

# Evaluation of the Small Business Support Programme



EBRD Evaluation department  
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The EBRD's Small Business Support Programme (SBS) has been providing services since the mid-1990s. Following the EBRD's 2010 Capital Resource Review 4, SBS formed a strategic plan for 2011 to 2015 intended to sharpen its strategic focus and simultaneously integrate more fully with Banking. This evaluation explores the relevance of the plan and the effectiveness and efficiency of its results.

## About Small Business Support

The EBRD's Small Business Support Programme consists of two parts:

- i) The Enterprise Growth Programme (EGP, formerly known as Turn-Around Management) which provides management advice to mid-sized companies utilising international consultants.
- ii) Business Advisory Services (BAS) to develop the local SME consulting sector, targeting support primarily to micro and small companies utilising local consultants.

Historically SBS functioned separately from EBRD's core banking area. It relies heavily on donor funding to operate.

During implementation of its strategic plan from 2011 to 2015, SBS delivered operations in 26 countries worth over €95 million. Funding came from donors (€63 million) and clients (€32 million). The EBRD's Shareholder Special Fund contributed almost one fifth of total donor resources.

Operations included:

- around 6,500 individual BAS projects with an average budget of €10,000, and
- around 600 EGP projects with an average budget of €50,000, complemented by market development activities.

Additional donor funding of over €18 million directly supported SBS staff in the field and headquarters.

The incorporation of SBS into the newly established EBRD Small Business Initiative in 2015 represented the conclusion of the 2011- to 2015 strategic plan and initiation of a new chapter.

## Evaluation approach

This evaluation focused primarily on the relevance of the programme under its strategic plan implemented from 2011 to 2015 and its effectiveness and efficiency.

The evaluation made use of both qualitative and quantitative data through documentary review, interviews, portfolio analysis, and country and thematic case studies.

## Some findings

**The programme has been clearly relevant to the Bank's mandate and strategy**, and broadly consistent with national strategies for private sector development.

**SBS provided a distinctive development dimension to the EBRD's overall offering** in countries of operation, and to innovate and adapt to increase effectiveness.

**SBS and overall EBRD strategic planning and prioritisation at the country level were essentially independent of one another** for most of the strategic period, although this did not lead to contradictions in priorities.

**Planning was driven strongly by donor priorities reflecting its essential dependency on donor resources.** Although the EBRD Shareholder Special Fund (SSF) has become an increasingly important provider of resources for SBS projects and staff this has not triggered an assessment of how/whether EBRD priorities might be reflected in SBS operational priorities.

**Integration with Banking** occurred through physical relocation of SBS to EBRD resident offices from separate premises; process improvements; joint products; increased client cross-referrals; and formal incorporation of SBS into the Small Business Initiative in 2015.



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## Recommendations

### SBS planning and fundraising should be rooted in EBRD country-level transition priorities and results frameworks

The integration of SBS into the Small Business Initiative (which is explicitly driven by country strategies), coupled with the growing weight of programme financing from the Shareholders' Special Fund, provide both the means and context to accomplish this.

### The transition rationale for developing local consultancy markets should be made explicit.

Prospective SBS support for local business advisory services should explicitly be based on a market analysis and assessment of transition gaps, with objectives and monitoring specifically set out. At present these issues are not prominently featured in Small Business Initiative and EBRD country strategy documents. Also, the Small Business Initiative should clearly specify what will in the future guide exits of the SBS Programme from countries.

### Ensure effective programme coordination with external partners at the country level.

Good coordination of SBS activities with governments, donors, multilaterals and other key stakeholders has been accomplished through steering committees. Coordination events with all relevant stakeholders and partners, regardless of their financial contributions, to ensure complementarity, confirm priorities, and clarify expectations should be planned and budgeted. Similar arrangements should also be planned and included in the budget for specific regional products such as Women in Business.

### Reporting to EBRD Board and donors should be enhanced.

There is scope and need to improve the value and effectiveness of SBS reporting which is currently fragmented and mainly donor-driven. A comprehensive annual reporting on SBS activities and outcomes at the country level and through the lens of SBS's articulated strategic and transition priorities is needed; a regular occasion for Board review would be valuable. A formal session should be planned for the EBRD Board to discuss the proposed annual SBS report and a similar opportunity should be given for specific products, such as Women in Business.

### Country-level outcomes should be periodically evaluated.

SBS monitoring and performance assessment systems should be strengthened to enable capture of outcome results data at the country and programme level; they should illuminate causal links between SBS project elements and client performance or access to finance. Full independent evaluation of SBS activities should occur at country level and

in the context of the country strategy on a regular cycle. Similar evaluations should also be planned and included in the budget for specific regional products such as Women in Business.

### Synergies from joint SBS and Banking products should be identified clearly at the design stage.

Joint products such as Women in Business aim to integrate programmes and both financial and non-financial products, and explicitly anticipate programme-level synergies. However the assumed interlinks have historically (and in the case of the Women in Business Programme) not been sufficiently embedded into design beyond efficiency aspects in fundraising, reporting, or visibility. Clarity at the design stage is essential for effective monitoring, accountability, and execution.

### Ensure consistency of internal approaches to EBRD fundraising.

The Bank should ensure that it operates its formal fundraising framework as effectively as possible, and should address any issues to do with misalignment of communication, delayed engagement during fundraising processes and lack of systematic sharing of information between SBS and Donor Co-financing. This will ensure consistency, better internal coordination and streamlined partnerships with donors.

### Enhance donor visibility at final beneficiary level

A review of SBS processes and resources devoted to donor visibility should be conducted in order to ensure awareness of donors' role in all SBS activities at the level of clients and consultants.

### Integrate SBS management information system with the EBRD information technology systems

Separation of the SBS Management Information Systems from the rest of EBRD information technology systems brings both risks and inefficiencies. It should be fully integrated.

Read the full report at [www.ebrd.com/evaluation](http://www.ebrd.com/evaluation).

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