turkey, no differentiation was made by region – despite the clear indication of the EBRD Country Strategies, as indicated above. As of 2013, the specific focus on regions that have an income per capita below 75% of Turkish national average and regions within the coverage of the EU Instrument for Pre-accession Assistance (IPA) Regional Competitiveness Operational Programme was introduced. As a matter of fact, the phrasing used reflects more the donors via government priorities (see section 0) rather than a link to the EBRD Country Strategies. Additionally, with reference to increase access to finance, SBS was meant to explore ways to cooperate and link-up with the EBRD financing facilities funded by the EU IPA 2009 Multi-Beneficiary Crisis Response Package (see section 0), as well the need to implement the collaboration with the Local Enterprise Facility (LEF) team through the Accounting Improvement Programme.

As soon as donor resources were made available to start the implementation of the Women in Business Programme, the SBS annual Business and Operational Plans inevitably shifted their focus as well. Whereas the previous operational plans focused on MSMEs development in rural areas, the 2014 and 2015 Operational Plans have been concentrated on the Women in Business Programme (with no geographical restriction) and keeping only a minor focus on the less developed regions as per EBRD's 2012 Country Strategy. Additionally, the focus on increasing opportunities of EBRD financial instruments remained especially in the form of the Accounting Improvement Programme.

The shift in focus for SBS in terms of its implementation modalities has been reflected in the following 2015 EBRD Strategy for Turkey (approved in October 2015) that, among others, has identified themes of interventions for the EBRD and the SBS Programme, namely: (i) scaling up private sector competitiveness through innovation and corporate governance - the related activities included credit lines and business advisory (through SBS) for SMEs, to improve corporate governance standards and operating practices. (ii) promoting regional and youth inclusion, as well as gender equality, to support long-run growth potential - the need for business advisory services for SMEs on financial literacy / transparency, management practices, productivity and quality standards has been identified to achieve the objective to promote inclusive economic development in the regions by supporting private firms, with a particular focus on agribusiness with the objective to increase economic opportunities for women and young labour market entrants.

Overall, SBS annual Business and Operational plans in Turkey for the period under evaluation have been broadly aligned with EBRD Country Strategy especially in terms of geographical priorities, and also coinciding with donors' via Government priorities in terms of SMEs development. Once the WiB Programme was approved in 2014, SBS shifted the focus of its activities almost in full and this was ex-post reflected in the 2015 EBRD Country Strategy for Turkey.

As for the future, the evaluation team notices that, the SBS Operational Plan 2016 (therefore after the strategic period under evaluation) is focused on the Women in Business Programme, but also the new priority (EBRD and donor driven) of private sector competitiveness through innovation. Additionally, SBS will support a refugee response programme to stimulate private sector development, not identified, for obvious reasons, in the EBRD 2015 Country Strategy for Turkey. In 2016 SBS will also work on export promotion, an area, not identified, for less obvious reasons, in the same country strategy.

Implications of donor priorities on SBS strategic planning/prioritisation

In the strategic period under consideration, the main donors of the SBS Programme in Turkey have been the European Union (and in fact the sole donor for BAS) and the EBRD Shareholder Special Fund; contributions from Korea and the Czech Republic focused on the EGP component (see figures 1 and 2 above).

As country specific context element, it is worth mentioning that Turkey is in decentralised implementation system of EU funds allocated at national level, which means that project management responsibility is transferred to the Turkish authorities under the supervision of the European Commission. Accordingly EU and Turkey's priorities are very much aligned and projects' implementation relies on the Turkish counterparts – which they are also required to co-finance. For this reason, donor priorities and countries needs and priorities very much overlap. Considerations made in this section will also be valid for section 0.

The initial funding source from the EU was the EU/EBRD Turkish Private Sector Support Facility (TurPSSF).[45] €2.5

[43] Annual Business Plans for Turkey are available for 2012, 2013, 2014, and 2015.

[44] Annual BAS Operational Plans are available for 2012, and 2013. The Operational Plans 2014 and 2015 are including BAS and EGP implementation modalities.

[45] This was established in the framework of the IPA Multi-Beneficiary Crisis Response Package 2009 for Western Balkans

million (eventually increased to €2.88 million) were allocated for TAM/BAS:

> "with the overall objective of transferring management skills to SMEs, leading to restructuring and improvements in all aspects of business operations of local enterprises, and supporting the improvement of the infrastructure of local business advisory services in Turkey".[46]

The implementation eventually started in late 2011 with the TAM (EGP) Programme, while BAS started the implementation in January 2012. Despite the fact that EU did not require focus on particular regions or sectors in Turkey in the contribution agreement with the EBRD, the resources of the TurPSSF for TAM/BAS had a geographical concentration on regions having an income per capita below the 75% of Turkish national average. This restriction comes from the programming documents in which the Government of Turkey identified with the EU its regional development priorities[47] and coinciding with EBRD's focus on eastern and rural areas – promoting the CRR4 objective of MSME rural financing (see 0). The restriction was not immediately reflected in the first Operational Plan (as mentioned earlier in section 0), but included in the following ones.

While in the case of EU/EBRD TurPSSF EBRD and donor priorities coincided, the same cannot be claimed for the subsequent EU funding source for SBS. Already in 2012 the Turkish Ministry of Labour and Social Security, the Operating Structure for the Human Resources Development component of IPA, approached the IFIs operating in the country to develop a proposal to address the main challenges Turkey faces in the fields of employment. The reason for approaching IFIs was that the IPA Human Resources component allows using EU funds for blended programmes merging financial and non-financial products. The EBRD proposal of the WiB Programme was eventually the one remaining available choice for the Ministry of Labour and Social Security.[48] The operation beneficiary identified was the Turkish Employment Agency. The Programme was designed for a total amount of €300 million provided by the EBRD in the form of financing to PFIs and €38 million provided by the EU/Turkish Government in the form of risk-sharing cover (€29.4 million) and technical assistance in support of Women in Business Financing and the Women in Business SBS (together counting for €7.8 million).

Due to the donor (via the Government of Turkey) mandatory focus on employment and women, the EU contribution agreement eventually signed in December 2013 with the EBRD has as overall objective:

> "to promote women's participation in the labour force and to increase female employment" and as specific objectives "(i) support women-owned and women-managed enterprises in accessing finance for their sustainable growth and job creation; (ii) develop sustainable credit mechanisms targeted to women-owned and women-managed enterprises through technical assistance to PFIs; and (iii) support women-owned and women-managed enterprises in accessing know-how, non-financial business development services and networking opportunities".

Indicators for the overall objective were split for the two identified windows: Window 1 – Women in Business Financing (approximately 15,000 new jobs created, but not limited to women, by end-borrowers of the credit lines); and Window 2 – Women in Business Small Business Support (approximately 570 new jobs created, but not limited to women, by assisted enterprises). Indicators for the specific objectives were in terms of growth and job creation for Window 1 and Window 2.

When TurWiB was submitted to the EBRD Board of Directors a few months later in May 2014 to get the approval for the financing component the ultimate goal of the Turkey WiB Programme was indicated to be:

> "to promote women entrepreneurship and access to finance, and more broadly women's participation in business, through the development of a strong WiB SME sector in Turkey by facilitating access to finance and advice for women-led SMEs", page 5.

The reference to results and/or indicators/benchmarks in terms of jobs creation was removed – mainly because it is falling outside the transition impact methodology, as confirmed to the evaluation team by the EBRD Economics, Policy and Governance department.

This difference does not necessarily indicate a contradiction in stated priorities of the programme towards different stakeholders, but shows at least a big

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and Turkey. The purpose of the latter was to provide economic actors in the Western Balkans and Turkey, i.e. the financial institutions and businesses (MSMEs), with the necessary financial means, human resources to offer competitive products and services and support them to face the challenges of the economic and financial crisis in the short and longer term. In the case of Turkey, the Facility (managed directly from EU Brussels) was composed by three windows: (i) the MSME Finance Window, (ii) the Energy Efficiency Window, and (iii) the EBRD TAM/BAS Programme Window.

[46] EU Contribution Agreement with the EBRD (Contract number 2009/228-868), Private Sector Support Facility for Turkey, Appendix 3

[47] At the time of approval of the EU/EBRD Turkish Private Sector Support Facility, Turkey was predisposing its Regional Competitiveness Operational Programme (RCOP) as key document for the implementation of IPA in Turkey, and its component III – Regional Development, managed by the Ministry of Industry and Trade. As indicated in the RCOP the priority in terms of sector are SMEs operating in manufacturing and tourism sector, information society, research and development, and innovation. In terms of geographical concentration, the RCOP concentrates on regions having an income per capita below the 75% of Turkish national average.

[48] The specific measure of the Human Resources Development Programme under which the WiB Programme was signed reads as follows: "to promote women's participation into the labour market and increase female employment, including those formerly employed in agriculture".

degree of flexibility of the EBRD in adjusting to and meeting donor priorities to ensure donor funds. Presenting the same Programme to the EBRD Board of Directors omitting some key objectives and indicators as presented to the donors creates room for different expectations. Not surprisingly, the EU and Government of Turkey are expecting results in terms of jobs creation for women entrepreneurs, while EBRD is expecting results in terms of market expansion, demonstration effect and skills transfers at PFIs level. Doubts also remain about how the EBRD will be reporting on those (extra) benchmarks to the donors (i.e. 15,000 new jobs created by the Women in Business Financing Window) as no information about jobs creation has been provided in the reports so far and there is not a set methodology for that, as confirmed by the SBS team.

In terms of the bilateral donors for the EGP Programme, Korea and Czech Republic provided resources with no specific restrictions, with the exception of tied resources from Czech Republic.

Overall, donors' financing of the SBS programme in Turkey in the period under evaluation did not have major implications on the strategic planning and prioritisation of the SBS in the country, as soon as priorities coincided with EBRD ones. Eventually, the more recent donors' and EBRD's focus on women-led enterprises has shifted the focus of SBS activities on that specific market segment, but also led to the EBRD committing to contribute on employment creation as pre-set donor priority, falling outside of EBRD's realm. This example provides grounds to speak about the flexibility of the EBRD in adjusting to and meeting donor priorities to ensure donor funds. The same observation seems valid for the future donor resources available for Turkey in terms of innovation, refugees and export promotion.

Consistency of SBS strategic planning/prioritisation with country needs

As EBRD and the SBS were not operating in Turkey before 2009, in late 2010 SBS commissioned a feasibility study for the implementation of the BAS Programme in Turkey provided that donor resources were made available for its implementation. The needs assessment carried out revealed that the SME sector in Turkey was facing severe challenges in terms of business sophistication and production quality. Companies generally were seen in need of improvement of corporate governance, transparency and business standards, as well as management systems. The analysis of the business development obstacles showed that despite the existence of a market economy in the country as well as many SME development support programmes, Turkish SMEs especially in the Eastern regions would have strongly benefited from the BAS Programme; most SMEs were lacking modern management systems and were following family management principles rather than using professional consultants. Based on this assessment, the BAS Programme was proposed to address these challenges as well as the development of sustainable and commercially viable infrastructure of local business advisory services. The feasibility study also stressed complementarity of the BAS Programme with key strategic documents of the Government of Turkey in terms of SMEs development as spelled out in the Regional Competitiveness Operational Programme (RCOP) and the national SME Strategy and Action Plan. Emphasis was put on the coordination and collaboration of BAS with key stakeholders in the country such as KOSGEB (the public SME Agency in Turkey established by the Ministry of Industry and Trade), ABIGEM (the European Turkish Business Centres Network), TOBB (the Union of Chambers and Commodity Exchanges of Turkey), local chambers of industry and commerce, Regional Development Agencies and other relevant stakeholders.

The Government of Turkey, as indicated above (0), has implicitly confirmed its appreciation for the SBS Programme deciding to use and co-fund available IPA resources under the Human Resources Development Programme for the Women in Business Programme, provided the focus on creation of employment. In this case the priorities were set by the Government of Turkey together with the EU, which proves the flexibility of the SBS team to adjust to the priorities of the funding sources available while maintaining its core operational modalities (see section 0).

Has the SBS Programme delivered demonstrable and sustainable results in its countries of operations?

Improved performance and competitiveness

Improved performance and competitiveness of individual client SMEs is an important goal of all SBS projects and one that is comprehensively tracked through a number of indicators data which are collected before and after project and also at one year after project completion. The most prominent indicators are increases in turnover and number of employees.

Aside from collecting data on key indicators, the SBS self-evaluation at one year after completion also assesses the projects against criteria of effectiveness, efficiency, relevance and impact, arriving to an overall success rating (on a scale 0-10 for BAS, and 0-5 for EGP). According to the data available, projects under both programmes score very high in these assessments (see table 2 below).

Annex 8, Table 2: BAS and EGP self-evaluation final scores

BAS evaluations			EGP evaluations		
BAS final rating	Projects	%	EGP Final rating*	Projects	%
Highly Successful (rating 10)	42	35%	5	3	60%
Successful (rating 8-9)	68	57%	4	2	40%
Satisfactory (rating 5-7)	10	8%	3	0	0%
Unsatisfactory (rating 0-4)	0	0%	2	0	0%
			1	0	0%
Total	120	100%		5	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

* The final rating for EGP projects is done to two decimal points. Here, the ratings were rounded to the nearest integer

From the data harvested by the SBS team and registered in the SBS MIS, out of the 255 BAS projects initiated in Turkey, 120 have got data from the self-evaluation carried out one-year after completion. It is worth mentioning that all 120 evaluated BAS projects have been funded by the EU Turkish PSSF. As indicated in table 3 below, these evaluated projects had mostly the objective of improvement of management effectiveness (49%), and (see table 4 below) the most common type of advisory service were Marketing (24%), Organisation (24%) and Information Communication Technology (23%).

Annex 8, Table 3: Turkey – BAS projects by objective (evaluated)

Objective	Projects	%
To Improve Management Effectiveness	59	49%
To Improve Market Performance	46	38%
To Introduce Quality Management & Certification	11	9%
To Reduce Costs	3	3%
To Improve Financial Management & Reporting	1	1%
Total	120	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 8, Table 4: Turkey – BAS projects by type of advisory (evaluated)

Type of advisory	Number of projects	%
Marketing	29	24%
Organisation	29	24%
Information Communication Technology	28	23%
Strategy	14	12%
Quality Management	11	9%
Engineering Solutions	4	3%
Operations	4	3%
Accounting and Financial Reporting	1	1%
Total	120	100%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

For these projects the data on number of employees and turnover before and a year after project completion are also available (see table 5 below). The median turnover growth was 21%, and 88% of projects recorded a positive turnover growth. The most densely populated segment is that of turnover growth between 0 (not included) and 20% which was recorded by a total of 45 projects (see table 12 at the end of this annex).

The median employee growth was 10%, and 74% of clients indicated a positive employee growth. The most densely populated segment is that of employee growth between 0 (not included) and 20% (54 projects, i.e. 45%, out of 120 – see table 12 at the end of this annex).

In terms of labour productivity calculated to measure competitiveness, the median productivity growth was by 9%, and 66% of evaluated clients experienced a positive productivity growth. The most densely populated segment is that of productivity growth between -10 and 10%, which was recorded by a total of 45 projects – out of which 23 recorded zero or negative productivity growth (see table 12 at the end of this annex).

Annex 8, Table 5: Turkey – BAS performance indicators

Performance indicator	Median	% of projects with positive growth
Turnover growth	21%	88%
Employees growth	10%	74%
Productivity (Turnover/employees) growth	9%	66%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

It is noteworthy that the SBS team has reported over the years this type of data to the EU. In the latest available report (December 2015) to the EU a similar data analysis is provided. The results broadly align with the ones just described. According to one such report:

> "86% of enterprises increased their turnover with a median increase of 25%, 64% of enterprises increased their productivity, with a median increase of 23%. 66% of BAS assisted enterprises report an increase in labour force."[49]

For EGP in Turkey the MIS collects data about turnover growth and employee growth as well. Out of the 26 EGP initiated projects, five have been evaluated so far (all of them funded by the EU Turkish PSSF). Growth patterns in terms of turnover and employees vary widely among the five. The median turnover growth was 40%, average 120% and three out of the five EGP clients recorded a positive growth. In terms of employee four out of the five EGP clients recorded zero or close to zero growth, whereas the fifth over performed in that respect. The data elaborated by the evaluation team align with the ones reported by the SBS team to the EU in the latest donor report.

In terms of qualitative data harvested by the evaluation team during the mission in Turkey in December 2015, general appreciation has been shown for the SBS Programme. Interviewed firms are satisfied with the results of the projects and appreciate the most the swiftness of the procedure compared to the Government ones. On the other hand, some companies mentioned that the cost-sharing requirements of the SBS advisory services model is not attractive for some, as government programmes normally provide full grants. Companies are generally aware of available funds and resources for their development. In fact, according to them, the added value of the SBS Programme is the partnership with an international organisation. One company in particular attributes its growth directly to the BAS projects that supported the change of production and enhanced employees' conditions. Another company acknowledged that without the support of SBS international consultants it would have made a wrong choice in terms of change of production; thanks to the consultant the company went through much more needed organisational and strategic changes.

Overall, while it is not possible to exactly quantify the contribution of the SBS projects to clients' improved business prospects, clients and other key stakeholders express confidence over the positive impacts of SBS advisory services on the performance and competitiveness at SME level. Available data provide adequate evidence about that.

Improved access to finance

The 2009 EBRD Strategy for Turkey mentions that MSMEs growth remains constrained by the low level of financial intermediation generally and particularly in eastern and south-eastern regions by their limited access

[49] Semi-Annual Progress Report July-December 2015, EU/EBRD Private Sector Support Facility 2009/228-868.

to finance. The 2012 EBRD Strategy for Turkey stresses that despite some progress has been made in encouraging public and private banks to improve credit lines for MSMEs, access to finance remained a major impediment to business start-ups (especially women) and expansion of existing MSMEs.

In BEEPS V (2013) the top three business environment obstacles identified by Turkish firms were competitors' practices in the informal sector (mostly affecting large companies); political instability; and electricity issues Large and services firms were most concerned about political instability. Corruption was no longer among the top three constraints, except for young firms, but the fourth. Access to finance ranked fifth.

On the same line, the last World Bank Enterprise Surveys for Turkey (2013) shows that the percentage of firms whose recent loan application was rejected is very little (8% for small firms) or almost non existing (1.9% for medium and 0.4% for large firms). However, it is worth mentioning that 62% of firms based in Eastern and South-eastern Anatolia have seen their loan application rejected. Also, in the same region 73% of firms finance investments internally and only 19.5% through banks. In fact, 53.2% of firms in Eastern and South-eastern Anatolia believe that access to finance is a major constraint (compared to 18.3% of Central Anatolia, 9.9% of Mediterranean, 3.6 % of Marmara, 1.7% Aegean, and 0.9 % of Black Sea).

The 2016 SME Policy Index notes that:

> "Access to finance for SMEs in Turkey has improved… This is also reflected in BEEPS data which shows lower shares of credit constrained firms than anywhere else in the region… However, access to finance for SMEs has not yet reached its full potential in Turkey. It will be important to support the acceptance of movable assets as collateral and improve the capacity of financial institutions to offer long-term financing solutions to SMEs."[50]

SBS does not systematically seek its clients because of access to finance needs. Consequently, for SBS addressing SMEs issues on access to finance has been translated in creating synergies with EBRD's financial products mainly in terms of cross-referrals from SBS to EBRD Banking teams. The annual SBS Business and Operational Plans for Turkey (2012-2015) contain KPIs for monitoring clients who were referred to EBRD Banking, clients referred to EBRD PFIs, and projects reaching the phase of investment concept review in EBRD. For instance the 2013 Operational Plan stresses the need to continue to explore ways to cooperate and link-up with the EBRD financing facilities such as MSMEs credit lines, Turkey Agribusiness SME Financing Facility (TurAFF), Turkish Sustainable Energy Financing Facility (TurSEFF), and Turkish Mid-size Sustainable Energy Financing Facility (MidSEFF). Access to finance has also been interpreted in terms of complementarity of SBS with the EBRD direct lending facility Local Enterprise Facility – LEF and the Women in Business Programme.

In fact, considering that the SBS Programme was funded through the EU/EBRD Turkish Private Sector Support Facility, through which also EBRD financial products (such as MSME credit lines, TurAFF, TurSEFF and MidSEFF) were funded, a cross-fertilisation could have been expected. However, the evaluation team recognises that a clear link was not embedded in the design of the programme. As indicated in the contract with the EU:

> "(i) beneficiary enterprises of TAM/BAS Projects will be assessed for project financing needs which could be met by PFIs financed under the Energy Efficiency Window and MSME Finance Window of the Facility; and, (ii) access to TAM/BAS Project assistance is not restricted to enterprises that will receive financing under the Energy Efficiency Window or MSME Finance Window of the Facility."[51]

The reports to the EU do not have any mention of the assessment of the TAM/BAS clients in terms of possible financing by PFIs, nor how many have been cross-referred from/to PFIs or actually receiving finance from them. EvD is not in the position to verify that ex-post, as the SBS team in Turkey confirmed that such data are not available.

An interesting case where synergies/links of the SBS Programme with EBRD's financial products is expected is the Women in Business Programme, which was launched in Turkey in 2014 with grant funding from the EU and co-financing from the Government of Turkey (see 0).

> "The ultimate goal of the Bank's WiB programmes is to promote and support women entrepreneurship and more broadly women's participation in business by facilitating access to finance and advice for women-led SMEs" as "A core focus of EBRD in countries of operations is to address market failures and give women-led small and medium enterprises' ("SMEs") equal opportunities, so that they can deliver in terms of economic performance and growth, job creation, and a number of other social gains, thus contributing fully to building free, market-oriented, and democratic societies."[52]

Based on that, the Women in Business Programme was designed to comprise of: women-dedicated credit lines; risk mitigation schemes; technical assistance to PFIs; and direct support to small business through the SBS Programme. Synergies/links between the components of the Programme are expected to come from general joint marketing and promotion activities, but mainly from cross-referrals from PFIs to SBS, and also, from 10% top up of grant for SBS WiB clients that also receive a loan from a WiB PFI.

[50] SME Policy Index, Western Balkans and Turkey 2016, Assessing the Implementation of the Small Business Act for Europe, page 332

[51] EU Contribution Agreement with an International Organisation, Contract Number 2009/228-868, Appendix 3

[52] Turkey Women in Business Programme, First Interim Report, May 2014, page 41

In Turkey, the advisory services component run by SBS started the implementation of the activities already in June 2014 while there were not yet PFIs ready to be involved in the financial part of the WiB Programme. The SBS activities expanded from the plain provision of advisory services and included: (i) Business Lens (an online diagnostic tool for SMEs) and Women in Business seminars; (ii) Women in Business workshops; (iii) advisory services projects; (iv) on-going business coaching projects; (v) mentoring; (vi) events and networking opportunities. The PFIs came later on from the end of 2014 (as of end 2015 four PFIs signed loan agreements with the EBRD, namely: Finansbank, VakifBank, IsBank, and TEB; negotiations are under way for signing with Garanti Bank and Seker Bank). Moreover, technical assistance for PFIs was started in November 2014 and implemented by Frankfurt School of Finance and Management. The latter completed baseline assessments for the four PFIs part of the Women in Business Programme, including a country market level gender gap analysis and a PFI-level gender gap analysis.

Though it is too early to speak about results about the WiB Programme, stakeholders interviewed during the evaluation mission in Turkey are concerned about the delays of the introduction of the financial products. According to the contract with the donors (the EU and the Government of Turkey are co-funding the risk-sharing component, the TA to PFIs and the SBS advisory services) the deadline to sign the credit lines with six PFIs was December 2015. Also, from the perspective of the donors, if the risk sharing component is not used it could give the impression that there was an over estimation of the risks and unused resources will have to be sent back to Brussels – which will affect negatively the reputation of the Government of Turkey in terms of absorption of the EU funds. However, it could be argued that the risk sharing component is not only meant to cover the possible non-performing sub-loans granted to women entrepreneurs, but serves to change the risk perception towards women entrepreneurs that are considered to be more risky than any other entrepreneur. If the risk sharing component is not used, this would mean that women entrepreneurs are not riskier as perceived.

In addition, some stakeholders raised concerns about the lack of synchronisation between the financial and advisory services components of the Programme and its implication for the expected synergies of the components. The expectation was that the financial assistance through PFIs and the non-financial assistance through the SBS Programme would have had some interlinkages as mentioned above. However, despite the specific reference about cross referral mechanisms from PFIs to SBS to be developed by the consultant providing the technical assistance to PFIs, such cross-referral mechanisms is yet to be established (after more than one year of implementation). It is also unclear how the cross-referrals could happen when the advisory services were provided many months (or in some cases a year) before any PFI credit line started to be disbursed. Moreover, the lack of synchronisation has affected, for instance, the choice of the beneficiaries of the mentoring part of the SBS programme run by TurkishWIN, a local association, which is targeting ten women entrepreneurs in Turkey that should have been nominated by PFIs and/or among SBS WiB clients. Since the credit lines were delayed in signing and eventually disbursements, mentees for the first intake had to be nominated only among SBS clients. It is expected that the second intake for mentoring programme will be able to involve also mentees referred by PFIs.

Moreover, some companies in Samsun that received SBS Women in Business advisory services during its pilot phase were interviewed by the evaluation team during the mission in Turkey in December 2015. Though they mention they were probably told about that, none seemed to know about the opportunities other than advisory services in the framework of the Women in Business programme and how to access to them. This is most probably due by the uncoordinated implementation of its components as mentioned above. General considerations and observations about the Women in Business programme design and initial implementation are discussed in the respective case study in Annex 9.

Despite the fact that access to finance is not meant to be the primary objective of the SBS Programme, it is worth mentioning that the SBS team is monitoring access to finance of its clients. Information about that is collected by the SBS team in the one-year after completion evaluation to BAS clients. Bearing in mind that there is little possibility to make conclusions about attribution/contribution of acquired funding thanks to the BAS projects, the BAS MIS indicates that out of the 120 BAS clients for which the project was evaluated, 28 (i.e. 23%) borrowed from commercial banks between 2012 and 2015 for a total amount of almost €18 million (see table 11 at the end of this annex). These figures are broadly in line with what was reported by the SBS team to the EU in the latest report for the Turkish PSSF where it is indicated that 17% of BAS-assisted enterprises received external investments within one year after completion of activities, for a total of Euro 17.5 million. Out of the 28, only two BAS evaluated clients received finance from an EBRD partner financial (though it is not indicated if through an EBRD credit line or others). Also, it has to be noted that a referral from Banking to SBS has been recorded: one EBRD client that received a debt financing for the amount of around €3 million under the EBRD Direct Financing Framework received also BAS assistance. The BAS project in subject was part of the Accounting Improvement Programme thus addressing specific issues of the client to help in the process of getting or managing EBRD financing.

In the case of EGP, information about access to finance of clients is monitored as well. In Turkey the one-year-after evaluation has been conducted for five out of the 26 initiated projects; according to the MIS two out of the five received non-EBRD financing though further information is not available. No EBRD investment was done following a referral from EGP. There has been one mutual client between EGP and EBRD Banking, referred by the latter though. In 2014 the EBRD extended a loan to a client for the equivalent of €10 million in the framework of the LEF-Direct Financing Facility. The client was referred by EBRD Banking to EGP that eventually started a project after signing of the loan and still ongoing.

In terms of qualitative data, from the interviews to SBS clients held during the evaluation mission in Turkey, companies do not consider access to finance as main obstacle to growth. According to them the lack of skills is the key issue and missing vocational training opportunities in the country, especially outside the main cities of Istanbul and Ankara.

In the case of Turkey it is worth mentioning that the SBS team has been always part of the EBRD offices and did not experience issues in terms of integration as happened in other EBRD's countries of operations. This is because, differently from other historical countries of operations, Banking and SBS started almost at the same time the operations in the country and the teams were never separated in different offices - thus creating immediate synergies. The SBS team is collaborating with EBRD bankers and often screening missions are jointly organised – which is particularly true for the SBS team that operates in Gaziantep, where the EBRD's resident office is composed only by SBS team and Head of office. Moreover, in order to ensure mutual understating of objectives, the regional SBI banker based in Istanbul has organised a workshop on key financial elements that are important to Banking and that the SBS team should keep in mind while approaching a client. Having said that, even in Turkey the evaluation team has harvested a mismatch about respective expectations between the EBRD banking staff and SBS staff. Banking does not see a role for SBS in contributing to the business volume unless the target of clients is raised to the level that is of interest for Banking (which would be possible for EGP, but not for BAS). On the other hand Banking sees the role of SBS as crucial in: attracting donor resources (see the proposals put forward to the EU for Women in Business, refugees, innovation, etc.); promoting and marketing EBRD's financial products in remote areas (i.e. Women in Business); managing international advisory services provided to EBRD clients that otherwise would have been managed by the bankers directly; and in general maintaining good relationship with clients.

In summary, access to finance does not seem to have been a main criterion for SBS to select its clients in the period under evaluation, though SBS monitors this information about its clients' one-year after completion, while bearing in mind that there is little possibility to make conclusions about attribution/contribution of acquired funding thanks to the BAS projects. Access to finance is translated operationally in the SBS complementarity with EBRD's financial products such as LEF and the WiB Programme, though materialisation of interlinks is yet to be implemented. There has been increased focus on the potential bankability of EGP clients over the period under evaluation, including the co-approval of the Head of resident office and/or Senior Banker in the process. The SBS team and EBRD Banking have always complemented each other in terms of promotion of products, donor relations and client relationship. As for the future, Turkey has been selected as one of the countries where the Small Business Initiative products will be piloted – it is expected for SBS a clearer role in supporting Banking needs.

Progress towards sustainable and commercially viable infrastructure (including consolidation of advisory services industry)

The 2010 feasibility study for the BAS Programme included a preliminary assessment of the local consultancy market and the capabilities of local consultants. The local consultancy market in Turkey developed as a result of the EU's increasing financial assistance to the country. As confirmed by BEEPS V data, in Turkey a certain culture of use of advisory services was in place as 34% of MSMEs declared to have hired an external consultant. However, the consultancy industry was fragmented and not professionalised, though there has been an active Turkish Management Association of Consultants, YDD. Local consultancy was best developed in Istanbul and Ankara and relatively well in the Western part of Turkey. In Eastern regions, significant influence and assistance towards more active commercial operations of consultants was needed.

SBS Turkey always has had the goal to achieve sustainable improvements in the demand for consulting services as well as supply and quality of business advisory services. As a standard tool SBS has used the results of the Annual Consultant Review (ACR) to plan its Market Development Activities (MDAs) in the country. In the case of Turkey, ACR results are available for 2012 (24 respondents) and 2014 (48 respondents). In 2012 50% of the consultants-respondents operated in metals and machinery as well as construction and engineering industries. In 2014 the main industries were manufacturing, wholesale and retail. In 2012 they were mainly located in the main cities while around 21% were based in other cities and 4% in rural areas. In 2014 58% claimed to be located in the main cities and 42% in the rural areas. In 2012 it was recorded that on average each BAS consultant was used 1.4 times which suggests that the supply of services is somewhat adequate. In 2014 77% of respondents participated in professional development training in the previous year.

The information from ACRs as well as consultations with key stakeholders have been used by the SBS team to plan its MDAs as spelled out in the annual Operational Plans. The number of MDAs each year was planned to increase from five in 2012 to 16 in 2015. Actually four MDAs per year took place in 2012 and 2014, and 10 were organised in 2014. Overall, from 2011 SBS carried out 23 MDAs spread as indicated in table 5 below.

Annex 8, Table 5: Turkey – MDA objectives and type[53]

	Number of MDAs
Increase **demand** for local consultancy services	10
Conference	1
Presentation	2
Presentation/Exhibition	2
Public Relations	4
Training	1
Broaden **supply** of local consultancy services	2
Conference	1
Training	1
Consolidate the consultancy industry	3
Conference	3
Improve **quality** of local consultancy services	2
Training	2
Strengthened **infrastructure** of MSME support	6

[53] The distribution of MDAs into objectives and categories is given as per the data extract from SBS MIS. It should be viewed as only indicative, as some inconsistencies in the categorisation of MDAs have been observed.

	Number of MDAs
(see section 0)	
Public Relations	2
Research	1
Roundtable	1
Training	2
Total	**23**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

The majority of the MDAs were devoted to increasing the demand for local consultancy services. In 2011 and 2012 two events were organised to promote and launch the SBS Programme in the country. As indicated in the report to the donor (the EU) the launch event took place in Ankara and was attended by 140 representatives of SMEs, donors, SME support organisations and consultants. Apart from that, the majority of MDAs happened in Eastern and South-Eastern Turkey because of the lack of a sustainable consultancy market in that region. As explained by the SBS team Turkey, this was the crucial issue to be addressed especially at the beginning of the SBS activities in the country. The SBS team was in fact bringing Istanbul or Ankara based advisors in South-Eastern Turkey to encourage local consultants to develop this type of services. A specific training was organised in Samsun on the Black Sea in 2012 on strategic management in collaboration with the Furniture Manufacturing and Exporting Association of Samsun. All other MDAs on the demand side have been focused on the launch and promotion of the Women in Business Programme with events in Samsun, Adana, and Bursa.

The positive effect of the SBS Programme in terms of increasing the demand of local advisory services is also monitored by the SBS team through its MIS. According to available data, out of the 120 evaluated BAS projects, 53 declared to have used a consultant within a year after completion, i.e. 44%. The SBS team is also reporting back to the donors about this information. For instance in the latest report about the EU/EBRD Turkish Private Sector Support Facility (dated September 2015), it is reported that 41% of the beneficiary enterprises have already engaged another consultant within one year after completion of the BAS projects – which is broadly the same data available to the evaluation team.

In 2012 an event was organised in Ankara to broaden the supply of local consultancy services and making consultants more familiar with BAS project management procedures. Another event on the supply side was organised in 2015 in collaboration with the Gabriel Al-Salem Foundation on "Turning Knowledge into Value" providing a forum of discussion of best practice in business and consulting from around the world and how to apply these real-world impact and business growth.

In terms of increasing the quality of the advisory services, two training events took place in 2014 in the framework of the streamlined SBS training series Grow Your Consulting Business (GYCB) in Samsun and Kayseri regions. Afterwards, due to the shift in focus (and dedicated financial resources) towards the Women in Business Programme and its related MDAs, the SBS team Turkey did not manage to organise other sessions of the GYCB training in other parts of the country after 2014.

Table 10 at the end of this case study also indicates six MDAs categorised as aimed to strengthen the infrastructure of MSME support. The evaluation team would consider them a mix of activities in terms of increasing demand and supply of advisory services. For instance, in 2012 a training session was organised for SMEs located in Elazig and Sivas regions on the specific topic of energy efficiency and environmental management. Roundtables and awareness raising events have been organised to promote the Women in Business Programme in Gaziantep, Kayseri, Eskisehir. And, an ICT business matching trip was organised for ICT companies with the collaboration of Taiwan as donor.

Through the MDAs and BAS projects, the SBS team has worked on increasing the database of local consultants active or willing to work in the regions where SBS was operating – bearing in mind that there was not a database in Turkey yet, as SBS started working in Turkey in 2011. By end 2013, 100 local consultants were registered. This number increased to 123 by end 2014. At that time, as indicated in the SBS Operational Plan for 2015, the database consisted mostly of consultants from regions in Eastern Turkey due to the identified priority to concentrate SBS activities in that area. Since 2014 though, as the Women in Business Programme does not have any geographic limitation, the SBS team has been seeking to enlarge its database with consultants from western regions as well.

The SBS team has always supported and collaborated with the existing management consultants associations and has implemented activities in terms of consolidation of the advisory services industry. In 2013 SBS has supported a consultancy awareness raising workshop in Gaziantep organised by the Turkish Management Consultants Association (YDD) and in 2014 it has supported the 1st Summit and Award Ceremony of YDD that gathered together 250 business consulting and 30 representatives of the public sector. Overall, the SBS team has been considered by local consultants as instrumental to bring together all existing associations and consultants to discuss common issues and create a critical mass. On the same line, according to the information gathered during the evaluation mission to Turkey in December 2015, the SBS team is following closely the developments in Samsun, which appears to be very vibrant, and where a group of local consultants is working on the establishment of an association of management consultants of the Black Sea region. In that respect it is worth noting that local consultants do perceive the EBRD and SBS a trustful partner to keep in the loop of the events.

To conclude SBS has a complementary role in the development of the local consultancy market in Turkey through its MDAs and through the involvement with well-established local associations. For operational and resources availability reasons, SBS activities have been recently almost solely focused its MDAs on promoting the Women in Business Programme, rather than looking at the entirety of the industry. At the same time, the SBS team is trying to follow the developments of the industry, especially in areas in expansion such as Samsun, and keeping the dialogue and opportunities open to all stakeholders.

Progress towards institutional SME infrastructure

Turkey has a quite developed system of SME support organisation and programmes in the country. As indicated also in the 2010 feasibility study for the BAS Programme, there are several government programmes run by national institutions and international organisations aimed at supporting SMEs development and growth. SBS clients interviewed by the evaluation team have shown a pretty good knowledge of the opportunities available to them and do get access to those. This has been confirmed in the 2016 SME Policy Index noting that Turkey:

> "has a well-elaborated SME strategy and an extensive range of support services co-ordinated by its implementation agency, the Small and Medium Enterprises Development Organisation (KOSGEB)."[54]

In this context the SBS team has worked to develop quickly sustainable relationship with key stakeholders and created partnerships to ensure collaboration and added value of its interventions. Partnerships have been created with KOSGEB, ABIGEM, Regional Development Agencies and other national and local stakeholders to ensure sustainability and relevance of the activities as indicated in the annual Business and Operational Plans and implemented mainly through MDAs (see section 0).

However, the evaluation team notices that since the launch of the Women in Business Programme the counterpart of the SBS Programme has become the National Agency for Employment ISKUR whose priority is job creation rather than competitiveness of SMEs. This is a natural consequence of the fact that the Women in Business Programme has been co-funded by the Government of Turkey and its Ministry of Labour and Social Security, and ISKUR is the identified national beneficiary. In that respect, the SBS team is maintaining relationships with key national and local stakeholders responsible for SME development though they are not attending Steering Committee meetings, as the national counterpart is ISKUR. According to the information provided in the latest donor report about the WiB Programme dated September 2015, local partners and NGOs are connected to the EBRD in the implementation of the activities of the Programme. However, it is not clear to the evaluation team how national and local authorities in charge of SME development could be aware of the entirety of activities related to the WiB Programme and how they complement their own ones.

In summary, the Turkish institutional SME infrastructure is well developed and responds well to local needs, as confirmed during the interviews held by the evaluation team in December 2015. SBS and the EBRD is a partner for the institutions and there is a good exchange of information that ensure a certain level of complementarity.

Adequate exit strategies

An exit of the SBS Programme has not been yet considered by the Government of Turkey. On the contrary, from the point of view of the Ministry of Labour and Social Security and ISKUR, for instance, if the SBS formula is successful and brings results in terms of jobs creation, the model could be replicated towards youth, people with disabilities, etc. The EU confirmed that there has not been a conversation yet about an exit strategy and the focus would be on the sustainability of the results of the Programme. On the other hand it is unclear if sustainability of the SBS Programme would be entirely linked to the priorities set by the donors (mainly the EU) via the Government of Turkey, given the indication that SBS would in the future work in the areas of: inclusive growth (women entrepreneurs and refugee response programme); innovation; and trade promotion.

54 SME Policy Index, Western Balkans and Turkey 2016, Assessing the Implementation of the Small Business Act for Europe, page 332

Turkey: Sources

Turkey: Interviews

Interviews held for the country case study Turkey are specified in Annex 3, section 7.

Turkey: Key documents consulted

The main documents utilised for the purpose of this case study are listed in the table below. SBS projects' level documentation was provided and consulted as well.

Annex 8, Table 6: Key documents consulted for the case study - Turkey

Donor, Government & related documents Turkey	
2007	Republic of Turkey, Ministry of Industry and Trade, Regional Competitiveness Operational Programme Republic of Turkey, Ministry of Labour and Social Security, Human Resources Development Operational Programme
2009	EU IPA Multi-Beneficiary Crisis Response Package 2009 European Union Contribution Agreement with an International Organisation (2009/228-868) for "Private Sector Support
2012	OECD SME Policy Index - Western Balkans and Turkey 2012: Progress in the Implementation of the Small Business Act for KOSGEB, Enhancing the Competitiveness of SMEs in Turkey
2013	Grant Contract between the EU and the EBRD on the "Women in Business Programme" in Turkey World Bank/IFC, Turkey Country Profile 2013
2015	Government Strategy and Action Plan for Small and Medium-sized Enterprises (SME)
2016	OECD SME Policy Index - Western Balkans and Turkey 2016: Assessing the Implementation of the Small Business Act for Europe
EBRD documents Turkey	
2009	EBRD Strategy for Turkey
2012	EBRD Strategy for Turkey
2013	BEEPS Business Environment and Enterprise Performance Survey
2014	Turkey : Turkey Women in Business Programme Turkey : Turkey Women in Business Programme TEB Turkey: VakifBank Comprehensive Financing Facility (sub-project under Turkey Capital Market Framework and Turkey Women in Business Programme) Turkey: Women In Business Programme (TurWIB) - Finansbank
2015	Turkey: Isbank - Turkey Women in Business Programme - DPR EBRD Strategy for Turkey
SBS documents Turkey	
2009	Turkey: TAM/BAS Country Brief
2010	Feasibility Study for a Business Advisory Services (BAS) Programme in Turkey
2012	BAS Turkey Operational Plan 2012
2013	BAS Turkey Operational Plan 2013 Funding Proposal to Korea for Enterprise Growth Programme (EGP)
2014	SBS Turkey Operational Plan 2014
2015	SBS Turkey Operational Plan 2015
2016	SBS Turkey Operational Plan 2016
Reports to donors Turkey	
2012	Report: EU Private Sector Support Facility for Turkey - BAS Report: Turkish Private Sector Support Facility – SBS Programme Window
2013	EGP Donor Report - Project Update to Czech Republic EGP Donor Report to Republic of Korea EU/EBRD SME Finance Facility Semi-annual Operational Report – December 2013
2014	EGP Donor Report - Project Completion Report to Czech Republic EGP Donor Report to Republic of Korea Turkey Women in Business Programme, First Interim Report, May 2014 EU/EBRD Turkish Private Sector Support Facility 2009/228-868, 2013 Annual Report Turkey Women in Business Programme, Second Interim Report, October 2014
2015	EU/EBRD Turkish Private Sector Support Facility 2009/228-868, Semi-Annual Progress Report, July - December 2014 Turkey Women in Business Programme, Third Interim Report, April 2015 EU/EBRD Turkish Private Sector Support Facility 2009/228-868, Semi-Annual Progress Report, January - June 2015 EBRD Small Business Support (SBS) Donor Report to Korea Turkey Women in Business Programme, Fourth Interim Report, September 2015 EU/EBRD Turkish Private Sector Support Facility 2009/228-868, Semi-Annual Progress Report, July - December 2015

Turkey: SBS portfolio

Annex 8, Table 7: Turkey – EGP projects

Start year		# of projects	€ committed	€ client contribution
2011		4	201,323	0
	Completed	1	54,101	0
	Evaluated/ Closed	3	147,223	0
2012		2	90,166	5,195
	Completed	2	90,166	5,195
2013		8	376,750	37,675
	Cancelled	1		
	Completed	2	101,750	10,175
	Started/ On-going	5	275,000	27,500
2014		9	460,000	43,250
	Started/ On-going	9	460,000	43,250
2015		3	135,000	13,500
	Started/ On-going	3	135,000	13,500
Total		26	1,263,240	99,620

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 8, Table 8: Turkey – SDAs

Year	# of SDAs	Budget €
2013	1	4.659
Total	1	4.659

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 8, Table 9: Turkey – BAS projects

Start year		# of projects	BAS Grant €	Total project cost €
2012		43	252,351	411,170
	Evaluated	43	252,351	411,170
2013		71	444,145	746,855
	Cancelled	1	8,100	12,744
	Completed	2	22,530	34,140
	Evaluated	68	413,515	699,971
2014		106	633,987	943,853
	Completed	90	543,590	808,004
	Evaluated	9	49,995	85,237
	Ongoing	7	40,403	50,612
2015		35	225,899	286,952
	Completed	13	76,737	94,492
	Ongoing	22	149,162	192,460
Total		255	1,556,382	2,388,830

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 8, Table 10: Turkey – MDAs

	# of MDAs	Budget €
2011	1	3,400
2012	4	26,371
2013	4	13,192
2014	10	93,602
2015	4	31,647
Total	23	168,212

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Turkey: Performance indicators

Annex 8, Table 11: Turkey – Access to finance data of BAS clients

Year of project / type of investment		Investment amount in €	# BAS clients
2012		2,450,000	2
	External- Bank	2,450,000	2
2013		3,014,545	13
	External- Bank	2,914,545	12
	Indirect - Bank	100,000	1
2014		12,503,146	13

Year of project / type of investment		Investment amount in €	# BAS clients
	External- Bank	100,000	1
	Indirect - Bank	12,383,146	11
Grand Total		17,967,691	28

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

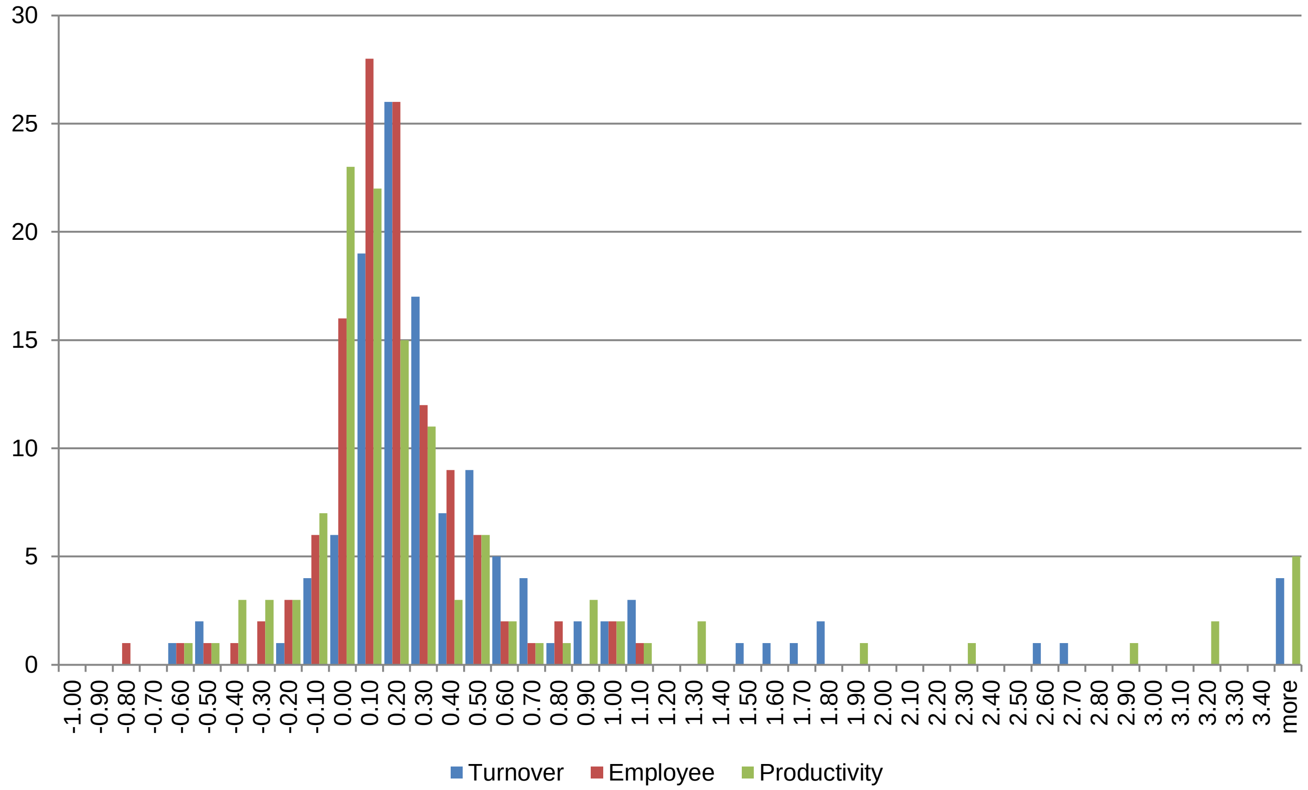
Annex 8, Table 12: Turkey – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients

Interval upper limit (included)*	Turnover	Employee	Productivity
-1.00	0	0	0
-0.90	0	0	0
-0.80	0	1	0
-0.70	0	0	0
-0.60	1	1	1
-0.50	2	1	1
-0.40	0	1	3
-0.30	0	2	3
-0.20	1	3	3
-0.10	4	6	7
0.00	6**	16**	23**
0.10	19	28	22
0.20	26	26	15
0.30	17	12	11
0.40	7	9	3
0.50	9	6	6
0.60	5	2	2
0.70	4	1	1
0.80	1	2	1
0.90	2	0	3
1.00	2	2	2
1.10	3	1	1
1.20	0	0	0
1.30	0	0	2
1.40	0	0	0
1.50	1	0	0
1.60	1	0	0
1.70	1	0	0
1.80	2	0	0
1.90	0	0	1
2.00	0	0	0
2.10	0	0	0
2.20	0	0	0
2.30	0	0	1
2.40	0	0	0
2.50	0	0	0
2.60	1	0	0
2.70	1	0	0
2.80	0	0	0
2.90	0	0	1
3.00	0	0	0
3.10	0	0	0
3.20	0	0	2
3.30	0	0	0
3.40	0	0	0
more	4	0	5

* Note: A data point is included in a particular bin if the number is greater than the lowest bound and equal to or less than the greatest bound for the data bin.

**Out of which zero growth: 3, 12, 3 clients respectively

Annex 8, Figure 3: Turkey – Distribution of reported growth in terms of turnover, employees and productivity of BAS clients (number of projects)



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 8, Table 12: Turkey: Operational plans vs committed resources

Turkey: Operational plans vs committed resources

BAS Turkey																		
	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ	OPS PLAN	BAS MIS	Δ
2012	**40**	**43**	**3**	**329,142**	**411,170**	**82,028**	**230,400**	**252,351**	**21,951**	**5,700**	**5,869**	**169**	**98,742**	**158,819**	**60,077**	**30.0%**	**38.6%**	**8.6%**
Evaluated		43			411,170			252,351						158,819				
2013	**60**	**71**	**11**	**510,900**	**746,855**	**235,955**	**360,000**	**444,145**	**84,145**	**6,000**	**6,256**	**256**	**150,900**	**302,709**	**151,809**	**35.0%**	**40.5%**	**5.5%**
Cancelled	6	1	-5		12,744			8,100	8,100					4,644				
Completed		2			34,140			22,530						11,610				
Evaluated		68			699,971			413,515						286,455				
2014	**100**	**106**	**6**	**741,000**	**943,853**	**202,853**	**741,000**	**633,987**	**-107,013**	**6,200**	**5,981**	**-219**		**309,866**	**309,866**		**32.8%**	**32.8%**
Completed		90			808,004			543,590						264,414				
Evaluated		9			85,237			49,995						35,243				
Ongoing		7			50,612			40,403						10,209				
2015	***110***	***35***		***776,000***	***286,952***		***715,000***	***225,899***		***6,500***	***6,454***		***61,000***	***61,053***		***10.0%***	***21.3%***	***11.3%***
Completed		*13*			*94,492*			*76,737*						*17,755*				
Ongoing		*22*			*192,460*			*149,162*						*43,298*				
TOTAL	**310**	**255**		**2,357,042**	**2,388,830**		**2,046,400**	**1,556,382**					**310,642**	**832,447**				

EGP Turkey																		
	# Projects			TOTAL COST €			Grants committed €			Average grant per project			Client contribution €			% client contribution		
	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	Business/ Ops Plan	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ	OPS PLAN	EGP MIS	Δ
2011		**4**			**201,323**			**201,323**			**50,331**			**0**			**0.0%**	
Completed		1						54,101						0				
Evaluated/ Closed		3						147,223						0				
2012		**2**			**95,361**			**90,166**			**45,083**			**5,195**			**5.4%**	
Completed		2						90,166						5,195				
2013		**8**			**414,425**			**376,750**			**47,094**			**37,675**			**9.1%**	
Cancelled		1																
Completed		2						101,750						10,175				
Started/Ongoing		5						275,000						27,500				
2014	**12**	**9**	**-3**		**503,250**			**460,000**			**51,111**			**43,250**		**10.0%**	**8.6%**	
Started/Ongoing		9						460,000						43,250				
2015	***12***	***3***			***148,500***			***135,000***			***45,000***			***13,500***		***67.0%***	***9.1%***	
Started/Ongoing		*3*						*135,000*						*13,500*				
TOTAL		**26**			**1,362,860**			**1,263,240**						**99,620**				

Annex 9 Case study: Women in Business

EaP	Eastern Partnership
EU	European Union
FI	Financial Institution (EBRD Banking)
FIF	Financial Intermediary Framework
FLRC	First Loss Risk Cover
FW	Framework
KazWiB	Kazakhstan Women in Business
PFI	Partner Financial Institution
SGI	Strategic Gender Initiative
TurWiB	Turkey Women in Business
WiB	Women in Business

1. Women in Business: Scope of the thematic case study

As indicated in the approach paper of this study:

> "The Women in Business Programme represents an interesting combination of aspects that could provide valuable insights into the SBS operations, including cross-cutting issue (gender), integration of SBS with Banking (FI), innovative products, and implementation over several distinct regions (at present WiB has been approved for Turkey, the Western Balkans, Egypt, Kazakhstan and Eastern Partnership countries)."

With this in mind the evaluation team has collected quantitative and qualitative information as evidence for preliminary key findings. **The findings presented below do not represent a stand-alone evaluation of the whole WiB Programme in the countries in which it is currently implemented and are presented from the angle of SBS component of the WiB Programme**. They are to be considered as **preliminary considerations about the design of the Programme** as harvested from the early implementation of its activities with the purpose of informing interested stakeholders, and represent a source of evidence for the broader strategic evaluation of the SBS Programme as outlined in the Approach Paper. Accordingly, the findings are intentionally not focused on financial aspects of the WiB Programme.

Women in Business: Overview 2013 to 2015

TAM/BAS (SBS) has always paid attention to cross-cutting issues while implementing its activities, particularly on aspects of gender, rural development, environment and youth – and it has collected data about those through the SBS MIS. According to that, out of the totality of 6,472 BAS projects initiated between 2011 and mid-2015, 31% (2,020) were marked has having a gender aspect. Out of those, 157 are part of the so-called Women in Business Programmes (around 8%).

The concept of the Women in Business Programme was presented to the EBRD Strategy and Policy Committee in December 2013 and presented to the EBRD Board of Directors in an Information Session in May 2014.[55] The SBS team has been the promoter, together with the EBRD Gender Team and the Banking Financial Institutions (FI) department, of this innovative blended product focused on women entrepreneurs. SBS was already implementing in some countries (mainly in the South Caucasus, the Western Balkans and Croatia) programmes focused on women-led enterprises; however, those programmes were not yet aimed at combining financial and non-financial EBRD products and were focused on the provision of advisory services. Instead, the Women in Business Programmes as proposed in December 2013 is aimed at promoting women's participation in business through an integrated approach facilitating both access to finance and advice for women-led SMEs. As indicated in the concept note as well as in the SBS Operations Manual:[56]

> "The SBS team implements dedicated Women in Business (WiB) programmes jointly with the Bank's Gender and Financial Institutions teams in a number of countries of operations. The objective of WiB programmes is **to promote women's entrepreneurship** and more broadly, women's participation in business by **facilitating access to finance and know-how** for women-led SMEs. The programmes are built on the premise that **WiB SMEs need both finance and advice to grow**. Therefore, the programmes are structured to stimulate both credit supply and demand side in a comprehensive, integrated approach

[55] An Information Session was held on 22 May 2014. A Memorandum was circulated in advance to describe the main features of the WiB Programmes to EBRD Board of Directors accompanied by a slide presentation was used for the session

[56] Delivering Business Advice, September 2014, page 59; emphasis added

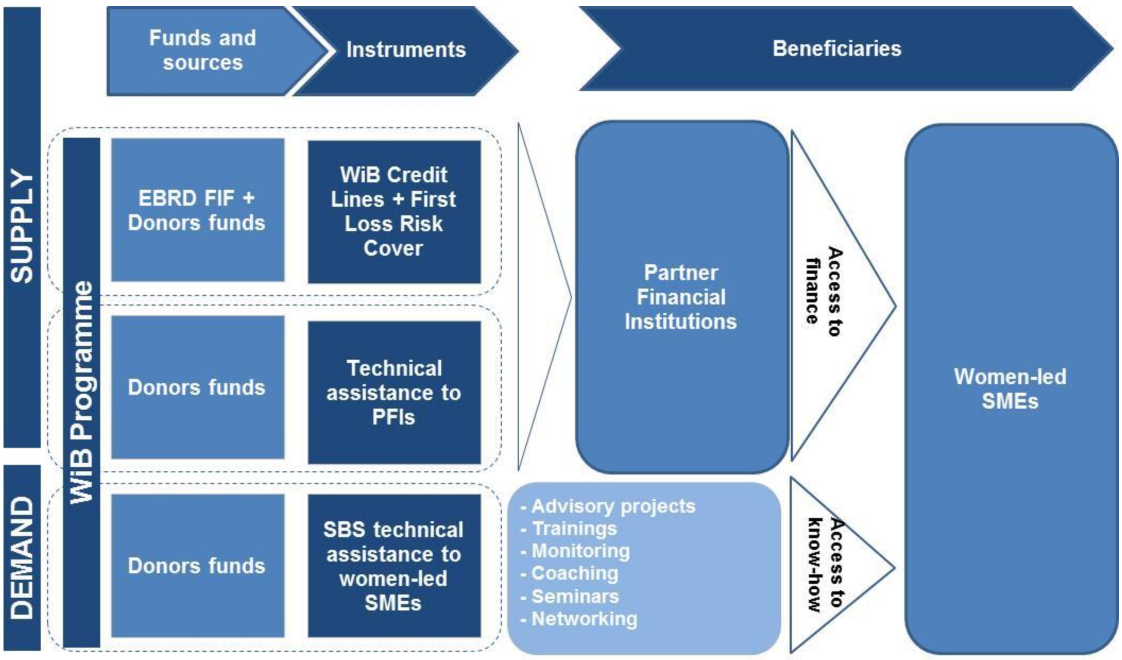
combining the different tools that the Bank has to offer.

EBRD financing is provided via **dedicated credit lines**; in addition, **capacity building** is delivered to both partner banks, through technical assistance to partner banks, and women entrepreneurs through the work of the SBS team.

The **SBS team's toolkit** for WiB includes basic diagnostic services, the entrepreneurial skills development training series of courses, advisory projects, ongoing business coaching, mentoring, and networking opportunities for eligible enterprises."

With the approach in mind to create an integrated programme tackling different aspects of women's participation in business, the WiB Programme has been proposed to donors who eventually signed contribution/grant agreements mainly to cover the First Loss-Risk Cover, the technical assistance to the partner financial institutions (PFIs), and the SBS Women in Business activities. Depending on the negotiations with the donors and EBRD internal approval processes, the Women in Business Programmes started in different moments in the EBRD regions. A snapshot of the basic concept of the WiB Programmes is outlined below:

Annex 9, Figure 1: Snapshot of the WiB Programme modus operandi



Source: EvD's realaboration of an exisiting graph, page 10

Given the absence of a comprehensive report about the WiB Programmes, the evaluation team has tried to consolidate the information available about their design and implementation as of end 2015 (see table 1 below). The information below <u>is not meant to exhaustively cover all the wide range of activities covered under the WiB Programmes, which are described in detail in the reports provided to the different donors</u>.

As context element to explain the information provided in the next paragraphs, it is worth mentioning that in April 2015 the EBRD Board of Directors approved a proposal for consolidation of the internal operational facilities related to SME business. Among others, the Financial Intermediary Framework (FIF) was established by collapsing 25 existing FI facilities devoted to MSME business covering all countries of operations and potential recipient countries (approved on 8 April 2015). Based on that, Women in Business Programmes approved after April 2015 have fallen under FIF – therefore being approved by the EBRD Board of Directors not as framework investments and related sub-operations (as it was the case for TurWiB and Western Balkans WiB), but directly only at sub operation level. This is the case for Eastern Partnership, Kazakhstan and Croatia Women in Business Programmes. WiB in Egypt has been approved as a standalone operation not falling into FIF.

Annex 9, Table1: WiB – BAS projects up to May 2015 and WiB credit lines signed as of December 2015

Region	*SBS Donor*	*Start date SBS WiB*	*# SBS advisory projects*	*Total committed (€)*	*Client contribution*	*EBRD Board approval of FW*	*EBRD committed million*	*First credit line signed*	*# PFIs signed by Dec 2015*	*million signed by Dec 2015*	*FLRC committed €million*	*FLRC Donor*	*TA to PFIs started*	*TA to PFIs committed million*	*TA to PFIs Donor*
Turkey FW	**EU, Turkey**	**Jul 2014**	**87**	**666,364**	**19%**	**May 2014**	**€300**	**Dec 2014**	**4**	**€175**	**€29.4**	**EU, Turkey**	**Oct 2014**	**€3**	**EU, Turkey**
Western Balkans FW	**Italy Luxembourg Sweden**	**Oct 2014**	**34**	**261,936**	**38%**	**Jul 2014**	**€20**	**Dec 2014**	**5**	**€15**	**€2**	**EBRD SSF**	**Oct 2014**	**€0.9**	**Sweden**
Albania	Italy	Mar 2015	4	27,960	30%			Dec 2015	1	€2					
Bosnia and Herzegovina	Sweden	Feb 2015	7	39,222	38%			Dec 2014	1	€2					
FYR of Macedonia	Sweden	Oct 2014	4	34,704	45%			Dec 2015	1	€3					
Kosovo	Luxembourg Sweden	Mar 2015	4	17,323	26%			Feb 2015	1	€3					
Montenegro	Sweden	Dec 2014	5	47,471	39%										
Serbia	Sweden	Dec 2014	10	95,256	39%			Feb 2015	1	€5					
Egypt	**SEMED MDA, SEMED Coop Funds**	**Jan 2015**	**4**	**42,763**	**33%**			**Dec 2014**	**1**	**US$20**	**US$2**	**EBRD SSF**	**Oct 2014**	**€0.15**	**SEMED MDA**
Eastern Partnership FW	**ETC Fund, Sweden**	**Dec 2014**	**25**	**192,709**	**25%**	***FIF***	**US$55**				**€3**	**EBRD SSF**	**Jul 2015**	**€1.8**	**Sweden**
Armenia	ETC Fund	Jan 2015	10	80,684	25%										
Azerbaijan															
Belarus	Sweden	Mar 2015	2	20,557	20%										
Georgia	ETC Fund	Feb 2015	9	67,879	31%										
Moldova															
Ukraine	Sweden	Dec 2014	4	23,589	11%										
Kazakhstan FW	**Kazakhstan**					***FIF***	**US$50**	**Sep 2015**	**1**	**US$20**	**US$4.1**	**Kazakhstan**	**Mar 2016**	**€1.4**	**Kazakhstan**
Croatia FW	**Taiwan Business – EBRD TC Fund**	**Dec 2014**	**7**	**76,941**	**40%**	***FIF***	**€40**	**Nov 2015**	**2**	**€15**	**None**		**Nov 2015**	**€0.2**	**EBRD SSF & Taiwan**

Turkey WiB

Turkey is the first country where the Women in Business Programme started and supposedly the one where the Programme is at most advanced stage. The gender gap in access to finance has been *large* in the timeframe 2013-2015 (see table 2 below).

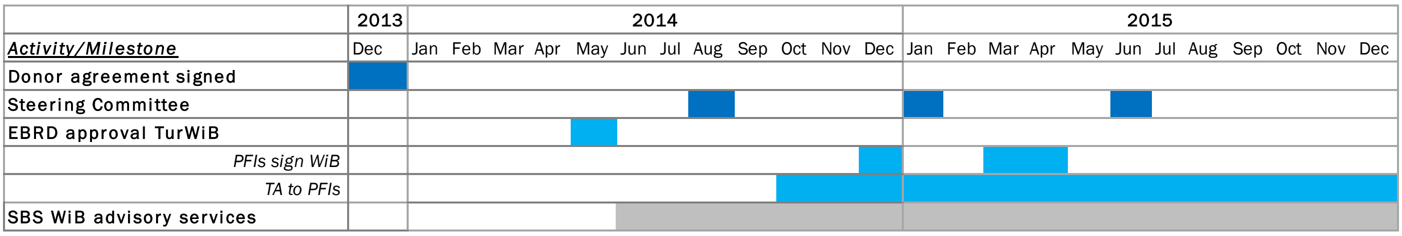
Annex 9, Table2: Overview of gender gaps in Turkey

Country	Access to finance 2013	Access to finance 2014	Access to finance 2015
Turkey	Large	Large	Large

The key dates and information about TurWiB are summarised below and in figure 2 below:

- The agreement with the donor (the EU with co-financing from the Government of Turkey) was signed in December 2013 (€38 million for First Loss Risk Cover, technical assistance to PFIs, and SBS related activities)
- The EBRD Board of Directors approved the investment framework for Women in Business in Turkey in May 2014 (€300 million, approved on 28 May 2014)
- The first sub-operation was signed only in December 2014. As of December 2015, sub-operations were signed with a total of four partner banks (Finansbank, VakifBank, IsBank, and TEB) for around €175 million (TurWiB with TEB (signed 22 April 2015); TurWiB with VakifBank (signed 15 December 2014); TurWiB with Finansbank (signed 19 December 2014); TurWiB with IsBank (signed 25 March 2015)). Two more partner banks are supposed to join the Programme in 2016 (though the initial deadline for signing was December 2015)
- The technical assistance to PFIs implemented by Frankfurt School of Finance & Management kicked-off in October 2014, and so far conducted baseline assessments for the four PFIs and carried out other activities in line with ToRs
- The SBS component of the WiB Programme in Turkey started its operations already in June 2014:
  - As of June 2015 87 advisory services projects with local consultants were initiated for a total amount of €666,364 to which the clients contributed on average 19%
  - As of June 2015 three EGP projects were initiated for the total amount of €145,750 to which the clients contributed 7%. Turkey is the only country that has extended the Women in Business Programme also to advisory services projects with international consultants which started in June 2014
  - The other activities managed by the SBS team include (not exhaustively): Business Lens and Women in Business seminars; Women in Business workshops; on-going business coaching projects; mentoring provided by TurkishWIN; events and networking opportunities
- Three Steering Committee meetings took place (in August 2014, January 2015, and June 2015) with the participation of the EBRD, the Ministry of Labour and Social Security, ISKUR and the EU Delegation to Turkey.

Annex 9, Figure 2: Turkey – Timeline of WiB Programme



Western Balkans WiB

In the Western Balkans the gender gap in access to finance has had developments in the timeframe 2013-2015 (see table 4 below): Albania and Bosnia & Herzegovina have passed from *large* to *medium*; FYRoM on the contrary has increased the gap from *medium* to *large*; Kosovo has had a *large* gap; Montenegro has confirmed over the years a *medium* gender gap in access to finance; Serbia had a *small* gap in 2013 which increased to *medium* as of 2014.

Annex 9, Table 4: Overview of gender gaps in the Western Balkans

Country	Access to finance 2013	Access to finance 2014	Access to finance 2015
Albania	Large	Large	Medium
Bosnia and Herzegovina	Large	Large	Medium
FYRoM	Medium	Medium	Large
Kosovo	Not available	Large	Large
Montenegro	Medium	Medium	Medium
Serbia	Small	Medium	Medium

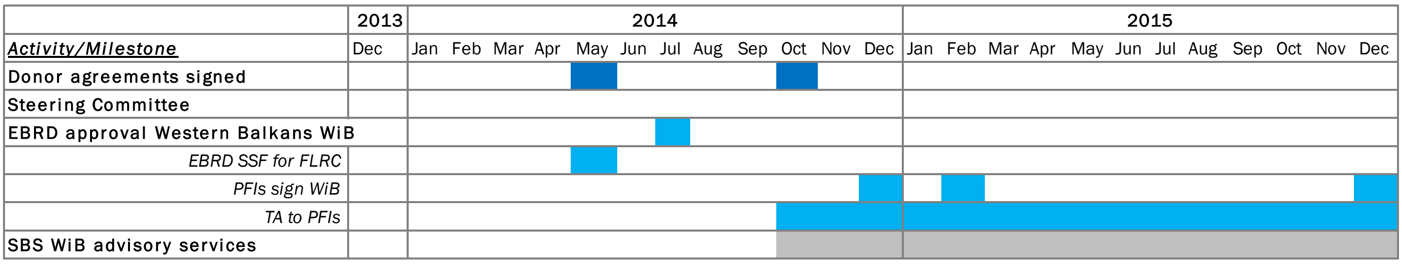
The key dates and information of the Western Balkans Women in Business Programme are summarised below and in figure 3 below:

- The donors for the technical assistance to PFIs and SBS are multiple, namely: Luxembourg (through its general technical cooperation fund administered by the EBRD), Sweden (donor agreement signed in May 2014), and Italy (donor agreement focused on WiB in Albania signed in October 2014)
- First Loss Risk Cover of €2 million is provided by the EBRD Shareholder Special Fund as approved by the EBRD Board of Directors in May 2014 (approved on 8 May 2014)
- The EBRD Board of Directors approved the Framework for Women in Business in the Western Balkans in July 2014 (€20 million, approved on 23 July 2014.)
- The first sub operation was signed in December 2014. As of December 2015, five related sub-operations were signed with partner banks

(Banca Intesa in Albania; Unicredit Banja Luka in Bosnia and Herzegovina; Ohridska Banka Société General in FYRoM; TEB in Kosovo; and Banca Intesa Beograd in Serbia) for a total amount of around €15 million. Exploratory sub-operations are under negotiations in Albania and Bosnia & Herzegovina. Discussions were so far at an early stage with one partner bank in Montenegro and the WiB Programme had been promoted within the country.

- The technical assistance to PFIs implemented by Frankfurt School of Finance & Management kicked-off in October 2014 and so far conducted baseline assessments for the five PFIs and carried out other activities in line with the ToRs.
- The SBS component of the WiB Programme in the Western Balkans started its operations in October 2014:
  - As of June 2015 34 advisory services projects with local consultants were initiated in the five countries of the Western Balkans for a total amount of €261,936 to which the clients contributed on average 38%
  - By design, no WiB advisory services with international consultants were provided in the Western Balkans
  - The other activities managed by the SBS team include (not exhaustively): Business Lens and Women in Business seminars; Women in Business workshops; on-going business coaching projects; mentoring provided by Cherie Blair Foundation; events and networking opportunities.
- No Steering Committee has been established for the Women in Business in the Western Balkans. Regular meetings are held with the Swedish donor

Annex 9, Figure 3: Western Balkans – Timeline of WiB Programme



Egypt WiB

In Egypt the gender gap in access to finance has been identified to be *large* (see table 5 below).

Annex 9, Table 5: Overview of gender gaps in Egypt

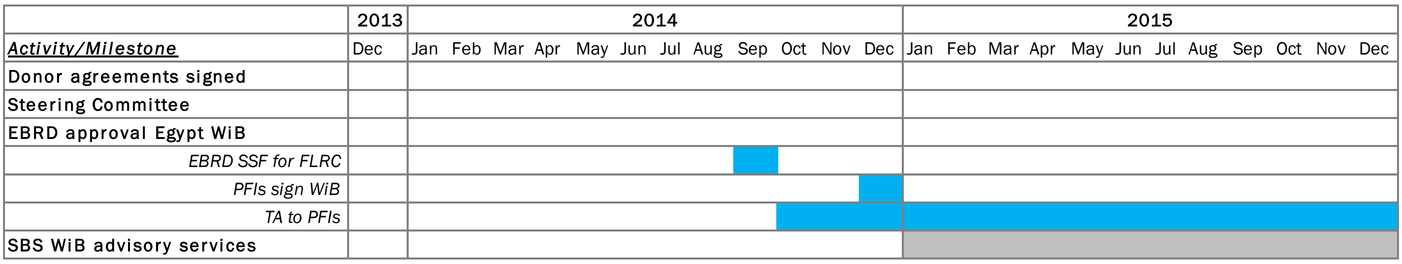
Country	Access to finance 2013	Access to finance 2014	Access to finance 2015
Egypt	Large	Large	Large

In Egypt the EBRD had already been providing advisory support to women-led businesses via SBS's women in business focused programme carried out in cooperation with the Social Fund for Development of Egypt and financed by the MENA Transition Fund, prior to the launch of WiB.

In terms of the blended FI/SBS WiB Programme, this was not approved as an investment framework but as a standalone operation. The key dates and information of the Women in Business Programme in Egypt are summarised below and in figure 4 below:

- The donors for the technical assistance to PFIs and SBS are multiple and not specifically tied to the implementation of the Women in Business Programme in Egypt (the EU Neighbourhood Investment Facility - NIF South, the SEMED Multi-Donor Account, and the SEMED Cooperation Funds Account)
- First Loss Risk Cover of €2 million is provided by the EBRD Shareholder Special Fund as approved by the EBRD Board of Directors in September 2014 (approved on 11 September 2014)
- The EBRD Board of Director approved a pilot stand-alone Women in Business project with National Bank of Egypt in October 2014 (US$20 million, approved on 29 October 2014) which was eventually signed in December 2014
- Exploratory negotiations are underway with other PFIs in Egypt.
- The technical assistance to PFIs, funded by the SEMED Multi-Donor Account, is implemented by Frankfurt School of Finance & Management since October 2014
- The SBS component of the WiB Programme in Egypt started its operations in January 2015:
  - As of June 2015 four advisory services projects with local consultants were initiated in Egypt for a total amount of €42,763 to which the clients contributed on average 33%
  - By design, no WiB advisory services with international consultants were provided in Egypt.
  - The other activities managed by the SBS team including (not exhaustively): Women in Business seminars; Women in Business workshops; on-going business coaching projects; mentoring provided; events and networking opportunities are conducted jointly with the SBS's activities in the framework of the MSME Support Programme and the Social Fund for Development
- No Steering Committee has been established for the Women in Business in Egypt.

Annex 9, Figure 4: Egypt – Timeline of WiB Programme



Eastern Partnership WiB

The gender gap in access to finance for the six countries part of the Eastern Partnership is presented in table 6 below. Armenia and Belarus increased from *small* to *medium*; Azerbaijan confirmed a *large* gap over the years; Moldova had a positive increase from *medium* to *small*; Ukraine improved from *large* to *medium*. Georgia has been stable over the years with a *small* gap.

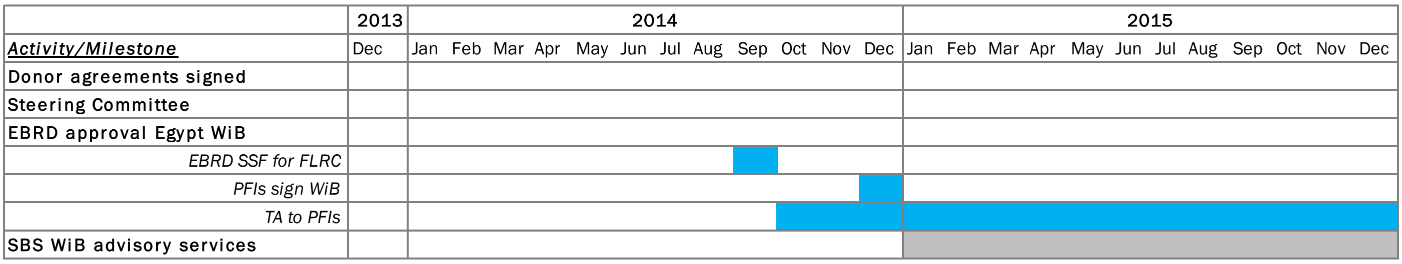
Annex 9, Table 6: Overview of gender gaps in EaP countries

Country	Access to finance 2013	Access to finance 2014	Access to finance 2015
Armenia	Small	Medium	Medium
Azerbaijan	Large	Large	Large
Belarus	Small	Medium	Medium
Georgia	Small	Small	Small
Moldova	Medium	Medium	Small
Ukraine	Large	Medium	Medium

The key dates and information of the Eastern Partnership Women in Business Programme are summarised below and in figure 5:

- The donors for the technical assistance to PFIs and SBS are Sweden (donor agreement signed in June 2014), and the Early Transition Countries Fund. EU NIF funds for the technical assistance are to be approved yet.
- First Loss Risk Cover of €3 million is provided by the EBRD Shareholder Special Fund as approved by the EBRD Board of Directors in April 2015 (approved on 14 April 2015) as a bridge funding for EU NIF
- The EBRD Management Operations Committee approved the Framework for WiB in the EaPs in February 2015 (US$55 million) and eventually approved by the Board of Directors as part of FIF in April 2015
- As of December 2015, no investment was signed in any of the six EaP countries. Investments at exploratory stage are under negotiation in Belarus and Georgia
- The technical assistance to PFIs implemented by Microfinance Strategy (Switzerland) kicked-off in July 2015 and conducted so far the baseline assessment of two possible partner banks for the credit lines in Georgia
- The SBS component of the WiB Programme in the EaP started its operations in December 2014:
  - As of June 2015 25 advisory services projects with local consultants were initiated in four countries of the EaP region for a total amount of €192,709 to which the clients contributed on average 25%. As of June 2015 no WiB advisory services were provided in Azerbaijan and Moldova yet.
  - By design, no WiB advisory services with international consultants were provided in the Eastern Partnership countries.
  - The other activities managed by the SBS team include (not exhaustively): Business Lens and Women in Business seminars; Women in Business workshops; on-going business coaching projects; mentoring provided by Cherie Blair Foundation; events and networking opportunities.
- No Steering Committee has been established for the Women in Business in the Eastern Partnership countries. Regular meetings are held with the Swedish donor

Annex 9, Figure 5: Eastern Partnership – Timeline of WiB Programme



Kazakhstan WiB

In the case of Kazakhstan the gender gap in access to finance has confirmed over the years to be *medium* (see table 7 below).

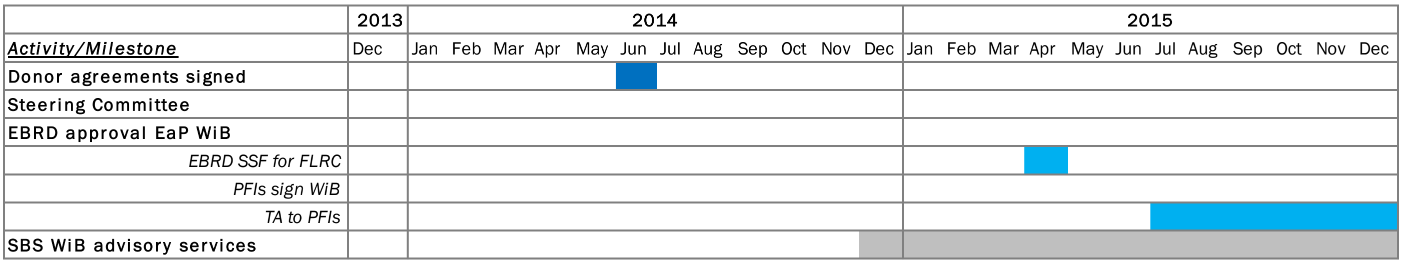
Annex 9, Table 7: Overview of gender gaps in Kazakhstan

Country	Access to finance 2013	Access to finance 2014	Access to finance 2015
Kazakhstan	Medium	Medium	Medium

The key dates and information of the Kazakhstan Women in Business Programme are summarised below and in figure 6 below:

- In the framework of the Partnership Framework Agreement for Enhance Cooperation for Promotion of Sustainable Development and Growth in the Republic of Kazakhstan concluded between the EBRD and the Government of Kazakhstan on 23 May 2014, an agreement was signed in April 2015 for a Kazakhstan Women in Business Programme Account to cover the technical assistance to PFIs, the SBS component and the First Loss Risk Cover of US$4.1 million
- The EBRD Management Operations Committee approved the Kazakhstan Women in Business Framework in February 2015 (US$50 million) which was eventually included in the approval by the Board of Directors of FIF in April 2015
- As of December 2015, one sub-operation investment was signed with Bank CenterCredit (US$20 million) in September 2015. Investments at exploratory stage are under negotiation with other PFIs in Kazakhstan
- The technical assistance to PFIs implemented by Frankfurt School of Finance & Management kicked-off in March 2016
- The SBS component of the WiB Programme did not start its operations before end 2015.
- A Steering Committee was established in the framework of the SBS Programme funded by the Government of Kazakhstan, including its Women in Business component

Annex 9, Figure 6: Kazakhstan – Timeline of WiB Programme



Croatia WiB

In the case of Croatia the gender gap in access to finance is *small* (see table 8 below).

Annex 9, Table 8: Overview of gender gaps in Croatia

Country	Access to finance 2013	Access to finance 2014	Access to finance 2015
Croatia	Small	Medium	Small

The key dates and information of the Croatia Women in Business Programme are summarised below and in figure 7 below:

- Operationally, a framework for the Croatia Women in Business Programme was created in November 2015 (€50 million) as part of FIF
- Unlike the other WiB programmes, the Croatia WiB Programme does not accompany a risk sharing component. "Instead, the proposition skews more toward enlarging the growth opportunities of women-led MSMEs and enhancing the female entrepreneurship." page 11
- As of end 2015, two sub-operation investments were signed with Raiffeisenbank (€5 million) in November 2015 and one with Privredna Banka Zagreb – PBZ (€10 million) in December 2015
- The technical assistance to PFIs implemented by Frankfurt School of Finance & Management kicked-off in November 2015 and is co-funded by Taiwan Business – EBRD TC Fund and the EBRD Shareholder Special Fund
- The SBS component of the WiB Programme in Croatia started its operations in December 2014 and it is funded by the Taiwan Business – EBRD TC Fund:
  - As of June 2015 7 advisory services projects with local consultants were initiated for a total amount of €76,941 to which the clients contributed on average 40%
  - By design, no WiB advisory services with international consultants were provided in Croatia.
  - The other activities managed by the SBS team include (not exhaustively): Business Lens and Women in Business seminars; Women in Business workshops; on-going business coaching projects; mentoring provided by Cherie Blair Foundation; events and networking opportunities.
- No Steering Committee has been established for the Women in Business in Croatia.

Annex 9, Figure 7: Croatia – Timeline of WiB Programme

	2014		2015											
Activity/Milestone	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Donor agreements signed														
Steering Committee														
EBRD approval KazWiB														
PFIs sign WiB														
TA to PFIs														
SBS WiB advisory services														

Women in Business: Preliminary findings and observations

Good practice of EBRD internal cooperation

The WiB Programme has been designed on the principle of applying an integrated approach that builds on the notion that women-managed and women-owned enterprises are facing disproportionate obstacles rooted in historical and socio-economic context, and need both finance and know-how to turn their ventures into durable businesses. Having recognised that all these elements are interlinked, the SBS team, the Banking FI team and the Gender team of the EBRD have worked together to design an innovative approach bringing together gender-dedicated financial lines with adequate technical assistance, risk sharing mechanisms to stimulate lending to that specific target group, and linked to advisory support to women entrepreneurs. Before the launch of the WiB Programme the EBRD had already in place products tackling these issues, but designed/implemented as separate instruments, namely: dedicated credit lines for women entrepreneurs and related technical assistance to PFIs (access to finance) designed separately from dedicated advisory services for women entrepreneurs (access to know-how, to non-financial development services, and to networking mentioned in section 0) and from activities implemented in the framework of the EBRD Strategic Gender Initiative (approved on 16 April 2013).

As confirmed during the interviews held by the evaluation team, SBS had a crucial leading role in the design and promotion of this innovative approach, in particular taking the lead of securing funds with the donors thus building on its already established fund-raising function. Moreover, at implementation stage, the SBS team has taken a coordination role in terms of promotion, marketing, visibility, and reporting to the donors of the WiB Programme. As indicated by the SBS teams some confusion in terms of roles and responsibilities at implementation level has arisen with the consultant of the technical assistance to the PFIs, but in general the coordination is improving.

Overall, a comprehensive approach of the EBRD towards women entrepreneurs has had positive effects externally and internally. Externally, EBRD was able to introduce an innovative integrated product, appealing both to the potential PFIs by integrating financial and non-financial services, and to donors who increasingly look for comprehensive ways to address complex problems. Internally, while some initial difficulties in coordination were encountered (and expected), they were progressively successfully dealt with. Banking has become more familiar with SBS activities and potential, especially in terms of the fund-raising and marketing activities carried out by the SBS team deployed in the countries of operations and outside the main cities (where SBS team is the main representative of the WiB Programme as a whole for the local stakeholders). Moreover, Banking has become more acquainted with the opportunities coming from the deep knowledge of the SBS teams of the SMEs development contexts and how SBS advisory services are adding value. The opportunity of learning is also true for the SBS team that has become more familiar with Banking needs while developing and implementing an integrated product such as WiB.

Design: expectations about results of the WiB Programme

The design of the WiB Programmes has been a joint exercise carried out by many EBRD's teams towards the achievement of one objective. At the same time, as essential component for its materialisation, the WiB Programme was proposed to donors who eventually signed contribution/grant agreements mainly to cover the First Loss Risk Cover, the technical assistance to the partner financial institutions (PFIs), and the SBS Women in Business activities. Usually, agreements with donors were signed before the EBRD's Board of Directors approved the region/country specific WiB Programmes (see figures 2 to 6). This was due to the intention to bring in front of the EBRD Board all components of the WiB Programmes secured in terms of funding in order to obtain the resources for the dedicated credit lines.

From the documentation available as well as from the interviews held with relevant stakeholders, the evaluation team has observed different expectations about the WiB Programmes' end results and related indicators of success.

For instance, in the case of TurWiB, due to the EU/Turkish Government funding coming from the Human Resources Development component, the contribution agreement eventually signed in December 2013 describes the overall objective as "*to promote women's participation in the labour force and to increase female employment*" and the specific objectives as:

> "(i) support women-owned and women-managed enterprises in accessing finance for their sustainable growth and job creation; (ii) develop sustainable credit mechanisms targeted to women-owned and women-managed enterprises through technical assistance to PFIs; and (iii) support women-owned and women-

> managed enterprises in accessing know-how, non-financial business development services and networking opportunities".

Indicators for the overall objective were split for the two identified windows: Window 1 – Women in Business Financing (approximately 15,000 new jobs created, but not limited to women, by end-borrowers of the credit lines); and Window 2 – Women in Business Small Business Support (approximately 570 new jobs created, but not limited to women, by assisted enterprises). Indicators for the specific objectives were in terms of growth and job creation for Window 1 and Window 2.

When TurWiB was submitted to the EBRD Board of Directors a few months later in May 2014 to get the approval for the financing component the ultimate goal of the Turkey WiB Programme was indicated to be:

> "to promote women entrepreneurship and access to finance, and more broadly women's participation in business, through the development of a strong WiB SME sector in Turkey by facilitating access to finance and advice for women-led SMEs" (page 5).

The reference to results and/or indicators/benchmarks in terms of jobs creation was removed – mainly because it is falling outside the transition impact methodology, as confirmed to the evaluation team by the EBRD Economics, Policy and Governance department.

This difference does not necessarily indicate a contradiction in stated priorities of the programme towards different stakeholders, but shows at least a big degree of flexibility of the EBRD in adjusting to and meeting donor priorities to ensure donor funds. Presenting the same Programme to the EBRD Board of Directors omitting some key objectives and indicators as presented to the donors creates room for different expectations. Not surprisingly, the EU and Government of Turkey are expecting results in terms of jobs creation for women entrepreneurs, while EBRD is expecting results in terms of market expansion, demonstration effect and skills transfers at PFIs level. Doubts also remain about how the EBRD will be reporting on those (extra) benchmarks to the donors (i.e. 15,000 new jobs created by the Women in Business Financing Window) as no information about jobs creation has been provided in the reports so far and there is not a set methodology for that (see 0).

In the case of the other WiB Programmes where a donor agreement was signed to ensure funds to cover the technical assistance for PFIs and the SBS WiB activities, the same type of difference in expectations is observed. For instance, in the case of the Western Balkans WiB the donor agreements (i.e. with Sweden signed in May 2014) foresee also specific objectives in terms of jobs creation that are not included in the document approved by the EBRD Board of Directors for the Western Balkans WiB Programme as approved in July 2014 (approved on 23 July 2014). The same is observed for the Eastern Partnership WiB Programme (i.e. donor agreement with Sweden signed in June 2014 and WiB Programme for Eastern Partnership countries approved under FIF in April 2015 following OpsCom Final Review approval in February 2015), and the Kazakhstan WiB Programme (i.e. donor agreement with the Government of Kazakhstan signed in April 2015 and Kazakhstan WiB Programme approved under FIF in April 2015 following OpsCom Final Review approval in February 2015). In the case of Egypt and Croatia the EBRD did not have specific donor agreements on the WiB Programmes in the two countries.

Design: synergies of WiB Programme components

Synergies of components: results and indicators of success

From a preliminary analysis of the documentation related to the WiB Programmes, the evaluation team sees value in providing some insights about the design of the WiB integrated approach from the perspective of the role of SBS in it. In fact, an integrated approach implies synergies between the components of a Programme, and, in the case of the WiB Programme, it implies synergies between the financial and non-financial components (delivered by the FI team and SBS respectively). The source of the components' synergies depends on the ultimate objective of the Programme which, accordingly, affects the design of implementation modalities and the selection of indicators to measure success. Based on that, the evaluation team notices that the WiB Programme is simultaneously described (often within the same document) in ways that create ambiguity/uncertainty on its objective.

According to the Memorandum circulated for information by Management to the EBRD Board of Directors to present the WiB Programmes:

> "The ultimate goal of the Programmes is to promote and support women entrepreneurship and more broadly women's participation in business by facilitating access to finance and advice for women-led SMEs. The Programmes will provide finance in the form of dedicated credit lines to PFIs for on-lending to WiB SMEs. [...] In addition, the Programmes are to provide WiB SMEs knowledge and know-how through SBS." (page 5)

> "In summary, the Programmes offer a unique integrated response addressing critical supply and demand side factors at the core of the WiB SMEs financial gap. The Programmes increase the volume of credit available for on-lending to the WiB SME segment; [...] and increase demand for such products by building the financial and managerial capabilities of women-led SMEs and addressing key constraints to growth." (page 6)

While at the first sight these descriptions might not seem inconsistent, they present a different logic behind the expected synergies:

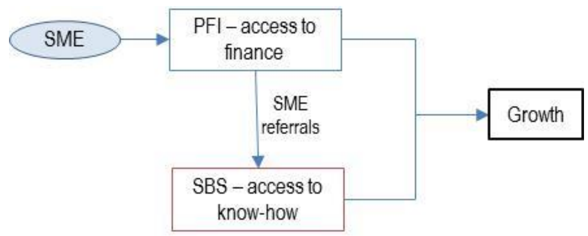
i) In the first quote, the ultimate objective of the WiB Programme is SME growth, and the assumption behind the design of the WiB Programme is that supporting access to finance and access to know-how concurrently will create synergies and best chances for a sustainable performance and growth of the women-led SME

ii) In the second quote, access to finance for SMEs is the problem (and the ultimate objective of the WiB Programme), and constraints exist both on the supply (PFI) but also on the demand side (SME).

Both objectives are valid, but imply a different modality in which synergies/cross-referral mechanisms of the financial and non-financial components will be structured, as indicated below:

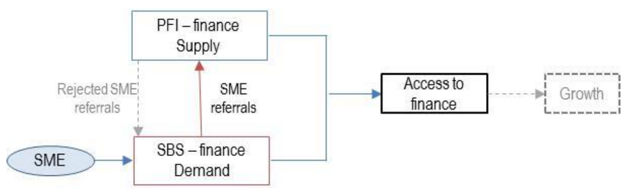
i) As indicated in figure 7 below, in the case where the objective of the WiB Programme is SME growth - to be achieved through the provision of finance and advice in parallel – it is expected that client SMEs sub-borrowers of a WiB credit line will be referred to SBS by the partner financial institution (PFI). Success would be measured by the performance of these mutual clients/SMEs (after having obtained both finance and advisory services) through standard indicators such as: change in turnover, employment or productivity. Ideally, for comparison purposes, the same data would also be collected for PFIs clients/SMEs sub-borrowers of the credit lines but did not receive the advisory support (by the nature of the financial volumes for both components, the number of advisory clients will always be much smaller).

Annex 9, Figure 7: WiB Programme concept with MSMEs growth as objective



As indicated in figure 8 below, if the objective of the WiB Programme is to remove barriers in access to finance on supply and demand side, the expectation would be that SBS would select clients specifically among those SMEs that have not yet had access to external finance and/or have experienced difficulties. The advisory services would be focused on removing those barriers (improvements in financial reporting, business strategy, or instigating growth that creates need for finance etc.). Success would be measured by the proportion of SMEs able to obtain credit after the SBS project implementation.

Annex 9, Figure 8: WiB Programme concept with MSMEs access to finance as objective



It is possible to argue that the two scenarios can be at play at the same time. Nevertheless, for the purpose of monitoring and reporting results it is not possible to report on the same indicators in aggregate across all SBS clients, as has been the case so far. While in the first scenario (i) external finance is a prerequisite for the expected result, in the second scenario (ii) external finance is the expected result. For example, the standard SBS indicator of *% of SMEs which accessed external finance within a year of the project* should only be reported on the clients who were selected based on no previous access to finance, and where the advisory specifically targeted that objective; clearly not on the clients who were referred as PFI sub-borrowers. Similarly, financial incentive offered by SBS to clients who subsequently obtain finance ("10% top-up" – see **Error! Reference source not found.**) would not be expected to be offered to clients who already came based on a PFI referral.[57]

The above described ambiguity on the source of synergies of the WiB Programmes' components is reflected in the documents approving the individual (country or region) WiB Programmes. As indicated below, the approval documents mention mechanisms of referral of clients from PFI to SBS (indicative of the first scenario where both finance and advisory is provided to the SME), while at the same time refer to the SBS role in addressing the demand side in access to finance (second scenario).

In the case of the Turkey WiB Programme it is stated that:

> "the selection of enterprises is however completely independent from PFIs' credit decisions hence not all SBS clients will become PFI sub-borrowers, and not all PFIs sub-borrowers will receive SBS assistance." (page 15)

At the same time the document foresees a form of linkages between the financial component of the programme and the SBS component, namely:

> "To maximise synergies, the PC [Project Consultant] will implement awareness raising activities in close collaboration with PFIs and will develop and facilitate cross referral mechanisms at the level of each local bank in order to increase women's access to finance and know-how." (page 15)

In the same Board approval document, the need to integrate the demand and supply sides of the interventions with respect to access to finance is claimed to be a lesson coming from the implementation of the previous credit lines for women entrepreneurs implemented in Turkey by the EBRD. The Board documents states that, in order to address the lesson learned from the past experiences:

> "TurWiB integrates SBS activities in its design to strengthen the demand side support, and reinforces the link between SBS and banks through awareness raising and cross-referral mechanisms." (page 42)

However, from the interview held by the evaluation team with the Project Consultant in Turkey (which started activities in October 2014) the cross-referral mechanism between the PFIs and SBS WiB advisory services (which started to be implemented in June 2014) is yet to be established after more than one year of implementation.

[57] The other supporting tools of the WiB programme, such as SME training, awareness /visibility seminars and diagnostic tools can be used in both situations, and do not substantially enter in this argument.

By design of the other WiB Programmes in the Western Balkans (page 15), in Egypt (page 19) and in Eastern Partnership countries[58], identical wording used for TurWiB has been used about the identification of cross-referral mechanisms between the PFIs sub-borrowers and SBS clients of advisory services. In the case of Croatia WiB it is even specifically stated that:

> "The maximised synergies among the various components of the Programme are expected as the Programme contains certain cross-selling mechanisms between the SBS pillars and [PFI]'s WiB bank product offering."[59 60]

At the same time, expectations of cross-referral from SBS to PFIs were expected by designing the "10% top-up" to the usual SBS grant for advisory services projects. As stated in the SBS Operations Manual, the SBS advisory services grants under the WiB Programmes consist of three components, namely:

Annex 9, Box 1: Components of the WiB advisory services grant

	(A)	Base grant per cent	As per country's GGM
	(B)	WiB top up of 10 per cent	Available to enterprises that meet the WiB SME eligibility criteria
+	(C)	Access to finance top up of 10 per cent	Available to enterprises that have signed a loan agreement with a partner bank under the WiB Programme by the time of project evaluation, including enterprises that signed a loan agreement under the WiB Programme prior to the project start date
=	(D)	Total WiB grant, capped at 90 per cent	

Source: Operations Manual, Delivering business advice, September 2014, page 61

As stated above, it is in principle possible to run both scenarios in parallel (if more clarity is provided in the design of the programme on this intention), but in order to be able to demonstrate any results and synergies between the components, it is not possible to report on all SBS clients in aggregate across the same indicators.

Overall, by the establishment of a programme based on the integrated approach of two formerly stand-alone EBRD products, synergies between its components were expected in terms of results, going beyond the economies of shared fundraising, reporting or awareness/visibility events. There is no doubt that the two components are complementary and targeting gender gaps in access to finance and access to know-how with different tools. However, a form of expected interlink (supposedly more substantial than complementarity) between the two is described ambiguously in the designs of the programme, and this has had implications for the set-up of monitoring and reporting on results. Given some initial problems in the synchronisation of the components implementation (see 0) it is not possible to assess at this stage whether this ambiguity is resolved through implementation.

Synergies of components: design of Transition Impact benchmarks

The point developed in section 0 has further implications for the internal EBRD considerations of transition impact assessment. The transition impact indicators presented in the approval documents of the WiB frameworks and related sub-operations contain benchmarks for the financial component separated from the benchmarks of the SBS component. The SBS benchmarks represent the standard indicators of SBS with no specific links to the financial component. In this sense, the presentation is reminiscent of the pre-WiB approach, where both components were run separately. The weakness of the SBS link to transition impact from the perspective of access to finance in that scenario is recognised by EBRD's Economics, Policy and Governance department.

As indicated in the documentation available, transition impact benchmarks related to SBS have also been removed from the sub-operations approved, for instance, under the Turkish WiB Programme as considered not specifically tied to the sub-operations, but only the framework level. The following explanation is specifically provided in all documents approving the sub-operations of TurWiB:

> "Although the WiB Financing, RLC [Risk Loss Cover] and the TC [technical cooperation] components of the Facility are expected to indirectly contribute towards meeting the benchmarks under the SBS component through synergies to be created across different Programme components, it should be noted that the Programme level benchmarks targeting SBS assisted enterprises under the WiB SBS component of the Programme are not specifically tied to [PFI]'s WiB SME sub-borrowers, which are to be financed under the WiB Financing component of the Programme."

And, as for the case of TurWiB, sub-operations approved under the other WiB Programmes have removed the transition impact benchmarks related to the SBS component of the as "not specifically tied to this sub-operation". Transition impact benchmarks from the individual sub-operations will be aggregated for the purposes of monitoring to ensure an adequate results assessment of the overall transition impact of the financing to women-led MSMEs in the country where the WiB Programme is implemented (for implications about reporting see section 0).

Implementation: synchronisation of the WiB components

Some stakeholders interviewed by the evaluation team raised concerns about the lack of synchronisation between the financial and advisory services components of the WiB Programme and its implication for the expected synergies of the components.

[58] Regional Eastern Partnership Countries Women in Business Programme, Final Review, 27 February 2015
[59] Approved 11 November 2015, page 11, emphasis added
[60] The reference to 'cross-selling', i.e. provision of one service under the condition of purchasing also another, is especially striking in that it entails ethical implications, which are not further discussed in the paper

In the case of TurWiB the advisory services component started much earlier than the financial component (and related technical assistance) thus impacting the possibility of cross-referrals of clients (either way) when the advisory services were provided many months (or in some cases a year) earlier than any PFI credit line started to be disbursed (see figure 2 above). This misalignment in timing affected also the timely provision of other elements of the SBS toolkit of the WiB Programme. For instance, it has affected the choice of the beneficiaries of the WiB mentoring activities implemented by TurkishWIN, a local association, which is targeting ten women entrepreneurs in Turkey that should have been nominated by PFIs and/or among SBS WiB clients. Since the credit lines were delayed in signing and eventually disbursements, mentees for the first intake had to be nominated only among SBS clients. It is expected that the second intake for mentoring programme will also be able to involve mentees referred by PFIs. Moreover, companies that received SBS Women in Business advisory services interviewed by the evaluation team during the mission in Turkey in December 2015 did not seem to know about the opportunities other than advisory services in the framework of WiB and how to access them, though they acknowledged they might have been informed about those at one point. This is most probably due by the unavailability of the other (financial) components in due time.

In the case of the Western Balkans WiB, some lack of synchronisation has been observed as well (see figure 3 above). The technical assistance at regional level implemented by Frankfurt School has been launched in October 2014, and the SBS WiB advisory services component started at different times depending on the country and donor funding availability. In the case of Albania SBS WiB started in March 2015, while the dedicated credit line was signed only in December 2015. In Bosnia and Herzegovina SBS WiB started in February 2015, while the dedicated credit line was signed earlier, in December 2014. In FYRoM SBS started in October 2014, and the dedicated credit line was signed almost a year later in December 2015. In Kosovo there was almost overlap between the start of SBS advisory services and the signing of a dedicated credit line in early 2015. In Montenegro SBS advisory services started in December 2014 and so far no PFI has been identified. In Serbia SBS advisory services started in December 2014 and the credit line was signed in February 2015. Also, it is important to remember that disbursements of the dedicated credit lines start after signing which is decreasing even more the possibility of linking the financial and advisory services components of the WiB Programme. Finally, as for the TurWiB case, the different timing of implementation of the components has affected the choice of the beneficiaries of the mentoring part of the SBS programme run by the Cherie Blair Foundation, which is targeting five women in Serbia that should have been nominated by PFIs and/or among SBS WiB clients. Since the credit lines are delayed in signing, mentees had to be nominated among SBS clients. It is expected that the second intake for mentoring programme will be able to involve also mentees referred by PFIs.

In the case of the Eastern Partnership countries, while SBS advisory services activities started in late 2014-early 2015, the technical assistance at regional level to PFIs started in July 2015 and no dedicated credit line was signed as of end 2015 (see table 6). Negotiations are ongoing with possible PFIs only in Georgia and Belarus where, actually, gender gaps in terms of access to finance are only *small* and *medium* (see table 6).

Contrary to the cases above, in which SBS generally started its WiB advisory services before any financial product is available, in the case of KazWiB the first credit line was signed in September 2015, but the technical assistance to PFIs started only in March 2016, and by the end 2015, SBS WiB advisory services activities did not start yet (see figure 6 above).

Whereas all documentation available does not indicate in a chronogram the timing for implementation of the components of the WiB Programmes, the lack of a certain level of synchronisation is evident at implementation level and has been mentioned by the donors and the SBS teams themselves in the countries visited by the evaluation team. In fact, in order to ensure the implementation of the integrated approach (at the base of the concept of a blended programme such as WiB) it is expected that all its components are available to the beneficiaries and other stakeholders in order to be able to take advantage of such innovative/integrated approach. In cases where it is not possible to offer to the end beneficiaries the whole package of possibilities, it would be rather difficult to achieve the expected result of empowering in terms of access to finance and access to know-how.

On the other hand, the evaluation team notes that the lack of synchronisation between the financial and advisory services components of the WiB Programme is not perceived as an issue by EBRD Banking. As indicated during most of the interviews held in EBRD HQ and resident offices, Banking does not expect the SBS component of the WiB Programme to add value in terms of attracting PFIs by enhancing their offer with non-financial services; according to Banking, PFIs are instead attracted by the existence of the risk-sharing mechanism - FLRC. Instead, the added value of SBS comes from its successful activities in terms of fundraising, marketing, visibility, donor relationship and reporting to the donors.

Role of steering committees

The establishment of Steering Committees has not been considered at design of the WiB Programmes. However, in the case of Turkey and Kazakhstan Steering Committees were created at donors' request.

In the case of Turkey the establishment of the Steering Committee was spelled out in the grant agreement between the EU, the Government of Turkey and the EBRD signed in December 2013 in its goal, its composition, timings, and main responsibilities:

> ("monitor operational and financial progress of the Action against the indicators referred to in the Description of the Action; be informed of signing of financing agreements with PFIs; review, as appropriate, progress and final reports on the Action; discuss the experience gained during the implementation of the Action with a view to proposing improvements and corrective actions; issue its opinion for further utilisation of the funds in the context of the exit strategy; take its decisions by unanimity").

Until end 2015, the TurWiB Steering Committee meetings took place three times.

In the case of Kazakhstan a Steering Committee has been established for the whole SBS Programme in Kazakhstan, including WiB:

> "In order to ensure a high level of mutual understanding and cooperation amongst stakeholders to the Programme, the Contribution Agreement envisaged the creation of a Steering Committee (SC), comprised of EBRD and the Ministry of National Economy, its Entrepreneurship Development Department, EDF Damu, the National Chamber of Entrepreneurs, the Consortium of Consulting and Research Institutes of Kazakhstan, private donors of the ASB program, namely BG Kazakhstan and TengizChevroil".[61]

The case of Kazakhstan is to be considered as a best practice: in fact, all donors and stakeholders involved in the SBS Programme are invited to the Steering Committee, regardless of their contribution or part in it. This will ensure complementarity of the activities of the SBS Programme and how the WiB related activities fits into it.

In the case of the Western Balkans, EaP, Croatia and Egypt there are no Steering Committee meetings. In the case of Western Balkans and EaP the EBRD is organising regular meetings with Sweden, one of the donors for the two regions, to discuss the implementation of the WiB Programmes.

Given the complexity of the WiB Programme and the multiple stakeholders involved, Steering Committee meetings could present an opportunity to discuss the progression of the programme at macro level. On a positive note, consolidated reports are submitted to all donors at regional level – thus avoiding a fragmented donor reporting on the same WiB Programme (see 0). However, as emphasised by one of the WiB donor, there is no formal occasion in which these reports are discussed and, in cases where there are multiple donors (such as in the Western Balkans or EaP), those do not have the opportunity to share ideas and comments on the programmes that are co-funding. The practicalities to organise an event at regional level (such as a coordination meeting) are probably demanding, but given the amount of stakeholders involved in the WiB Programmes it could be an opportunity for discussion of the past and future activities, and, it would also help to clarify expectations of all parties in terms of results (see section 0).

Reporting

To donors

Reporting to donors about the WiB Programmes is an activity coordinated by the SBS team and it is organised at region level and not donor specific, which is an important achievement in terms of efficiency of reporting and quality. Reporting is: semi-annual for the WiB Programmes in Turkey, Western Balkans, and Eastern Partnership; and annual for WiB Programme in Croatia and in Kazakhstan. There is no WiB-specific reporting for Egypt as it is funded through the SEMED Multi Donor Account, which requires a comprehensive report encompassing also other activities in its annual report.

At present reporting about WiB Programmes is streamlined using very similar if not identical structure: activities and results (dedicated credit lines and FLRC; technical assistance to PFIs; SBS WiB activities); engagement of stakeholders; operations planned for the next reporting period; and communication and donor visibility. The reports are very dense, providing very detailed data about activities carried out by all stakeholders involved.

However, despite the section title including "activities and results", this is merely activity focused and it does not provide information about achievement of results (higher than outputs) against the indicators specified in the donor agreements and related results frameworks. The most advanced among the WiB Programmes, TurWiB, does not report about the results and indicators specified in the donor agreement with EU and the Government of Turkey, for instance, in terms of jobs creation and, from the information available to the evaluation team, a methodology has not been even developed for that yet (almost two years after starting of the programme). Reporting does not actually provide information about any other higher level results identified at approval. Moreover, as confirmed by the donors interviewed by the evaluation team, the reports provide information about the signing of the credit lines, but not about disbursements, and are silent about synergies or specific interlinks between the financial and non-financial components of the WiB Programme – which echoes the concerns discussed in section 0 about SBS the actual expectations of these synergies and the appropriate indicators that should be used as a measure of success for them, as well as the observed lack of synchronisation described in section 0. Finally, the reports also do not provide further contextual information, including for example about the activities of the other key players/programmes in the same country or region and how WiB is complementary to those. Some donors also pointed out that the reports lack a candid discussion on the challenges and difficulties experienced by the WiB Programme (which are to be expected especially in its initial stages), and ways that these are being tackled and used to shape further activities.

In the cases of the other WiB Programmes, these have started later on and it is considered to be too early to speak about results, though there are no signs that reporting would be different from the one for TurWiB.

To the EBRD

Internal monitoring and reporting to the EBRD about the Women in Business Programme is specified in the Board approval documents as follows:

> "The Programme will be monitored and assessed at the Programme level. Individual PFI sub-projects should articulate its expected contributions against Programme benchmarks. The progress of each sub-project under the Programme will be

[61] Annual Progress Report to the Ministry of National Economy of the Republic of Kazakhstan (January – December 2015), page 11

monitored by the banking team in collaboration with the SBS team and aggregated by the Programme OL [Operation Leader] for TIMS [Transition Impact Monitoring System] review reporting. Individual PFIs will report their progress on a quarterly basis to ensure that the funds are allocated in compliance with the requirements and aggregated on the Programme level. In addition, the PFIs will be required to submit their annual audited financial statements, and other relevant financial reporting. WiB SME level benchmarks will be monitored at the Programme level by the SBS team."[62]

As indicated above, the benchmarks included in the Board documents at framework and sub-operations level are collated by the Economics, Policy and Governance department. In addition to the concerns relating to the capture of the synergies of the WiB Programme's components in the transition benchmarks (0), it could be argued that the fragmentation of benchmarks at PFI level reduces the possibility to have benchmarks for adequate monitoring and reporting at sector level, to which, in principle, both components should contribute (SBS is monitored only at framework level as mentioned in section 0). Having said that, the evaluation team notes that as of end 2015, no review has been conducted at framework and sub-operations level, whereas it was expected that more advanced programmes, such as TurWiB, would have been reviewed already.

In fact, as described in section 0, so far reporting has been addressing only the WiB donors, for which, as indicated in section 0, results do not always entirely coincide with the ones approved by the EBRD Board of Directors. For accountability purposes, it is advisable not only to clarify the timing of reporting of the WiB Programmes through the internal monitoring system for transition impact (TIMS), but also to identify a form of reporting to the EBRD Board of Directors in more comprehensive way taking into account the sector level approach of the transition impact methodology. Moreover, it is expected that a WiB Programmes report should address in a comprehensive way the overall transition rationale for WiB Programmes in each country/region with respect to the gender gaps in access to finance as identified by the EBRD Economics, Policy and Governance department. This seems to be particularly relevant for countries where the WiB Programme is implemented while the gender gaps in access to finance are *small* (i.e. the case of Croatia where in fact a risk sharing mechanism is not even part of the WiB Programme unlike the others). Moreover, the EBRD Board of Directors should be given the opportunity to receive such report and discuss the results of the WiB Programmes in formal contexts such as one of the EBRD Board Committees or a Board Information Session (as it was the case for the presentation of the WiB Programme concept in May 2014) especially considering the substantial contribution of the EBRD Shareholder Special Fund.

Women in Business: Preliminary conclusions

The initial review of documentation related to the six Women in Business Programmes approved and under implementation, together with the interviews held with key internal and external stakeholders, led to the preliminary findings and observations outlined in section 0 that may be used for further fine-tuning and shaping the on-going and new WiB Programmes.

The WiB Programme is well regarded internally for developing cooperation across teams to prepare an innovative product to implement an integrated approach aimed at targeting barriers from both the supply and demand sides. While some initial difficulties were encountered internally (and expected) in terms of coordination and mutual understanding of needs, they were successfully managed thanks to the existence of a common objective. The integration of different teams on the product delivers value added in terms of fundraising, visibility, and donor reporting. Externally, the product proved appealing to local PFIs and to the donors on whose support it depends.

On the other hand, a very early assessment by EvD of design, implementation and results reporting, suggests that the way in which its two main components (FI credit lines and SBS advisory services for women-led enterprises) are treated is not substantially different from when similar programmes were self-standing. This partly stems from the design itself, which has been unspecific (and in some cases even contradictory) about the expected synergies of the components, and partly from the lack of synchronisation of the initial implementation of the individual components. Disentangling these matters is made more difficult by reporting to WiB donors that is purely activity driven.

From an evaluation perspective, the above elements are all rooted in differing expectations in terms of results and synergies, and in the flexibility with which expected results are integrated depending on on donor priorities. Differences have been observed between the same WiB Programmes as approved by the donors and the EBRD Board of Directors, but also, internally, between the expected contribution of the SBS WiB toolkit in terms of access to finance and/or its role in terms of providing access to know-how. These elements created a complex array of designs, indicators, implementation modalities and expectations. Since reporting so far remains at the level of implementation of activities, further resolution is not possible at the moment.

Reporting to the donors could is focused on activities rather than results and opportunities for formal discussion about the Programme between different stakeholders are not usual practice, such as Steering Committee meetings. Additionally, the transition impact rationale for the WiB Programmes has not been made explicitly available in the approval documents and accordingly reported to the EBRD Board of Directors (taking also into consideration the substantial contribution of the EBRD Shareholder Special Fund to the WiB Programmes).

[62] The exact wording is taken from the document of approval of the Regional Eastern Partnership countries WiB Programme approved at OpsCom on 27 February 2015. Almost identical wording is available in the documents approving TurWiB (page 21), Western Balkans WiB Programme (p. 19-20)

Lastly, an independent assessment/evaluation of the WiB Programme in its entirety has not been planned by the donors or by the EBRD – which is a missed opportunity for learning in view of the approval of a second phase of the Programmes or an expansion in other regions.

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Women in Business: Appendix

The main documents utilised for the purpose of this case study are listed in the table below. SBS projects' level documentation was provided and consulted as well.

Annex 9, Table 9: Key documents consulted for the case study – Women in Business Programmes

EBRD general documents related to Women in Business	
2013	Strategic Gender Initiative (BDS13-057 Final)
	SP Com Memo: Establishing Women in Business Programmes
2014	Information Session - Women in Business Programme (SGS14-106 Addenda 1 and 2)
2015	Regional: Small Business Initiative - Restructuring and Consolidating EBRD Operational Facilities for SMEs (BDS15-050)
Women in Business Turkey	
2013	Grant Contract between the EU and the EBRD on the "Women in Business Programme" in Turkey
2014	Turkey Women in Business Programme, First Interim Report, May 2014
	Turkey : Turkey Women in Business Programme (BDS14-128)
	Turkey : Turkey Women in Business Programme TEB (BDS14-128 Addendum 1)
	Turkey Women in Business Programme, Second Interim Report, October 2014
	Consultancy contract, Turkey: Turkey Women in Business - Technical Co-operation Programme (C29917)
	Turkey: VakifBank Comprehensive Financing Facility (sub-project under Turkey Capital Market Framework and Turkey Women in Business
	Turkey: Women In Business Programme (TurWIB) - Finansbank
2015	Turkey: Isbank - Turkey Women in Business Programme - DPR
	Turkey Women in Business Programme, Third Interim Report, April 2015
	Turkey Women in Business Programme, Fourth Interim Report, September 2015
Women in Business Western Balkans	
2014	Shareholder Special Fund: Proposal for Non-TC` Allocation - Regional: Western Balkans Women in Business Financing Programme First Loss Risk Cover
	Agreement between Sweden and EBRD in respect of the EBRD - SIDA Women in Business Account
	Regional: Western Balkans Women In Business Programme
	Women in Business Programme in the Western Balkans: Report May-September 2014
	Agreement of Cooperation between Ministry of Foreign Affairs of Italy and EBRD in respect of the Italy - EBRD Western Balkans Women in Business Programme in Albania Technical Cooperation Account
	Consultancy contract, Regional: Western Balkans Women in Business - Technical Co-operation Programme
	Western Balkans Women in Business - Bosnia and Herzegovina: Unicredit Bank a.d. Banja Luka
	Western Balkans Women in Business - Serbia: Banca Intesa Beograd
	Western Balkans Women in Business - Kosovo: TEB
2015	Women in Business Programme in the Western Balkans: Report October 2014 - March 2015
	Western Balkans Women in Business - FYRoM: Ohridska Banka
	Women in Business Programme in the Western Balkans: Report April-September 2015
	Western Balkans Women in Business - Albania: Intesa Sanpaolo Banka Albania
Women in Business Egypt	
2013	SBS submission for the MSME Support Programme in Egypt and the Social Fund for Development, Middle East and North Africa Transition Fund
2014	Shareholder Special Fund (SSF) - Non-TC Project fiche - National Bank of Egypt: Women in Business Facility - First Loss Risk Cover
	Egypt: (i) National Bank of Egypt Energy Efficiency Loan, (ii) National Bank of Egypt SME Loan; and (iii) National Bank of Egypt Women-in-Business Loan
	Consultancy contract, Egypt: National Bank of Egypt - Support with MSME Lending Capacity-Building
Women in Business Eastern Partnership countries	
2014	Repleneshiment Agreement #1 between Sweden and EBRD in respect of the EBRD - SIDA Women in Business Account
	Women in Business Programme in the Eastern Partnership, Report May-September 2014
2015	Regional: Eastern Partnership Countries Women in Business Programme
	Women in Business Programme in the Eastern Partnership, Report October 2014 - March 2015
	Shareholder Special Fund (SSF) – Regional: Eastern Partnership Countries Women in Business Programme
	Shareholder Special Fund (SSF) – Regional: Eastern Partnership Countries Women in Business Programme (under Regional Small Business Initiative -Restructuring and Consolidating EBRD Operational Facilities for SMEs)
	Consultancy contract, Regional: Eastern Partnership - Women in Business Technical Co-operation Programme
	Women in Business Programme in the Eastern Partnership, Report April-September 2015
Women in Business Kazakhstan	
2015	Kazakhstan: Women in Business Programme (CRM)
	Agreement between the Ministry of National Economy of the Republic of Kazakhstan and EBRD in respect of the EBRD - Kazakhstan
	Kazakhstan: Bank CenterCredit Women in Business (WIB) Loan Bank CenterCredit MSME II Loan
2016	Women in Business Programme in Kazakhstan, Report Apirl-December 2015
	Consultancy contract, Kazakhstan Women in Business - Technical Co-operation Programme
Women in Business Croatia	
2015	Croatia: Croatia Women in Business – Raiffeisen and Raiffeisen Croatia MSME (under Regional: Small Business Initiative - Restructuring
	Women in Business Programme in Croatia, Report April 2014 - April 2015
	Croatia: Croatia Women in Business – Privredna Banka Zagreb
	Consultancy contranct: Croatia Women in Business - Technical Cooperation Programme
	Women in Business Programme in Croatia Funded by the EBRD, the TaiwanBusiness-EBRD Technical Cooperation Fund and the EBRD

Annex 10 Case study: SBS exit strategies

BSOs	Business Support Organisations
GGM	Grant Guideline Matrix
HAMAG BICRO	Croatian Agency for SMEs, Innovations and Investments (successor to HAMAG INVEST)
HAMAG INVEST	Croatian Agency for SMEs and Investments
MoU	Memorandum of Understanding
SBI	Small Business Initiative

1. SBS exit strategies: Scope of the thematic case study

As indicated in the Approach Paper of this study:

> "this thematic case study would consider how exit strategies of the SBS Programme support the Programme's sustainability and the development of the countries in subject. For instance the case of Croatia could be explored (so far the only country where hand-over of BAS Programme has taken place), and/or countries in which exit strategies are already being actively planned and implemented. The element of exit strategies can provide more insights into the SBS contribution to policy dialogue and coordination with relevant local, national and international stakeholders."

With this in mind the evaluation team reviewed available documentation of SBS strategic and operational planning to understand how country exits were approached in general, justified in individual cases and operationalised in practice. This was complemented by qualitative data from interviews and analysis of quantitative data from the SBS MIS to support the findings. In addition, a field mission to Croatia was carried out to discuss the experience of the knowledge transfer with the key stakeholders. This case study presents the main findings relating to the SBS exit strategies, and it serves as one source of data to be considered in the evaluation of SBS effectiveness – the main conclusions from this case study are included in the evaluation question regarding the effectiveness of SBS over the strategic period.

SBS exit strategies: Background

In 2007 the EBRD internal Task Force Report on TAM/BAS[63] was the first occasion where a systematic approach to the Programme's exits from countries of operations was discussed. The report pointed out that the termination of the activities should not be solely the result of insufficient donor funding (as it had happened to be the case until then) but that there should be a 'graduation policy'. It recommended that exit strategies should be an integral part of three-year TAM/BAS strategies by country, and should be linked to the achievement of specific objectives outlined in those strategies. The report also linked the setting of these objectives to the need for more systematic measurements of the results of the Programmes in terms of transition impacts at sector/market level, and also to the development of mechanisms for cost recovery/subsidy reduction as part of the graduation policy.

> "Exits from a country will be determined by assessing whether transition objectives have been met. Such objectives will be set out in the three-year transition strategies for each country to be developed in cooperation with OCE and Country Teams, and in close coordination with Sector Teams concerned. The three-year country strategies will also determine the differing degree of activities to be carried out in urban, non-urban and rural areas in order to ensure adequate prioritisation and additionality. Monitoring and evaluation will continue throughout the programme implementation, and TAM-BAS, in cooperation with OCE, will develop and adopt more rigorous impact measurement techniques, in particular measurement methods and indicators as to when the programmes have achieved their objectives or are no longer necessary." (page 24)

The following TAM/BAS Strategic Plan for 2008-2010 was developed in response to the Task Force recommendations (as well as EvD Special Studies on BAS and TAM),[64] and identified two main shifts of the programmes, namely: (i) the formal inclusion of 'market development activities' within their design; and (ii) the initiated collaboration with the OCE on more extensive measurements of programme transition impacts. It foresaw the introduction of TAM/BAS Country Strategies, to be based on TAM/BAS Country Briefs, and to be annexed to the EBRD Country Strategies and follow their three-year cycle. It noted that the TAM/BAS Country Strategies:

[63] EBRD Task Force on Advisory Assistance to SMEs – TAM-BAS, Chairman's Report, August 2007

[64] EvD: Special Study on Business Advisory Services Programme circulated in July 2007; and EvD Special Study on Turnaround Management Programme (SGS04-103) circulated in April 2004

"will review, for each country, the transition case for increasing, maintaining or exiting from TAM/BAS Programmes. The case for phasing out operations in a country will have to be judged very carefully against the Programme's transition objectives, which will be set out in the three year TAM/BAS Country Strategies". It further noted, with respect to the impact measurement for BAS, that TAM/BAS Country Strategies "will include an assessment of existing weaknesses, and set out changes sought over the programme period in the enterprise sector, the consulting infrastructure and the regulatory framework. Impact assessment will correspondingly be focused on country programmes rather than on individual beneficiaries." (page 24)

Each TAM/BAS Country Strategy would describe, among other, what BAS intends to achieve over the strategy period, and how it intends to achieve it with respect to:

"[…] the growth in and demand for, consultant services; strengthening institutions and quality standards in the consultant market; improvements in the regulatory and policy environment".(page 24)

The 2008-2010 Strategic Plan also introduced the notion of grant differentiation ('graduation policy for grants'), which would over time phase out BAS services in specific market segments provided that the intervention's additionality in those segments decreases. Moreover, regular 'light' ex-post assessment of the TAM/BAS strategies would include a description of the contribution of the BAS Programme to the development of the consultant market.

With respect to countries which were pointed out by the Task Force Report for immediate consideration of exit (Bulgaria, Croatia, Romania), the Strategic Plan proposed a specific review of remaining gaps to determine the appropriate levels of operational engagement.

Finally, in December 2009 the TAM/BAS team circulated to the EBRD Board for information a document solely focused on the various aspects of the Programmes' sustainability.[65] The paper confirmed the link of TAM/BAS exit from a country to transition impact at market level, the prospect of a gradual phase out process through exiting specific market segments, and the role of TAM/BAS Country Briefs for the assessment of progress and planning of objectives.

SBS exit strategies in 2011-2015

SBS exit strategies: TAM/BAS Strategic Plan 2011-2015

The TAM/BAS Programme Strategic Plan 2011-2015 as approved in December 2010 is the key guiding document for the period under evaluation. It followed up in the direction of the previous documents, in that it proposed a gradual exit of the BAS Programme based on the consultancy market and MSME infrastructure maturity, occupying the segments of the market where still additional, and with an overall view to phase out of the country. It proposed to develop a 'comparative framework' to prioritise interventions at the market level and to guide exit strategies. Bulgaria, Croatia and Romania are listed as expected to graduate from BAS Programme by end of 2015. Relevant extracts from the 2011-2015 Strategic Plan are provided below:

"Exit of the BAS programme from countries should not be overly prescriptive but will take into account key measures regarding the development of the local market for consultancy as well as institutional infrastructure to support SMEs. As a general rule, BAS follows EBRD's principles in determining its interventions and assessing whether they are still needed – operations will be phased out when the programme is no longer additional and does not generate transition impact. […]

At the sector level, determining when sustainability has been achieved is not about saturation of the market for business advisory services, but rather about assessing when the demonstration effects of BAS have led to the creation of a self-sustaining market – both supply and demand – for these services. Over time BAS will focus on the consolidation of the local market by facilitating the growth of associations of consultants, supporting business intermediaries or other institutional bodies set up to support the MSME sectors.

This can only happen once there is a sufficient level of maturity in terms of supply of advisory services and corresponding demand. The maturity of the market will be assessed regularly and when the Bank finds that that BAS is no longer additional or interventions no longer have potential transition impact in any market segment, the BAS Programme will phase out operations in that country.

In sum, as a country's ranking of the infrastructure of MSME support and consultancy market maturity moves from high to low transition challenges, BAS will gradually lower the grant amount, shift focus to market segments that remain additional, for example advisory services geared to energy efficiency and environmental management, and focus on the formalisation of the consultancy industry – with an overall view to phasing out operations in the country."[66]

For TAM, no specific route to exit strategy was outlined, indicating that it should remain operational where donor funding is available, and where relevant to the EBRD's operations.

[65] Ensuring sustained benefits for MSMEs in EBRD countries of operations though the TAM/BAS programme

[66] Ibid., p. 28-29, emphasis added

SBS exit strategies: TAM/BAS Country Briefs and EBRD Country Strategies

Exit strategies (or 'phasing out') were discussed in the SBS strategic documents with particular reference to the BAS programme because of the programme's presence in the country in terms of staff and extent of activities but, most importantly, because of its objective of transition impact at market/sector level, going beyond the individual SME clients' change, and the implementation of corresponding market development activities. In turn, the justification of the presence of BAS in the countries of operations has been made with reference to sector transition challenges, and any considerations of exit strategies in available documentation have been centred on sufficient market maturity.

In the period of 2008-2010 TAM/BAS Country Briefs were developed to present the main transition challenges of the MSME sector and the recommendations for TAM and BAS interventions based on those challenges, including for market development activities, cross-cutting issues, policy dialogue and linkages with Banking.[67] The Country Briefs were developed for a period of three years (mostly 2009-2011), and their shorter version was usually annexed to the respective EBRD Country Strategies approved within that period. The Country Briefs were roughly of the same format, although they differed in length/depth. They contained some discussion on the development of the local consultancy market and infrastructure of MSME support, and the perspectives for TAM and BAS in the country. Nevertheless, with respect to market development and prospective exit strategy none of the Country Briefs specified objectives to allow making any decision on exiting based on their achievement. In terms of market and infrastructure development the Briefs consisted of intentions at the level of activities (BAS will 'collaborate with', 'organise events', 'organise trainings', 'continue supporting', etc.), and broad statements ('BAS will continue to address existing gaps in the supply of advisory services', 'with a view to ultimately establishing a system of continuous professional development', 'scope for BAS to facilitate the creation of association of consultants', etc.) with no particular description of a market in which BAS support will no longer be needed. In terms of BAS projects the Briefs adopt the approach presented in the Strategic Plan 2008-2010 based on differentiation by market segments with the outlook to gradually phase out of the segments in which BAS is no longer additional. Overall, the Briefs were fairly generic in terms of recommendations for BAS and market development, and varied remarkably little from each other in specifics.

Additionally, the Briefs for the countries specifically pre-identified for exit consideration in the Strategic Plan 2008-2010, (Bulgaria, Croatia, Romania) did not have any reference to it – neither in confirming the readiness for exit and outlining its specifics, nor by disputing the case for exit based on a corresponding analysis.

[67] There are 19 TAM/BAS Country Briefs available to the evaluation team: Albania, Armenia, Belarus, Bulgaria, Croatia, FYROM, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Mongolia, Montenegro, Romania, Russia, Tajikistan, Turkey, Turkmenistan, Ukraine , Uzbekistan

The Strategic Plan 2011-2015 foresaw the development of a "*comparative framework to prioritise BAS interventions and guide exit strategies in each country of operations*". This materialised in 2011 when SBS in collaboration with OCE developed the Assessment of transition challenges of the infrastructure of MSME support,[68] a review of transition challenges in the MSME sector as relevant to BAS work in the consultancy sector. The assessment of infrastructure of MSME support had not been a usual part of the annual OCE Assessment of Transition Challenges that commonly considered MSME access to finance in terms of market structure and market institutions. In contrast, the 2011 assessment considered four criteria to categorise transition gaps in the sector, namely: the demand; the supply; the level of maturity of the consultancy market; and the institutional MSME support infrastructure (including the existence of a Ministry in charge of SME development; national SME agency with regional support; and an SME law and strategy in place). One country (Croatia) was assessed as having Small transition gaps, ten countries as Medium,[69] and nine countries as Large.[70]

The Country Briefs, most of which were at the end of their three-year period in 2011, were not renewed for the follow-up period, meaning that the in some cases fairly extensive local context data gathering (through surveys, rounds of interviews with stakeholders, statistical and documentary reviews) was not consistently repeated. Instead, the exercise of TAM/BAS Country Briefs was replaced by more concise annexes to the EBRD Country Strategies. These annexes commonly used the 2011 Assessment of the Transition Challenges of the infrastructure of MSME support for description of the local context but this did not lead to any noticeable guiding of exit strategies. Objectives at market level were only broad and unspecific, and common perspective was the one of prioritising market segments through grant differentiation. The 2011 MSME sector Assessment of Transition Challenges was also not repeated after 2011, likely due to resources not being made available by OCE. Since mid-2014 the format of EBRD Country Strategies changed. The Country Strategies were now structured along main themes, and included description of the EBRD's operational response along these themes and corresponding result frameworks. From the perspective of SBS, which had been integrated formally in the new Small Business Initiative of the EBRD, it has meant more meaningful integration in the country strategies' relevant priority themes related to SBI. But this also meant the disappearance of SBS-specific annexes and of any related context analysis of the consultancy market challenges and market-level objectives for SBS, which in turn could guide the exit of the Programme from the country.

Country examples of Bulgaria, Croatia, and Romania are detailed below.

[68] Assessment of transition challenges the infrastructure of MSME support, July 2011

[69] Bosnia and Herzegovina, Bulgaria, Far East Russia, FYR of Macedonia, Kazakhstan, Mongolia, Romania, Serbia, Ukraine, Uzbekistan

[70] Albania, Armenia, Azerbaijan, Georgia, Kosovo, Kyrgyz Republic, Moldova, Montenegro, Tajikistan

In the case of Bulgaria there is a striking discord between the EBRD Country Strategy for Bulgaria (approved in May 2008) and the TAM/BAS Country Brief (circulated in December 2008). The 2008 EBRD Country Strategy for Bulgaria foresees the exit of the Programme:

> "TAM and BAS are currently continuing to operate in Bulgaria as the SME sector in the country is still in need of these services, but the programme over this strategy period is expected to phase out. [...] TAM/BAS therefore plan to continue a progressively scaled down programme, aiming for approximately €0.16 million to carry out additional TAM projects, and extending the current BAS Programmes in Bulgaria possibly until the end of 2008." (page 12)

It is probably due to the expectation of exit that the Country Strategy did not contain a separate TAM/BAS annex. The justification for the exit is however unclear: the above quote refers to the need still being in place, but just in the preceding paragraph the text reads "*BAS Bulgaria has succeeded in developing a thriving local consultancy market*", which would indicate that according to BAS own indicators the market was in fact mature and sustainable. Having said that, while the Country Strategy foresees the exit of the Programme, the TAM/BAS Country Brief (circulated half year later the Country Strategy) made no reference to the exit. Even if within the second half of 2008 a reverse decision on exit was taken, one might expect this to be discussed/referred to in the Country Brief.

The following EBRD Country Strategy for Bulgaria approved in November 2011 included a separate TAM/BAS annex. It briefly summarises the TAM/BAS activities to date and the country context, and concludes:

> "Although some challenges in the competitiveness of Bulgarian MSMEs remain, the additionality of the TAM/BAS programme was considered limited relative to other countries where transition gaps are greater and fewer resources are available. Therefore, considering the scarcity of donor funds, TAM operations ended in 2009 and BAS was phased out in 2010." (page 41)

Finally, the EBRD Country Strategy for Bulgaria currently in place as approved in July 2015 notes that:

> "unlike in some other EBRD countries of operation, the Bank does not have access to grant resources to support the development of SME projects for direct financing (LEF) nor to support SME clients during implementation. For this reason, the Bank is seeking support from the Bulgarian government to utilise EU Funds for a re-start of the SBS Advisory Services." (page 6)

Thus, SBS re-appears within the EBRD strategic priority of 'Enhancing Competitiveness through Improved Efficiency, Governance and Innovation' in Bulgaria. However, the justification for re-starting SBS in the country is not related to the (under)development of the local advisory market (which is not mentioned with respect to its context and transition challenges) but to the support of the implementation of the Banking business. Presumably, given the integration of SBS in SBI, the potential exit of SBS sometime in the future would correspondingly be guided by the diminished value added for the SBI's activities in the country.

The EBRD Croatia Country Strategy 2010 - 2013 as approved in April 2010 presents a TAM/BAS annex. It notes that while the business advisory industry is 'quite mature', there are inconsistencies in the level of advisory services offered and a lack of providers of highly sophisticated business advice, particularly in the area of energy efficiency and environmental protection. It also commits to undertaking a large-scale consultancy market survey to serve as basis for the design of tailor-made capacity building. The following EBRD Country Strategy approved in June 2013 also included a separate SBS annex. With respect to the continuation of SBS in the country, it notes that:

> "While transition gaps in the MSME sector in Croatia are small relative to other markets, the Bank will continue to support the sector on its path to full integration in the European single market" (page 47)

and identified some priority type of advisory services to be provided. Nevertheless, the Strategy concludes:

> "As the final phase of support, BAS plans to transfer knowledge and experience acquired in Croatia to the SME Agency HAMAG Invest to build its capacity and ensure the sustained development of a competitive MSME sector upon completion of SBS activities in the country" (page 48)

indicating an expected exit after a 'final phase' the duration of which is not specified

The EBRD Country Strategy for Romania approved in April 2008 does not present any discussion on the local context in terms of consultancy market, but notes that:

> "A more detailed review will be undertaken for the TAM/BAS country strategy for Romania, which will determine appropriate levels of future operational engagement in the country." (page 13)

The following Romania Strategy approved in February 2012 presented an SBS annex, which identifies the discrepancy between the consultancy market in the capital and the rest of the country as the main challenge in terms of supply and quality of services. The most recent Strategy for Romania, approved in September 2015, includes SBS within its third priority theme 'Enhancing private sector competitiveness through targeted investment', in that the EBRD will promote the adoption of good standards of management practices, financial transparency and integrity best practices through SBS. There is no mention of the state of development of local consultancy markets or the SME infrastructure.

In passing, it can also be mentioned that occasional references to TAM exits also appear in strategic documents. For example, the Country Brief for Romania for the period 2009-2011 notes that:

> "consistent with its strategy of assisting enterprises in transition economies which are less advanced, TAM is phasing out its operations in Romania."

Nevertheless, the SBS Business Plan for 2012[71] subsequently informs that:

> "in 2012 EGP has received donor support to re-introduce direct assistance for enterprises in Romania."

According to the data available, there have been 15 EGP projects implemented in Romania since 2012, 11 of which were in fact funded by the EBRD Shareholder Special Fund – which has been established to support projects with high transition impact but that often has been used to supply grants where donor support was lacking (as shown in EvD's interim evaluation of the SSF carried out in 2014).[72]

SBS exit strategies: BAS Business Plans, Operational Plans and grant differentiation

SBS strategic planning documents were operationalised through yearly Business Plans and Operational Plans for each country in the period 2011-2015. In general, there was very little specific operational planning for country exits.

The country Business Plans for 2012[73] presented 3-year perspective on BAS transition impact achievements at market level through three indicators – i) increased average client co-financing of project; ii) increased number of BAS-affiliated consultants; iii) increased variety of advisory services offered by BAS consultants; and set target values for these indicators after the three-year period. In the Business Plans for 2014 the values of the indicators achieved over the period 2011-2013 were presented for each country against the targets. Nevertheless, the indicators were not really tied to country exits as such – the target levels were not ultimate ('exit-level') objectives, and they were linked to BAS own activities (number and profile of BAS consultants) rather than reflecting the market in general. The target levels thus were probably set with the view of how much BAS activity was expected in the country in the three-year period than with a view to exit (which itself is never mentioned). The Business Plans for 2014, and 2015 did not follow this approach anymore, and no more targets were set or reported.

In line with the above discussed strategic approach the perspective taken in individual countries' Operational Plans relied on phasing out of specific market segments where BAS was not deemed additional any more, rather than setting market level objectives whose completion would 'trigger' exit. The tool adopted to operationalise this approach was the Grant Guideline Matrix (GGM), which indicated the size of grant available in each segment based usually on the size of firm, geographic location and type of advisory services.[74] The GGM was then updated for each country annually in the Operational Plans.

While the matrices were fairly complex due to their three-dimensionality, there is little evidence of systematic phasing out of segments having been implemented. In terms of type of advisory services there are some individual occasional examples of discontinuation of grant support, such as for the implementation of ISO 9000 and restaurant management systems in Almaty (Kazakhstan),[75] for financial accounting systems in Bishkek (Kyrgyz Republic),[76] or for quality management ISO 9000 in Romania.[77] However, it is difficult to see how the different levels of subsidy (as indicated in the GGM) led to phasing out of the respective segments with lower subsidy, as there was no analysis dedicated in SBS reporting to such trends.[78] With the data available to the evaluation team, one might for example expect to observe gradual increase of the proportion of projects implemented in the areas of energy efficiency and environmental management, as these types of advisory services were almost universally (across countries and time) provided as an example of more sophisticated product to be promoted on the consultancy market (both demand and supply side), and the subsidies of which were the highest. Nevertheless, the data extracted from BAS MIS do not show any discernible trends in that direction (see **Error! Reference source not found.**); in fact, the proportion of projects of this type is usually very small, and does not exhibit growing trend. The implementation of the pilot joint (SBS-E2C2) trainings on energy efficiency in five countries[79] did not seem to have a significant impact on the increase of BAS project implementation in that sector, as it varied considerably between them – from almost non-existent in Armenia or Kosovo to some visible upwards trend in Romania. This is in stark contrast to the same type of projects in Moldova and Croatia, where the direction of BAS funds for energy efficiency and environmental management was mandated by agreement with donors (Sweden and EU respectively); in the two countries these projects represented over 30% of projects implemented (all of the projects implemented with the mandated funds). This evidence/data would indicate that an actual strategic decision on implementing/not implementing within a certain segment of advisory services is determinant of operating in/exiting that segment. Together with differentiating subsidy levels (by the three types of criteria of the GGM) also introducing a progressively decreasing limit on overall implementation within the 'phasing-out' segment would have probably been more effective.[80]

[71] Small Business Support - Business Advisory Services and Enterprise Growth Programme 2012; Update and Business Plan for 2013

[72] circulated in November 2014

[73] TurnAround Management & Business Advisory Services (TAM/BAS) Programme: Update to the TAM/BAS Programme Strategic Plan 2011-2015 and Business Plan for 2012

[74] In general, smaller enterprises, enterprises in rural or underdeveloped areas, and projects with more complex type of advisory would receive higher level of grants

[75] BAS Kazakhstan Operational Plan 2010

[76] BAS Kyrgyz Republic Operational Plan 2010

[77] BAS Romania Operational Plan 2012

[78] SBS reporting to donors often included some quantitative statistics on e.g. the number or percentage of BAS clients for certain type of advisory services, company size or location, but it was not dedicated to setting this type of data into context (of intentional phasing out) to reveal trends over time (e.g. diminishing presence in some segments) or accompany such data with qualitative analysis.

[79] Armenia, Moldova, Romania, Serbia and Kosovo

[80] In passing, it can also be mentioned that the approach of phasing out of simpler-types advisory and increasing work in more sophisticated sectors was also not well consolidated with the above-mentioned Business Plan target of average increases

With respect to size of BAS clients, based on the data available to the evaluation team as provided by the BAS MIS, there has been some tendency towards working with progressively smaller clients, although the trends are not strong or universal (see **Error! Reference source not found.**). This is based on the average number of employees before project and this data is available only for projects evaluated one-year after completion. In addition, there appear to have been some difficulties with the implementation of the prioritisation based on company size, as the some Operational Plans indicate: "*Central Asia BAS started piloting a differentiated grant scheme, providing larger grants to enterprises with smaller numbers of employees and smaller turnover. However, the scheme was abandoned because the regional management found that it encouraged enterprises to modify (i.e., falsify) employee and turnover data they provided, with the objective of getting the largest possible BAS grant*."[81]

Similarly, the grant differentiation based on client location does not present strong evidence of phasing out of capitals and cities and increasing implementation in rural/underdeveloped areas, which was also commonly specified as an objective of the grant differentiation, based on the common discrepancies in the development of consultancy markets in capitals and elsewhere (see **Error! Reference source not found.**). The criteria for classification of locations as 'rural' are also not always clear – for example BAS projects in Samsun, Turkey are marked as rural, whereas Samsun is a provincial capital with population of over half million people, a major Black Sea port and industrial hub, and its infrastructure includes two universities as well as representation of KOSGEB, the Turkish SME support agency.

Certainly, the situation in individual countries can be more complex and the expectation, for example, might be of increase in more sophisticated projects in the capital, while addressing more basic needs in rural areas; regrettably analysis of the market segmentation and phasing out over time is largely missing from BAS reporting, or is represented in only very broad terms, especially compared to the relative complexity and granularity of the GGM structure. The GGM has been thoroughly revised for the Operational Plans for 2016, and presents grant differentiation based on company size only, perhaps reflecting its limited effectiveness in guiding phasing out from market segments.

Besides the grant differentiation via the GGM, the SBS Business and Operational Plans contained minimal reference to exit of the BAS Programme. Some particular country examples are detailed below.

For Bulgaria, the BAS Operational Plan for 2010 is the last one available and corresponds to the last year of BAS operations in the country. It does not mention the exit from the country or provide any specifics on any particular arrangements in relation to it. Only its last section 'Other priorities' notes that

> "BAS will also transfer its project development skills including enterprise diagnostics, matching enterprise needs (demand) with the supply of advisory services, and support in defining consultant assignments. This will be done by training staff or by assisting them in introducing their own continuing professional development programmes."[82]

The statement however does not specify which body or organisation the skills should be transferred to, and lacks any details about how the skills transfer will be designed, funded and delivered. It seems that any such endeavour would be a fairly major exercise requiring considerable funds and human resources, while it is treated in the plan almost as an afterthought. There is no information available to the evaluation team on the implementation of the skills transfer.

At end of 2011 Kazakhstan was facing the possibility of significant reduction of activities or exit due to significant decrease in donor funding. The BAS Operational Plan for 2012 indicated that

> "Possible downsize of Kazakhstan BAS operations as a result of lack of donor funding may result in decrease of the number of staff and closure of BAS office.",[83]

and noted that the adequate preparation for the possible downsize/closure may become another priority for the year. Given that the period for this preparation would have been less than half a year, this preparation presumably referred to administrative issues rather than an 'exit strategy' in terms of continued sustainability of previous BAS efforts, for which there would not have been enough time. This situation was averted by the decision of the Government of Kazakhstan to fund the BAS programme, which in turn was able to considerably scale up its activities since then.

For Romania, the Operational Plans generally do not discuss the possibility of exit, consistently with the strategic planning.[84] The Operational Plan for 2013 mentions that:

> "BAS Romania team will also continue the dialogue with the authorities on potential knowledge transfer and handover of BAS methodology to a local institution for when BAS would eventually exit the country."[85]

This was not further mentioned in the following years. In the Operational Plans for 2014 and 2015 there is a mention of a dialogue with the Government on ensuring future funding for the programme.

In Croatia, consistent with the 2013 EBRD Country Strategy, the SBS Business and Operational plans discuss the BAS exit from the country and the planned transfer of knowledge to the national SME Agency. The SBS Business Plan for 2012 already foresees the exit for

of clients' co-financing of projects – move towards more sophisticated projects would be reflected decreased co-financing on average, through the GGM rules.

81 BAS Kazakhstan Operational Plan 2012

82 BAS Bulgaria Operational Plan 2010

83 BAS Kazakhstan Operational Plan 2012

84 EBRD Country Strategies for Romania approved in 2008, 2011, 2015 as discussed above

85 BAS Romania Operational Plan 2013

the same year: "*Apart from this [Women in Business] initiative, BAS will likely phase out in Croatia in 2012.*" [86] Nevertheless, the following SBS Business Plans introduce the idea of a transfer of knowledge to the national SME Agency. The SBS Business plan for 2013 mentions that:

> "BAS is gradually phasing out operations in Croatia in light of the advanced stage of transition, and is working on arrangements for a potential transfer of acquired knowledge and processes to the national SME agency to ensure sustainability once the programme has successfully exited."[87]

The following SBS Business Plan for 2014 confirms that a pilot initiative on transfer of knowledge was launched the previous year:

> "the team is mentoring staff from the Croatian SME agency HAMAG Invest, to transfer knowledge and the BAS methodology in a programme that is co-funded by the Government of Croatia and the EBRD Shareholder Special Fund", and concludes "BAS will finalise the on-going transfer of knowledge and will complete operations."[88]

The respective SBS Operational Plans 2013, 2014, and 2015 correspondingly provide more details on the implementation of the knowledge transfer. The experience with the pilot initiative on knowledge transfer in Croatia is discussed in more detail in the following section 0. Despite the exit of BAS (apart from the Women in Business initiative) following the transfer of knowledge to HAMAG, according to the SBS Operational Plan for 2016 BAS will be making a comeback as part of a SBI piloting the Blue ribbon approach (which can include both BAS and EGP with the same client):

> "SBI strategy for the region envisages that Croatia will be part of a pilot project to provide a new package of specialised advisory services, including support in corporate governance and financial and operational management, to support an identified group of SMEs with high growth potential (the "Blue ribbon" concept). This short list of selected clients will be those considered to have the highest potential to access the Bank's direct finance in the medium term and to provide a strong demonstration effect in the market."[89]

SBS exit strategies: Croatia transfer of knowledge

As discussed above, Croatia had long been the prime candidate for BAS exit, given the advanced state of transition and development of both local consultancy market and government's own infrastructure of support to SMEs, together with its impending (and then realised) EU accession.

The discussions and negotiations with local authorities on the transfer of knowledge from the BAS team to the national SME Agency took place throughout 2012, and culminated by the signing of a Memorandum of Understanding (MoU) between the Ministry of Entrepreneurship and Crafts of Croatia, HAMAG INVEST – the Croatian Agency for SMEs and Investment, and the EBRD in March 2013. This Memorandum outlined the specifics of the 14-month project of BAS transfer of its knowledge and best practices to HAMAG INVEST ('the Project'). It also agreed the split of funding for the project between the EBRD, which would contribute €200,000 (this funding came from the EBRD Shareholder Special Fund), and the Ministry, which would contribute €150,000.

The Project was then implemented until about June 2014 and its activities described in detail in its final report circulated in September 2014.[90] The main areas of intervention were:

- Knowledge transfer of the specifics of BAS methodology and processes
- Sharing of the database of BAS consultants
- Joint implementation of 25 advisory projects in the area of energy efficiency/renewable energy/environmental management
- Trainings for HAMAG INVEST staff on energy efficiency and on financial analysis
- Trainings for consultants in Energy management and Development of EU-funded projects
- Consultancy market study
- Visibility events

The final report identified some lessons learned from the process of the knowledge transfer, and concluded with a set of recommendations and next steps.

The evaluation team visited Croatia (Zagreb) on 30th November 2015 to discuss the experience of the knowledge transfer with the key stakeholders, namely: BAS clients; the Ministry of Entrepreneurship and Crafts ('the Ministry'), HAMAG BICRO ('HAMAG');[91] the SBS team; and the EBRD resident office. The information is summarised in the table below. Full information about interviews held in Croatia is available in Annex 3.

Annex 10, Table 1: Croatia – EvD interviews

Type	# Institution	# Interviews	# persons in Croatia
BAS clients	3	3	3
Stakeholders	2	2	2
EBRD Banking		4	5
SBS staff		1	2
Total	5	10	12

[86] TurnAround Management & Business Advisory Services (TAM/BAS) Programme: Update to the TAM/BAS Programme Strategic Plan 2011-2015 and Business Plan for 2012, page 7

[87] Small Business Support - Business Advisory Services and Enterprise Growth Programme 2012 Update and Business Plan for 2013, , page 4

[88] Small Business Support - 2013 Update and Business Plan for 2014, , page 11 and page 21

[89] SBS Croatia Operational Plan 2016

[90] Advice for Small Business in Croatia: EBRD BAS Transfer of Knowledge and Best Practices to the Croatian Agency for the Development of SMEs, HAMAG INVEST, September 2014

[91] HAMAG INVEST merged with BICRO (Croatian Business Incubator agency) in 2014, to create HAMAG BICRO – Croatian Agency for SMEs, Innovations and Investments

The main findings and observations about the process of transfer of knowledge against the stated objective of ensuring sustainability after the exit of BAS are presented below.

As described in previous sections, the EBRD Country Strategies and SBS Operational Plans referred to the transfer of knowledge to HAMAG with broad reference to sustainability after BAS exit. Perhaps it is worth clarifying what exactly was to be sustained in order to be able to assess whether it was achieved. The MoU specified the objective of the Project quite broadly (‘*to support the sustainable development of the SME sector*’), and the final report on the project cited the Project overall objective as “*to increase the capacity of HI [HAMAG INVEST] to sustainably and efficiently serve the needs of the Croatia SME market*.” From the description of the Project activities and the discussions with SBS team it is apparent that the objective was to enable the Agency to implement ‘BAS-style’ projects, i.e. to sustain the use of the BAS methodology and project cycle as a part of the Agency support to SMEs. In this sense, the sustainability was not achieved, as HAMAG has not been implementing advisory projects utilising the BAS methodology beyond the round of 25 co-implemented with the BAS team as part of the knowledge transfer. Nevertheless, it is evident that HAMAG has the capacity to sustainably and efficiently serve the needs of the Croatia SME market, and it continues to be supported in the development of its functions by the EU. To this, however, the transfer of knowledge from BAS has contributed to relatively little extent.

The transfer of knowledge project included a review of the methodology used by HAMAG for grant schemes, and identified its main differences from the BAS methodology, namely: the lack of direct interaction with SMEs (HAMAG does not visit enterprises); project analysis not including business diagnostics; and limited or no validation/evaluation of results. The Project carried out a formal transfer of the BAS methodology to HAMAG staff through presentation sessions across a range of topics including the BAS project cycle, Terms of Reference, assessment of applications, etc. This formal training on the BAS methodology was then reinforced through joint implementation of 25 ‘BAS-style’ advisory projects, implemented by HAMAG staff with support from the BAS team.

From the account of HAMAG, the experience with the knowledge transfer was very welcome and valuable, as confirmed to the evaluation team during the interview. It allowed the staff involved to gain new knowledge, skills, perspectives on different approaches, and (not least) the ability to see real-life outcomes of their work through client visits. The participation in the Project was fully supported by HAMAG and approached proactively from their side. Nevertheless, following the Project HAMAG did not go on to integrate the BAS methodology into standard practice and has not been implementing advisory services projects with the BAS methodology since the joint exercise. The final report on the Project already offers first insights into the issue by noting that the internal rules and procedures of HAMAG did not provide the amount of flexibility in project implementation as the BAS processes required. This concerned especially the limited ability to interact with applicants during the selection stage, whereby the BAS methodology relies on a more proactive role in advising the SME in scoping their advisory project. According to the report, it was possible to make changes to the HAMAG methodology for the jointly implemented advisory services projects and introduce a field visit to the applicant, as well as adding an evaluation visit one year after project completion. The issue of internal procedures and their incompatibility with the full BAS methodology was not resolved however. At the time of the visit of the evaluation team in November 2015, HAMAG was still in the process of developing its procedures for programmes to be financed by the following round of EU structural funds. The key consideration was the internal procedures’ compliance with EU state-aid rules (among others), which e.g. does not allow for the same staff to be involved in the scoping and design of the grant projects as well as in the decision making on the grant recipients.

By end 2015 some adjustments in existing internal manuals for grants (of all types) have been made, including the possibility to request clarifications from applicants during the selection process, or the possibility of spot-checks during implementation. In addition, more focus has been put on results, with the introduction of some indicators such as employee or turnover growth. But BAS-style approach to support the SME advisory services have not been implemented anymore, ultimately also because some key aspects of the methodology did not have the support of HAMAG top management due to the necessary resources (for instance to fund the standard client visits in the design and ex-post evaluation of the advisory services project).

At the time of the evaluation visit, the new programme to be supported by the EU was under design phase and it was described to be focused on the assistance for Business Support Organisations (BSOs). According to HAMAG, this will be a comprehensive additional tool for the support of SMEs. HAMAG also confirmed that there is no need to continue BAS-type project implementation, by either HAMAG or SBS itself, as HAMAG already implements grant schemes that do include advisory services under eligible costs. According to the Ministry, the BSO support programme will work with a network of over 150 BSOs, which should ultimately be able to advance into the provision of more specialised advisory services, respond to local needs and fill gaps in the support for start-ups, specific technologies, innovations, etc. The BSOs network should also address the problem of regional disparity in the availability of such services, which is recognised by the Ministry.

One of the follow-up steps outlined in the Project’s final report was the expansion of the Project results to the Counties’ level, which the report notes is “*the most important outcome of the Project and a viable way of ensuring sustainability of its results*.” The report states that based on the Project implementation with HAMAG, the Ministry had recommended extending similar transfer of knowledge also to the Counties/Regional Development Agencies, and some initial meetings to that effect had been held with the key stakeholders. Nevertheless, this follow-up work with the regional agencies never materialised, eventually due to funding issues. It is also surprising that the ‘most important outcome’ of a project aimed at ensuring sustainability was considered to be a proposed follow-up to ensure the sustainability of the project itself.

In addition to the transfer of BAS own project methodology and processes, the Project also carried out technical training of HAMAG staff to build up their capacity in assessment and implementation of SME support projects. This followed a needs assessment survey among staff, which identified two main topics for training, namely: energy efficiency/ renewable energy/ environmental management; and financial analysis. The area of energy efficiency was also identified with the Ministry as a focal area (after the original proposal of BAS to focus on Women in Business was rejected by the Ministry), as it was seen as one complementing the existing programmes supporting the consultancy market more generally (including, for example the SMEPASS programme financed by the EU). This sectoral choice was then reflected in the implementation of the joint projects, all of which were focusing on advisory specifically in this sector. The quality of the training was highly appreciated by HAMAG, and the implementation of joint advisory services projects represented an opportunity to apply the acquired skills. Nevertheless, after the implementation of the Project due to the internal reorganisation of responsibilities with respect to the EU programmes' thematic objectives, the responsibility energy efficiency was reallocated from the Ministry of Entrepreneurship and Craft to the Ministry of Environment. This change was extended also to the Ministry's agencies, and consequently HAMAG could no longer implement grant schemes or programmes in relation to energy efficiency. According to the Ministry interviewed by the evaluation team, this change could not really have been foreseen at the time of the Project design. From practical point of view this however means that the capacity built within HAMAG in the technical specifics of the energy efficiency projects will not be put into particularly productive use.

Overall, the BAS transfer of knowledge in Croatia was a project endowed with sufficient funding and time for negotiations, design and implementation, and it was owned and actively supported by both the key national institutions (the Ministry and the SME Agency). Despite that, its legacy remains fairly limited, due in part to some unanticipated developments that, however, could have been identified at design in terms of risks. For the most part however, it is due to the limited practical relevance of the Project and its objectives in the context of local SME support infrastructure. On a positive note the general outlook of the sector is good. It remains in the hands of a capable Ministry and an SME Agency with an array of SME support mechanisms and continuing assistance of the EU structural funds for future development of its activities.

As part of this assessment of the SBS Programme, the evaluation team notes that a similar transfer of knowledge is being considered in Serbia (see Annex 7). So far, only a preliminary concept note is available to the evaluation team, which does not provide a great level of detail on the specifics of the design (and no partner agency has been identified yet due to the reorganisation of the sector). It is expected that relevant lessons from the Croatian experience will be taken into consideration for the design of the project in Serbia.

SBS exit strategies under the SBI

Towards the end of the period under evaluation, SBS was integrated into the newly established Small Business Initiative (SBI),[92] as one of its five pillars. While this led to more pronounced integration of SBS with the other SME-related products of the EBRD, it also meant a distinct departure from the discussion on consultancy market development in SBI related documents and in EBRD Country Strategies.

The SBI Strategic Priorities and Business Plan 2016-2018[93] (a document circulated in November 2015 but never submitted to the EBRD Board of Directors or Management Committees) represents this perspective on a more operational level, outlining regional priorities in improving SME access to finance and improved competitiveness. This includes the provision of advisory services to SMEs, but references to consultancy market development are only occasional (SEMED, Western Balkans, energy efficiency), and limited to the mentioning of training of consultants. With SBS being tied into the EBRD's operational response in the SME sector at country level, there is no more allusion to exit from countries or more nuanced discussion on 'phasing out' from certain consultancy market segments.

Correspondingly, the last two available SBS annual Business Plans for 2015[94] and 2016[95] offer a general statement on continuing efforts to build a sustainable infrastructure of local advisory services through training of consultants in all countries. Business plans are now developed per region (whereas in the past SBS Business Plans were developed per country) and are presented as a set of bullet points listing activities. No information is provided on any analysis at market level that led to the identification of such activities.

The SBS Operational Plans for 2016 (which are SBS-internal documents only and as such not subject to reporting on delivery) continue the practice of the previous years and provide a brief account of the state of the consultancy market in the country, based on the SBS-conducted Annual Consultant Reviews, and planning of market development activities. Nevertheless, the GGM has been revised (possibly based on its limited effectiveness to guide segment-level exits), and grants are now differentiated based on the size of the client only.

While exits are not specifically addressed in any way for SBS under SBI, two possible scenarios are expected to lead to SBS "exits": (i) the planning of SBI mix of instruments in a particular country, i.e. the possible

[92] Regional: Small Business Initiative - Restructuring and Consolidating EBRD Operational Facilities for SMEs (BDS15-050)

[93] Small Business Initiative (SBI): Strategic priorities and business plan 2016-2018; 12 November 2015

[94] Small Business Support 2015 Business Plan and 2014 Operational Report as submitted at TC Com on 17 December 2014. The document was never circulated to the EBRD Board or its Committees as a separate document or as an Annex to SBI documents

[95] Regional: Small Business Initiative – Annual Review For 2015 and Operational Modalities For 2016 (under Financial Intermediary Framework); Annex 6 (BDS15-050 – Addendum 26)

future perceived loss of value added of SBS in the mix in a country of operations (this is unlikely as long as donor financing for the SBS Programme is available); or (ii) the inability to attract donor or government financing for the operations of SBS. Donors thus continue to have a powerful sway over the shaping of the SBS, and might be the only stakeholders for whom a detailed consultancy market analysis is prepared to guide market development activities in the future, should they so request. This could include: defining market-level objectives; reporting on results beyond outputs/activities; and eventual exits from market segments where continued BAS activity would distort rather than strengthen them.

SBS exit strategies: Conclusion

Exit strategies were discussed in the SBS strategic documents with particular reference to the BAS programme because of the programme's presence in the country in terms of staff and extent of activities but, most importantly, because of its objective of transition impact at market/sector level, going beyond the individual SME clients' change, and the implementation of corresponding market development activities. In turn, the justification of the presence of BAS in the countries of operations has been made with reference to sector transition challenges, and any considerations of exit strategies in available documentation have been centred on sufficient market maturity.

SBS started addressing the possibility of exits from certain countries of operations more systematically based on the recommendations of the TAM/BAS Task Force report in 2007, in the subsequent Strategic Plans for 2008-2010 and 2011-2015. While the recommendation of the Task Force related to the establishing of a graduation policy based on the setting and achievement of market-level objectives, the Strategic Plans themselves translated the recommendation into a less prescriptive approach. This was based on the establishment of a 'comparative framework' to assess the level of development and maturity of the SME consultancy markets at country level. Rather than setting specific market-level objectives, the achievement of which would have 'triggered' the exit, the approach was to phase out specific segments of the market where SBS activities were no longer deemed additional.

The main tool adopted by the BAS team to operationalise this approach was the development and annual update of a country based Grant Guideline Matrix, which indicated the size of grant available in each segment based usually on the size of the firm, the geographic location and the type of advisory services. While the matrices were fairly complex due to their three-dimensionality, there is little evidence of systematic phasing out of segments having been implemented. It is difficult to see how the different levels of subsidy led to phasing out of the respective segments with lower subsidy, especially as any analysis of the market segmentation and phasing out over time is largely missing from SBS reporting, or is represented in only very broad terms, especially compared to the relative complexity and granularity of the GGM structure.

The evidence/data available to the evaluation team would indicate that an actual strategic decision on implementing/not implementing within a certain segment of advisory services is determinant of operating in/exiting that segment. Together with differentiating subsidy levels (by the three types of criteria of the GGM) also introducing a progressively decreasing limit on overall implementation within the 'phasing-out' segment would have probably been more effective.

No country was fully exited during the period under evaluation. Bulgaria was exited shortly before in 2010, and this exit was related to loss of donor funding, rather than the result of a strategic decision based on the agreed exit approach. In Croatia, the (incomplete) exit was accompanied by the implementation of a specific project on the transfer of knowledge from the BAS team to the national SME Agency HAMAG. The transfer of knowledge in Croatia was a project endowed with sufficient funding and time for negotiations, design and implementation, and it was owned and actively supported by both the key local institutions (the Ministry Entrepreneurship and Crafts and HAMAG). Despite that, its legacy remains fairly limited, due to some unanticipated developments but mostly due to the limited practical relevance of the project and its objectives in the context of local SME support infrastructure.

Finally, with the integration of SBS under SBI there is a notable departure from the discussion on consultancy market-level development, while SBS activities and objectives are linked to the EBRD's operational response in the SME sector at country level. In the official documentation submitted to the EBRD Board there is no more allusion to SBS exit from countries or more nuanced discussion on 'phasing out' from certain market segments. That does not mean that SBS will discontinue the corresponding market development activities but at present those are not part of how SBS is presented to the EBRD Board in terms of objectives and reporting on those, and indeed their link to SBS exit strategies is not made explicit anymore.

SBS exit strategies: Appendix

SBS exit strategies: Key documents consulted

Annex 10, Table 2: Key documents consulted for the case study on SBS exit strategies

EBRD general documents related to SBS exit strategies	
2004	Project Evaluation Department Special Study: Turnaround Management Programme (TAM) (Regional)
2007	EBRD Task Force on Advisory Services Assistance to SMEs - TAM-BAS, Chairman's Report Evaluation Department: Special Study on Business Advisory Services Programme (Regional) TAM/BAS Strategic Plan 2008-2010
2009	Ensuring sustained benefits for MSMEs in EBRD countries of operations through the TAM/BAS Programme
2010	TAM/BAS Programme Strategic Plan 2011 - 2015
2011	Assessment of Transition Challenges the Infrastructure of MSME Support, July 2011 TurnAround Management & Business Advisory Services (TAM/BAS) Programme: Update to the TAM/BAS Programme Strategic Plan 2011-2015 and Business Plan for 2012
2012	Small Business Support - Business Advisory Services and Enterprise Growth Programme 2012 Update and Business Plan for 2013 Memorandum of Understanding between Ministry of Entrepreneurship and Crafts Republic of Croatia and HAMAG INVEST Croatian Agency for SMEs and Investment Republic of Croatia and EBRD in respect of the Transfer of Knowledge and Best Practices of the EBRD Business Advisory Services (BAS) in Croatia
2013	Small Business Support - 2013 Update and Business Plan for 2014
2014	Evaluation Department: Special Study on the EBRD Shareholder Special Fund – Interim Evaluation Small Business Support 2015 Business Plan and 2014 Operational Report (TC Com submission)
2015	Regional: Small Business Initiative - Restructuring and Consolidating EBRD Operational Facilities for SMEs Small Business Initiative (SBI): Strategic priorities and business plan 2016-2018
2016	Regional: Small Business Initiative – Annual Review For 2015 and Operational Modalities For 2016 (under Financial Intermediary Framework)
EBRD Country Strategies	
2008	EBRD Strategy for Bulgaria EBRD Strategy for Romania
2010	EBRD Strategy for Croatia
2011	EBRD Strategy for Bulgaria
2012	EBRD Strategy for Romania
2013	EBRD Strategy for Croatia
2015	EBRD Strategy for Bulgaria EBRD Strategy for Romania Country Strategy Updates 2015
SBS documents	
2009	All TAM/BAS Country Briefs available
2010	BAS Bulgaria Operational Plan 2010 BAS Kazakhstan Operational Plan 2010 BAS Kyrgyz Republic Operational Plan 2010
2012	BAS Romania Operational Plan 2012 BAS Kazakhstan Operational Plan 2012 Proposal for BAS Knowledge Transfer to the Croatian Agency for the Development of SMEs, HAMAG INVEST, November 2012
2013	BAS Romania Operational Plan 2013 SBS, The Transfer of Knowledge and Best Practices of the EBRD Business Advisory Services (BAS) in Croatia, Interim Report
2014	Advice for Small Business in Croatia: EBRD BAS Transfer of Knowledge and Best Practices to the Croatian Agency for the Development of SMEs, HAMAG INVEST, September 2014
2016	SBS Croatia Operational Plan 2016

SBS exit strategies: Data

Annex 10, Table 3: Share of BAS projects per type of advisory service

	2011	2012	2013	2014	*2015*)*
Central Asia					
Kazakhstan					
Accounting and Financial Reporting	0.00%	0.00%	0.00%	0.64%	*0.00%*
Energy/Resource Efficiency	0.70%	3.13%	0.00%	2.55%	*1.47%*
Engineering Solutions	0.00%	3.13%	0.00%	7.64%	*14.71%*
Environmental Management	0.00%	0.00%	0.00%	1.27%	*0.00%*
Information Communication Technology	30.77%	28.13%	26.67%	28.66%	*29.41%*
Marketing	13.29%	25.00%	20.00%	25.48%	*32.35%*
Operations	4.20%	1.56%	3.33%	3.82%	*2.94%*
Organisation	9.09%	6.25%	16.67%	9.55%	*1.47%*
Quality Management	25.87%	9.38%	20.00%	7.64%	*5.88%*
Reorganisation/Restructuring	1.40%	0.00%	0.00%	0.00%	*0.00%*
Strategy	14.69%	23.44%	13.33%	12.74%	*11.76%*
Kyrgyz Republic					
Accounting and Financial Reporting	0.00%	0.89%	1.74%	5.49%	*6.06%*
Energy/Resource Efficiency	1.82%	0.89%	5.22%	3.30%	*0.00%*
Engineering Solutions	14.55%	12.50%	18.26%	18.68%	*21.21%*
Environmental Management	0.00%	0.00%	0.00%	3.30%	*3.03%*
Information Communication Technology	33.64%	28.57%	24.35%	18.68%	*24.24%*
Marketing	30.91%	30.36%	22.61%	30.77%	*15.15%*
Operations	3.64%	1.79%	6.96%	3.30%	*6.06%*
Organisation	6.36%	2.68%	4.35%	1.10%	*3.03%*
Quality Management	3.64%	0.89%	0.00%	1.10%	*0.00%*
Reorganisation/Restructuring	0.00%	0.00%	0.00%	0.00%	*0.00%*
Strategy	5.45%	21.43%	16.52%	14.29%	*21.21%*
Mongolia					
Accounting and Financial Reporting	1.33%	4.11%	2.99%	3.28%	*4.00%*
Engineering Solutions	2.67%	2.74%	5.97%	3.28%	*0.00%*
Environmental Management	1.33%	0.00%	0.00%	0.00%	*0.00%*
Information Communication Technology	42.67%	42.47%	38.81%	29.51%	*36.00%*
Marketing	14.67%	20.55%	22.39%	40.98%	*24.00%*
Operations	0.00%	0.00%	1.49%	3.28%	*0.00%*
Organisation	20.00%	16.44%	8.96%	4.92%	*4.00%*
Quality Management	2.67%	1.37%	5.97%	11.48%	*20.00%*
Strategy	14.67%	12.33%	13.43%	3.28%	*12.00%*
Tajikistan					
Accounting and Financial Reporting	0.00%	0.00%	6.67%	11.67%	*0.00%*
Energy/Resource Efficiency	8.33%	1.82%	0.00%	0.00%	*0.00%*
Engineering Solutions	2.78%	5.45%	8.33%	6.67%	*0.00%*
Environmental Management	0.00%	0.00%	0.00%	0.00%	*0.00%*
Information Communication Technology	41.67%	49.09%	33.33%	48.33%	*86.67%*
Marketing	25.00%	20.00%	25.00%	11.67%	*6.67%*
Organisation	4.17%	1.82%	3.33%	5.00%	*0.00%*
Quality Management	8.33%	12.73%	13.33%	11.67%	*0.00%*
Strategy	9.72%	9.09%	10.00%	5.00%	*6.67%*
Turkmenistan					
Accounting and Financial Reporting	0.00%	0.00%	13.33%	13.33%	*0.00%*
Information Communication Technology	25.00%	64.52%	33.33%	6.67%	*33.33%*
Marketing	25.00%	9.68%	33.33%	43.33%	*66.67%*
Organisation	25.00%	19.35%	13.33%	0.00%	*0.00%*
Quality Management	25.00%	6.45%	0.00%	6.67%	*0.00%*
Strategy	0.00%	0.00%	6.67%	30.00%	*0.00%*
Central Europe and Baltics					
Croatia					
Accounting and Financial Reporting	0.00%	2.86%	0.00%	0.00%	*0.00%*
Energy/Resource Efficiency	27.45%	14.29%	35.71%	0.00%	*0.00%*
Engineering Solutions	0.00%	0.00%	0.00%	100.00%	*0.00%*
Environmental Management	47.06%	20.00%	10.71%	0.00%	*0.00%*
Information Communication Technology	1.96%	2.86%	8.93%	0.00%	*0.00%*
Marketing	5.88%	28.57%	26.79%	0.00%	*66.67%*
Operations	0.00%	0.00%	0.00%	0.00%	*0.00%*
Organisation	0.00%	0.00%	0.00%	0.00%	*0.00%*
Quality Management	15.69%	14.29%	8.93%	0.00%	*16.67%*
Strategy	1.96%	17.14%	8.93%	0.00%	*16.67%*
Eastern Europe and Caucasus					

	2011	2012	2013	2014	*2015*)*
Armenia					
Accounting and Financial Reporting	0.00%	0.00%	1.47%	1.30%	*2.22%*
Energy/Resource Efficiency	0.00%	0.00%	0.00%	1.30%	*2.22%*
Engineering Solutions	0.00%	0.00%	0.00%	0.00%	*4.44%*
Environmental Management	1.11%	1.22%	0.00%	0.00%	*0.00%*
Information Communication Technology	58.89%	67.07%	42.65%	55.84%	*46.67%*
Marketing	16.67%	15.85%	32.35%	19.48%	*24.44%*
Operations	0.00%	0.00%	0.00%	1.30%	*0.00%*
Organisation	3.33%	6.10%	7.35%	2.60%	*11.11%*
Quality Management	1.11%	0.00%	4.41%	1.30%	*2.22%*
Strategy	18.89%	9.76%	11.76%	16.88%	*6.67%*
Azerbaijan					
Accounting and Financial Reporting	0.00%	4.62%	6.45%	5.26%	*100.00%*
Energy/Resource Efficiency	0.00%	0.00%	1.61%	0.00%	*0.00%*
Environmental Management	5.00%	6.15%	1.61%	1.75%	*0.00%*
Information Communication Technology	6.67%	16.92%	16.13%	21.05%	*0.00%*
Marketing	36.67%	32.31%	20.97%	24.56%	*0.00%*
Operations	0.00%	3.08%	4.84%	1.75%	*0.00%*
Organisation	15.00%	12.31%	14.52%	15.79%	*0.00%*
Quality Management	13.33%	9.23%	8.06%	8.77%	*0.00%*
Strategy	23.33%	15.38%	25.81%	21.05%	*0.00%*
Belarus					
Accounting and Financial Reporting		0.00%	5.71%	10.64%	*12.50%*
Energy/Resource Efficiency		0.00%	0.00%	0.00%	*6.25%*
Engineering Solutions		4.00%	5.71%	2.13%	*0.00%*
Information Communication Technology		48.00%	37.14%	21.28%	*6.25%*
Marketing		20.00%	22.86%	27.66%	*62.50%*
Operations		8.00%	2.86%	2.13%	*6.25%*
Organisation		4.00%	8.57%	2.13%	*0.00%*
Quality Management		4.00%	5.71%	10.64%	*0.00%*
Strategy		12.00%	11.43%	23.40%	*6.25%*
Georgia					
Accounting and Financial Reporting	2.82%	0.00%	1.59%	0.00%	*0.00%*
Energy/Resource Efficiency	2.82%	1.56%	0.00%	0.00%	*0.00%*
Engineering Solutions	4.23%	0.00%	6.35%	4.48%	*3.03%*
Environmental Management	0.00%	0.00%	0.00%	0.00%	*0.00%*
Information Communication Technology	45.07%	42.19%	34.92%	19.40%	*21.21%*
Marketing	16.90%	26.56%	31.75%	20.90%	*30.30%*
Operations	0.00%	0.00%	3.17%	0.00%	*0.00%*
Organisation	1.41%	4.69%	0.00%	2.99%	*0.00%*
Quality Management	21.13%	18.75%	4.76%	22.39%	*12.12%*
Strategy	5.63%	6.25%	17.46%	29.85%	*33.33%*
Moldova					
Energy/Resource Efficiency	35.21%	30.67%	32.00%	31.58%	*26.09%*
Engineering Solutions	0.00%	4.00%	2.67%	2.63%	*0.00%*
Information Communication Technology	42.25%	30.67%	28.00%	36.84%	*13.04%*
Marketing	15.49%	26.67%	21.33%	17.11%	*43.48%*
Operations	0.00%	0.00%	1.33%	0.00%	*4.35%*
Quality Management	4.23%	4.00%	13.33%	7.89%	*8.70%*
Strategy	2.82%	4.00%	1.33%	3.95%	*4.35%*
Ukraine					
Accounting and Financial Reporting	0.00%	0.00%	0.00%	3.37%	*0.00%*
Energy/Resource Efficiency	0.00%	0.00%	1.27%	0.00%	*3.03%*
Engineering Solutions	1.69%	1.32%	0.00%	1.12%	*0.00%*
Environmental Management	0.00%	0.00%	2.53%	0.00%	*0.00%*
Information Communication Technology	25.42%	28.95%	29.11%	26.97%	*39.39%*
Marketing	11.86%	13.16%	13.92%	20.22%	*15.15%*
Operations	10.17%	3.95%	2.53%	4.49%	*6.06%*
Organisation	13.56%	13.16%	8.86%	7.87%	*6.06%*
Quality Management	27.12%	34.21%	25.32%	25.84%	*24.24%*
Strategy	10.17%	5.26%	16.46%	10.11%	*6.06%*
Russia	**5.22%**	**4.64%**	**0.97%**	**6.59%**	***0.00%***
Energy/Resource Efficiency	1.45%	12.70%	0.00%	0.87%	
Engineering Solutions	20.29%	6.35%	0.00%	1.74%	
Environmental Management	0.00%	0.00%	7.14%	0.00%	
Information Communication Technology	37.68%	49.21%	21.43%	26.09%	
Marketing	4.35%	3.17%	28.57%	27.83%	
Operations	0.00%	1.59%	7.14%	5.22%	
Organisation	11.59%	6.35%	21.43%	11.30%	
Quality Management	11.59%	14.29%	14.29%	13.91%	
Strategy	13.04%	6.35%	0.00%	13.04%	

	2011	2012	2013	2014	*2015*)*
South-Eastern Europe					
Albania					
Accounting and Financial Reporting	0.00%	1.67%	1.67%	8.20%	*5.56%*
Energy/Resource Efficiency	1.67%	3.33%	0.00%	1.64%	*5.56%*
Engineering Solutions	0.00%	0.00%	0.00%	0.00%	*0.00%*
Environmental Management	3.33%	6.67%	3.33%	1.64%	*0.00%*
Information Communication Technology	10.00%	10.00%	10.00%	18.03%	*5.56%*
Marketing	33.33%	25.00%	40.00%	34.43%	*44.44%*
Operations	11.67%	13.33%	5.00%	0.00%	*0.00%*
Organisation	15.00%	11.67%	6.67%	6.56%	*0.00%*
Quality Management	8.33%	11.67%	20.00%	8.20%	*22.22%*
Strategy	16.67%	16.67%	13.33%	21.31%	*16.67%*
Bosnia and Herzegovina					
Energy/Resource Efficiency	0.00%	0.00%	1.52%	1.47%	*3.23%*
Engineering Solutions	4.92%	16.25%	3.03%	5.88%	*6.45%*
Environmental Management	27.87%	12.50%	22.73%	4.41%	*6.45%*
Information Communication Technology	18.03%	21.25%	25.76%	25.00%	*19.35%*
Marketing	11.48%	22.50%	22.73%	30.88%	*22.58%*
Operations	1.64%	0.00%	0.00%	0.00%	*0.00%*
Organisation	1.64%	10.00%	1.52%	0.00%	*6.45%*
Quality Management	29.51%	15.00%	22.73%	30.88%	*32.26%*
Strategy	4.92%	2.50%	0.00%	1.47%	*3.23%*
FYR Macedonia					
Accounting and Financial Reporting	0.00%	0.00%	1.59%	7.69%	*4.55%*
Energy/Resource Efficiency	4.92%	4.69%	7.94%	6.15%	*4.55%*
Engineering Solutions	0.00%	7.81%	1.59%	0.00%	*0.00%*
Environmental Management	11.48%	6.25%	1.59%	1.54%	*4.55%*
Information Communication Technology	13.11%	15.63%	17.46%	13.85%	*18.18%*
Marketing	13.11%	35.94%	33.33%	33.85%	*40.91%*
Operations	0.00%	1.56%	0.00%	3.08%	*4.55%*
Organisation	1.64%	7.81%	4.76%	7.69%	*4.55%*
Quality Management	39.34%	3.13%	6.35%	6.15%	*4.55%*
Strategy	16.39%	17.19%	25.40%	20.00%	*13.64%*
Kosovo					
Accounting and Financial Reporting	0.00%	4.23%	2.67%	4.29%	*4.17%*
Engineering Solutions	0.00%	2.82%	2.67%	1.43%	*0.00%*
Information Communication Technology	12.99%	15.49%	17.33%	11.43%	*8.33%*
Marketing	38.96%	29.58%	32.00%	32.86%	*25.00%*
Operations	0.00%	1.41%	0.00%	0.00%	*0.00%*
Organisation	1.30%	0.00%	0.00%	0.00%	*0.00%*
Quality Management	22.08%	18.31%	26.67%	24.29%	*33.33%*
Strategy	24.68%	28.17%	18.67%	25.71%	*29.17%*
Montenegro					
Accounting and Financial Reporting	0.00%	3.51%	7.69%	3.23%	*0.00%*
Energy/Resource Efficiency	1.54%	3.51%	7.69%	6.45%	*0.00%*
Engineering Solutions	1.54%	0.00%	0.00%	3.23%	*0.00%*
Environmental Management	0.00%	26.32%	20.51%	9.68%	*11.76%*
Information Communication Technology	52.31%	35.09%	25.64%	22.58%	*17.65%*
Marketing	20.00%	12.28%	5.13%	12.90%	*5.88%*
Operations	0.00%	0.00%	0.00%	0.00%	*5.88%*
Organisation	0.00%	1.75%	0.00%	6.45%	*17.65%*
Quality Management	15.38%	14.04%	28.21%	25.81%	*35.29%*
Strategy	9.23%	3.51%	5.13%	9.68%	*5.88%*
Romania					
Accounting and Financial Reporting	0.00%	0.00%	0.00%	3.33%	*4.35%*
Energy/Resource Efficiency	5.97%	1.52%	9.84%	11.67%	*8.70%*
Engineering Solutions	2.99%	0.00%	1.64%	0.00%	*0.00%*
Environmental Management	7.46%	6.06%	4.92%	5.00%	*0.00%*
Information Communication Technology	4.48%	9.09%	18.03%	10.00%	*21.74%*
Marketing	43.28%	46.97%	42.62%	48.33%	*47.83%*
Operations	0.00%	9.09%	4.92%	10.00%	*4.35%*
Organisation	14.93%	18.18%	3.28%	3.33%	*4.35%*
Quality Management	13.43%	7.58%	11.48%	3.33%	*0.00%*
Strategy	7.46%	1.52%	3.28%	5.00%	*8.70%*
Serbia					
Accounting and Financial Reporting	0.00%	0.00%	0.00%	1.22%	*9.68%*
Energy/Resource Efficiency	0.00%	5.80%	2.90%	2.44%	*3.23%*
Engineering Solutions	1.79%	0.00%	0.00%	0.00%	*0.00%*
Environmental Management	17.86%	20.29%	28.99%	1.22%	*0.00%*
Information Communication Technology	19.64%	18.84%	10.14%	8.54%	*16.13%*
Marketing	14.29%	15.94%	10.14%	21.95%	*9.68%*

	2011	2012	2013	2014	*2015*)*
Operations	5.36%	2.90%	1.45%	0.00%	*0.00%*
Organisation	7.14%	5.80%	10.14%	8.54%	*3.23%*
Quality Management	19.64%	8.70%	24.64%	42.68%	*51.61%*
Reorganisation/Restructuring	0.00%	0.00%	0.00%	0.00%	*0.00%*
Strategy	14.29%	21.74%	11.59%	13.41%	*6.45%*
Southern and Eastern Mediterranean					
Egypt					
Accounting and Financial Reporting		0.00%	0.00%	0.96%	*0.00%*
Engineering Solutions		9.52%	1.75%	0.00%	*0.00%*
Environmental Management		0.00%	1.75%	1.92%	*0.00%*
Information Communication Technology		14.29%	10.53%	25.96%	*40.00%*
Marketing		9.52%	26.32%	31.73%	*37.50%*
Operations		0.00%	1.75%	0.96%	*0.00%*
Organisation		33.33%	7.02%	8.65%	*15.00%*
Quality Management		9.52%	15.79%	5.77%	*0.00%*
Strategy		23.81%	35.09%	24.04%	*7.50%*
Jordan					
Energy/Resource Efficiency		0.00%	16.67%	0.00%	*0.00%*
Engineering Solutions		0.00%	4.17%	0.00%	*0.00%*
Environmental Management		0.00%	4.17%	0.00%	*0.00%*
Information Communication Technology		0.00%	4.17%	7.14%	*5.88%*
Marketing		100.00%	16.67%	16.67%	*29.41%*
Operations		0.00%	8.33%	4.76%	*0.00%*
Organisation		0.00%	16.67%	9.52%	*35.29%*
Quality Management		0.00%	20.83%	47.62%	*17.65%*
Strategy		0.00%	8.33%	14.29%	*11.76%*
Morocco					
Energy/Resource Efficiency		0.00%	7.84%	11.94%	*0.00%*
Engineering Solutions		0.00%	1.96%	0.00%	*0.00%*
Environmental Management		0.00%	1.96%	0.00%	*0.00%*
Information Communication Technology		14.29%	3.92%	7.46%	*9.52%*
Marketing		28.57%	27.45%	17.91%	*38.10%*
Operations		0.00%	5.88%	2.99%	*0.00%*
Organisation		0.00%	7.84%	14.93%	*19.05%*
Quality Management		14.29%	1.96%	11.94%	*9.52%*
Strategy		42.86%	41.18%	32.84%	*23.81%*
Tunisia					
Accounting and Financial Reporting			0.00%	5.00%	*8.00%*
Energy/Resource Efficiency			2.04%	1.67%	*0.00%*
Engineering Solutions			4.08%	3.33%	*0.00%*
Environmental Management			2.04%	1.67%	*8.00%*
Information Communication Technology			12.24%	11.67%	*16.00%*
Marketing			22.45%	15.00%	*4.00%*
Operations			4.08%	5.00%	*8.00%*
Organisation			22.45%	18.33%	*28.00%*
Quality Management			10.20%	21.67%	*8.00%*
Strategy			20.41%	16.67%	*20.00%*
Turkey					
Accounting and Financial Reporting		0.00%	2.82%	0.00%	*2.86%*
Energy/Resource Efficiency		0.00%	0.00%	0.94%	*0.00%*
Engineering Solutions		0.00%	5.63%	3.77%	*2.86%*
Information Communication Technology		20.93%	22.54%	27.36%	*25.71%*
Marketing		23.26%	23.94%	15.09%	*22.86%*
Operations		6.98%	2.82%	5.66%	*5.71%*
Organisation		27.91%	21.13%	17.92%	*11.43%*
Quality Management		11.63%	7.04%	5.66%	*2.86%*
Strategy		9.30%	14.08%	23.58%	*25.71%*

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 10, Table 4: BAS projects average size of company (number of employees before project), evaluated projects only

Country	2011	2012	2013	2014
Albania	33	29	18	
Armenia	29	16	17	22
Azerbaijan	46	40	48	35
Belarus		82	36	
Bosnia and Herzegovina	54	35	42	21
Croatia	68	31	22	
Egypt		83	60	5

Country	2011	2012	2013	2014
FYR Macedonia	31	31	29	
Georgia	46	51	32	12
Jordan		23	78	
Kazakhstan	48	94	107	
Kosovo	20	20	24	20
Kyrgyz Republic	30	25	27	
Moldova	54	51	37	
Mongolia	56	46	36	27
Montenegro	22	33	18	
Morocco		30	48	
Romania	43	53	38	
Russia	29	62	47	17
Serbia	37	24	22	
Tajikistan	35	29	43	18
Tunisia			106	
Turkey		52	50	32
Turkmenistan	45	27	36	
Ukraine	84	63	50	

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 10, Table 5: Location of BAS project clients

	2011	2012	2013	2014	*2015*)*
Albania					
City	35.00%	35.00%	28.33%	37.70%	*16.67%*
Main City	41.67%	41.67%	40.00%	31.15%	*72.22%*
Rural	23.33%	23.33%	31.67%	31.15%	*11.11%*
Armenia					
City	45.56%	67.07%	52.94%	61.04%	*51.11%*
Main City	28.89%	9.76%	17.65%	16.88%	*15.56%*
Rural	25.56%	23.17%	29.41%	22.08%	*33.33%*
Azerbaijan					
City	3.33%	1.54%	1.61%	0.00%	*0.00%*
Main City	76.67%	78.46%	66.13%	75.44%	*0.00%*
Rural	20.00%	20.00%	32.26%	24.56%	*100.00%*
Belarus					
City		20.00%	22.86%	12.77%	*25.00%*
Main City		52.00%	57.14%	61.70%	*31.25%*
Rural		28.00%	20.00%	25.53%	*43.75%*
Bosnia and Herzegovina					
City	32.79%	41.25%	27.27%	36.76%	*35.48%*
Main City	18.03%	25.00%	36.36%	32.35%	*38.71%*
Rural	49.18%	33.75%	36.36%	30.88%	*25.81%*
Croatia					
City	39.22%	25.71%	39.29%	0.00%	*83.33%*
Main City	19.61%	54.29%	41.07%	0.00%	*16.67%*
Rural	41.18%	20.00%	19.64%	100.00%	*0.00%*
Egypt					
City		9.52%	19.30%	8.65%	*15.00%*
Main City		85.71%	77.19%	68.27%	*60.00%*
Rural		4.76%	3.51%	23.08%	*25.00%*
FYR Macedonia					
City	34.43%	37.50%	42.86%	32.31%	*31.82%*
Main City	50.82%	57.81%	49.21%	52.31%	*59.09%*
Rural	14.75%	4.69%	7.94%	15.38%	*9.09%*
Georgia					
City	38.03%	42.19%	38.10%	38.81%	*18.18%*
Main City	45.07%	43.75%	47.62%	47.76%	*66.67%*
Rural	16.90%	14.06%	14.29%	13.43%	*15.15%*
Jordan					
City		0.00%	0.00%	4.76%	*0.00%*
Main City		100.00%	79.17%	92.86%	*100.00%*
Rural		0.00%	20.83%	2.38%	*0.00%*
Kazakhstan					
City	51.75%	54.69%	53.33%	51.59%	*51.47%*
Main City	24.48%	28.13%	23.33%	21.02%	*23.53%*
Rural	23.78%	17.19%	23.33%	27.39%	*25.00%*
Kosovo					
City	40.26%	38.03%	45.33%	40.00%	*29.17%*

	2011	2012	2013	2014	*2015*)*
Main City	19.48%	22.54%	26.67%	40.00%	*29.17%*
Rural	40.26%	39.44%	28.00%	20.00%	*41.67%*
Kyrgyz Republic					
City	47.27%	51.79%	53.04%	28.57%	*51.52%*
Main City	30.00%	34.82%	20.87%	17.58%	*18.18%*
Rural	22.73%	13.39%	26.09%	53.85%	*30.30%*
Moldova					
City	8.45%	4.00%	6.67%	5.26%	*4.35%*
Main City	66.20%	62.67%	66.67%	60.53%	*60.87%*
Rural	25.35%	33.33%	26.67%	34.21%	*34.78%*
Mongolia					
City	2.67%	12.33%	5.97%	9.84%	*0.00%*
Main City	56.00%	67.12%	55.22%	67.21%	*72.00%*
Rural	41.33%	20.55%	38.81%	22.95%	*28.00%*
Montenegro					
City	56.92%	52.63%	58.97%	22.58%	*52.94%*
Main City	26.15%	22.81%	28.21%	38.71%	*41.18%*
Rural	16.92%	24.56%	12.82%	38.71%	*5.88%*
Morocco					
City		0.00%	21.57%	26.87%	*33.33%*
Main City		57.14%	50.98%	67.16%	*61.90%*
Rural		42.86%	27.45%	5.97%	*4.76%*
Romania					
City	13.43%	81.82%	59.02%	53.33%	*60.87%*
Main City	68.66%	3.03%	14.75%	20.00%	*26.09%*
Rural	17.91%	15.15%	26.23%	26.67%	*13.04%*
Russia					
City	1.45%	4.76%	7.14%	17.39%	
Main City	57.97%	50.79%	57.14%	54.78%	
Rural	40.58%	44.44%	35.71%	27.83%	
Serbia					
City	60.71%	49.28%	65.22%	56.10%	*67.74%*
Main City	17.86%	26.09%	18.84%	26.83%	*22.58%*
Rural	21.43%	24.64%	15.94%	17.07%	*9.68%*
Tajikistan					
City	48.61%	43.64%	30.00%	33.33%	*40.00%*
Main City	31.94%	38.18%	35.00%	46.67%	*33.33%*
Rural	19.44%	18.18%	35.00%	20.00%	*26.67%*
Tunisia					
City			59.18%	58.33%	*44.00%*
Main City			28.57%	25.00%	*48.00%*
Rural			12.24%	16.67%	*8.00%*
Turkey					
City		32.56%	4.23%	0.00%	*2.86%*
Main City		48.84%	26.76%	36.79%	*37.14%*
Rural		18.60%	69.01%	63.21%	*60.00%*
Turkmenistan					
City	50.00%	3.23%	26.67%	20.00%	*0.00%*
Main City	50.00%	80.65%	60.00%	66.67%	*100.00%*
Rural	0.00%	16.13%	13.33%	13.33%	*0.00%*
Ukraine					
City	52.54%	56.58%	62.03%	55.06%	*63.64%*
Main City	30.51%	23.68%	26.58%	23.60%	*24.24%*
Rural	16.95%	19.74%	11.39%	21.35%	*12.12%*

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 11 Regional data and performance indicators

Annex 11, Table 1: Regional distribution of (evaluated) BAS projects

Region	Number of projects	%
South-Eastern Europe	1211	34.04%
Eastern Europe and Caucasus	1009	28.36%
Central Asia	949	26.67%
Turkey	120	3.37%
Central Europe and Baltics	118	3.32%
Russia	92	2.59%
Southern and Eastern Mediterranean	59	1.66%
Total	**3,558**	**100%**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 11, Table 2: BAS clients turnover growth (country and regional data)

TURNOVER growth					
		Number of projects	Median turnover growth	Positive growth (% of projects)	Zero growth (% of projects)
ALL regions		**3558**	**23%**	**82%**	**3%**
Central Asia		**949**	**34%**	**86%**	**2%**
	Kazakhstan	204	40%	87%	1%
	Kyrgyz Republic	294	29%	91%	2%
	Mongolia	213	30%	80%	1%
	Tajikistan	181	46%	87%	2%
	Turkmenistan	57	46%	82%	0%
Central Europe and Baltics		**118**	**13%**	**67%**	**2%**
	Croatia	118	13%	67%	2%
Eastern Europe and Caucasus		**1009**	**23%**	**85%**	**4%**
	Armenia	256	29%	94%	2%
	Azerbaijan	188	15%	85%	8%
	Belarus	37	54%	89%	0%
	Georgia	177	40%	81%	2%
	Moldova	181	20%	91%	0%
	Ukraine	170	26%	67%	8%
Russia		**92**	**32%**	**74%**	**4%**
	Russia	92	32%	74%	4%
South-Eastern Europe		**1211**	**17%**	**76%**	**2%**
	Albania	169	13%	77%	1%
	Bosnia and Herzegovina	192	17%	76%	3%
	FYR Macedonia	153	15%	76%	0%
	Kosovo	226	37%	93%	1%
	Montenegro	147	7%	62%	7%
	Romania	169	17%	75%	3%
	Serbia	155	13%	66%	1%
Southern and Eastern Mediterranean		**59**	**25%**	**88%**	**0%**
	Egypt	39	39%	92%	0%
	Jordan	3	5%	100%	0%
	Morocco	12	19%	67%	0%
	Tunisia	5	5%	100%	0%
Turkey		**120**	**21%**	**88%**	**3%**
	Turkey	120	21%	88%	3%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 11, Table 3: BAS clients employee growth (country and regional data)

Employee growth					
		Number of projects	Median turnover growth	Positive growth (% of projects)	Zero growth (% of projects)
All regions		3558	9%	61%	23%
Central Asia		949	12%	64%	20%
	Kazakhstan	204	12%	70%	14%
	Kyrgyz Republic	294	10%	60%	30%
	Mongolia	213	11%	62%	20%
	Tajikistan	181	14%	71%	15%
	Turkmenistan	57	13%	54%	12%
Central Europe and Baltics		118	3%	52%	24%
	Croatia	118	3%	52%	24%
Eastern Europe and Caucasus		1009	9%	63%	24%
	Armenia	256	8%	56%	36%
	Azerbaijan	188	11%	73%	24%
	Belarus	37	17%	73%	8%
	Georgia	177	13%	66%	18%
	Moldova	181	9%	68%	17%
	Ukraine	170	3%	52%	22%
Russia		92	3%	51%	16%
	Russia	92	3%	51%	16%
South-Eastern Europe		1211	6%	57%	25%
	Albania	169	0%	50%	37%
	Bosnia and Herzegovina	192	10%	62%	18%
	FYR Macedonia	153	13%	75%	16%
	Kosovo	226	11%	57%	37%
	Montenegro	147	0%	44%	34%
	Romania	169	12%	67%	8%
	Serbia	155	0%	41%	24%
Southern and Eastern Mediterranean		59	4%	58%	22%
	Egypt	39	5%	56%	23%
	Jordan	3	0%	33%	33%
	Morocco	12	2%	50%	25%
	Tunisia	5	4%	100%	0%
Turkey		120	10%	74%	10%
	Turkey	120	10%	74%	10%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 11, Table 4: BAS clients productivity growth (country and regional data)

Productivity growth					
		Number of projects	Median	% positive	ZERO growth
All regions		3558	10%	67%	2%
Central Asia		949	15%	72%	1%
	Kazakhstan	204	15%	71%	1%
	Kyrgyz Republic	294	14%	75%	3%
	Mongolia	213	16%	67%	0%
	Tajikistan	181	16%	75%	1%
	Turkmenistan	57	14%	67%	0%
Central Europe and Baltics		118	7%	58%	2%
	Croatia	118	7%	58%	2%
Eastern Europe and Caucasus		1009	11%	69%	3%
	Armenia	256	19%	87%	2%
	Azerbaijan	188	3%	56%	9%
	Belarus	37	22%	70%	0%
	Georgia	177	21%	69%	2%
	Moldova	181	7%	66%	0%
	Ukraine	170	14%	59%	5%
Russia		92	24%	71%	0%
	Russian Federation	92	24%	71%	0%

Productivity growth				
	Number of projects	Median	% positive	ZERO growth
South-Eastern Europe	**1211**	**7%**	**61%**	**1%**
Albania	169	7%	63%	1%
Bosnia and Herzegovina	192	5%	58%	1%
FYR Macedonia	153	1%	52%	0%
Kosovo	226	22%	77%	0%
Montenegro	147	0%	47%	6%
Romania	169	5%	58%	1%
Serbia	155	9%	64%	1%
Southern and Eastern Mediterranean	**59**	**15%**	**78%**	**0%**
Egypt	39	18%	87%	0%
Jordan	3	5%	67%	0%
Morocco	12	10%	58%	0%
Tunisia	5	1%	60%	0%
Turkey	**120**	**9%**	**66%**	**3%**
Turkey	120	9%	66%	3%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 11, Table 5: Distribution of reported growth in terms of turnover, employees and productivity of BAS clients

Interval upper limit (included)*	Turnover	Employee	Productivity
-1.00	18	17	20
-0.90	12	4	10
-0.80	16	10	17
-0.70	15	9	21
-0.60	28	11	33
-0.50	39	26	60
-0.40	45	41	80
-0.30	64	69	97
-0.20	84	81	194
-0.10	109	159	228
0.00	225**	967**	427**
0.10	434	443	571
0.20	531	491	426
0.30	393	370	290
0.40	339	249	188
0.50	180	77	134
0.60	128	126	101
0.70	120	71	98
0.80	91	45	55
0.90	67	42	44
1.00	59	21	45
1.10	57	45	30
1.20	33	25	35
1.30	32	18	23
1.40	28	16	15
1.50	34	18	14
1.60	26	9	19
1.70	15	5	21
1.80	18	8	11
1.90	15	5	9
2.00	23	17	14
2.10	18	0	15
2.20	11	6	9
2.30	9	3	11
2.40	8	2	11
2.50	5	6	5
2.60	11	2	6
2.70	7	7	8
2.80	7	1	5
2.90	7	2	6
3.00	4	2	5
3.10	6	2	6
3.20	7	1	7
3.30	7	1	2

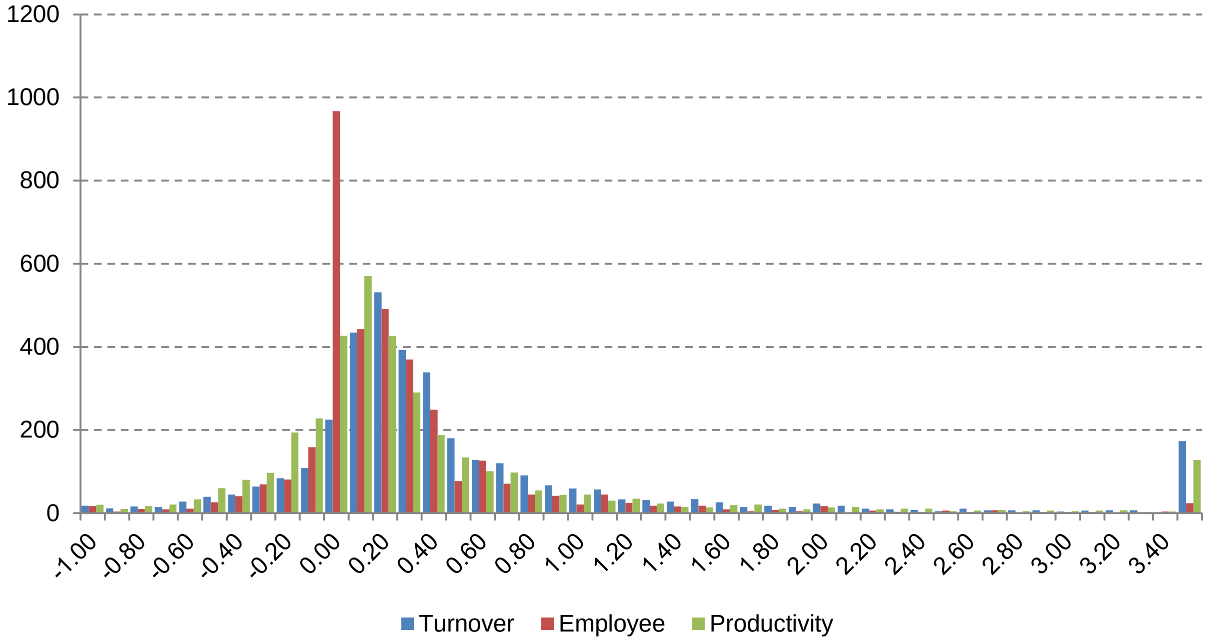
Interval upper limit (included)*	Turnover	Employee	Productivity
3.40	0	4	4
more	173	24	128
Total	**3,558**	**3,558**	**3,558**

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

*) Note: A data point is included in a particular bin if the number is greater than the lowest bound and equal to or less than the greatest bound for the data bin.

**Out of which zero growth: 91, 808, 571 clients respective

Annex 11, Figure 1 Distribution of reported growth in terms of turnover, employees and productivity of BAS clients (number of projects)



Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 11, Table 6: BAS clients access to external finance post-project by region (reported at evaluation)

Region	Number of projects	% of projects	Total investment Amount (€)
Central Asia	**960**		**105,255,359**
EBRD direct	12	1.25%	31,282,562
EBRD indirect	89	9.27%	36,923,115
External	48	5.00%	37,049,682
No external finance reported	811	84.48%	-
Central Europe and Baltics	**132**		**36,928,292**
EBRD direct	1	0.76%	3,000,000
EBRD indirect	8	6.06%	10,261,704
External	24	18.18%	23,666,588
No external finance reported	99	75.00%	-
Eastern Europe and Caucasus	**1,017**		**101,723,456**
EBRD direct	3	0.29%	18,600,000
EBRD indirect	82	8.06%	54,460,099
External	104	10.23%	28,663,357
No external finance reported	828	81.42%	-
Russia	**92**		**44,459,500**
EBRD indirect	7	7.61%	2,847,500
External	19	20.65%	41,612,000
No external finance reported	66	71.74%	-
South-Eastern Europe	**1,222**		**85,424,330**
EBRD direct	1	0.08%	1,000,000
EBRD indirect	86	7.04%	32,288,010
External	122	9.98%	52,136,320
No external finance reported	1,013	82.90%	-
Southern and Eastern Mediterranean	**62**		**11,832,000**
EBRD indirect	1	1.61%	12,000

Region	Number of projects	% of projects	Total investment Amount (€)
External	4	6.45%	11,820,000
No external finance reported	57	91.94%	-
Turkey	120		17,967,691
EBRD indirect	2	1.67%	120,000
External	26	21.67%	17,847,691
No external finance reported	92	76.67%	-
Total	3,605		403,590,628

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete

Annex 11, Table 7: Reported independent use of consultants by BAS clients at evaluation, compared to BEEPS data on MSME use of consultants

BAS evaluated projects			BEEPS COMPARE FOR MSMEs (where data available; 2013)
Region/ Country	Number of projects	% of projects	% of MSMEs having used consultants
Central Asia			
Kazakhstan	204		
FALSE	142	69.61%	
TRUE	62	30.39%	10.25%
Kyrgyz Republic	294		
FALSE	138	46.94%	
TRUE	156	53.06%	21.46%
Mongolia	213		
FALSE	103	48.36%	
TRUE	110	51.64%	27.61%
Tajikistan	181		
FALSE	66	36.46%	
TRUE	115	63.54%	12.38%
Turkmenistan	57		
FALSE	46	80.70%	
TRUE	11	19.30%	
Central Europe and Baltics			
Croatia	118		
FALSE	84	71.19%	
TRUE	34	28.81%	29.21%
Eastern Europe and Caucasus			
Armenia	256		
FALSE	3	1.17%	
TRUE	253	98.83%	5.79%
Azerbaijan	188		
FALSE	149	79.26%	
TRUE	39	20.74%	3.36%
Belarus	37		
FALSE	22	59.46%	
TRUE	15	40.54%	22.71%
Georgia	177		
FALSE	137	77.40%	
TRUE	40	22.60%	4.49%
Moldova	181		
FALSE	95	52.49%	
TRUE	86	47.51%	8.59%
Ukraine	170		
FALSE	110	64.71%	
TRUE	60	35.29%	
Russia			
Russia	92		
FALSE	55	59.78%	
TRUE	37	40.22%	19.37%
South-Eastern Europe			
Albania	169		
FALSE	73	43.20%	

BAS evaluated projects			BEEPS COMPARE FOR MSMEs (where data available; 2013)
Region/ Country	Number of projects	% of projects	% of MSMEs having used consultants
TRUE	96	56.80%	15.13%
Bosnia and Herzegovina	192		
FALSE	69	35.94%	
TRUE	123	64.06%	23.75%
FYR Macedonia	153		
FALSE	110	71.90%	
TRUE	43	28.10%	20.06%
Kosovo	226		
FALSE	101	44.69%	
TRUE	125	55.31%	20.11%
Montenegro	147		
FALSE	130	88.44%	
TRUE	17	11.56%	13.43%
Romania	169		
FALSE	86	50.89%	
TRUE	83	49.11%	22.39%
Serbia	155		
FALSE	88	56.77%	
TRUE	67	43.23%	35.69%
Southern and Eastern Mediterranean			
Egypt	39		
FALSE	23	58.97%	
TRUE	16	41.03%	
Jordan	3		
FALSE	1	33.33%	
TRUE	2	66.67%	
Morocco	12		
FALSE	9	75.00%	
TRUE	3	25.00%	
Tunisia	5		
TRUE	5	100.00%	
Turkey			
Turkey	120		
FALSE	67	55.83%	
TRUE	53	44.17%	34.40%

Source: EvD analysis based on SBS MIS data, *) data from 2015 incomplete and BEEPS V (2013)