

**ATTACHMENT 1
A.I.D EVALUATION SUMMARY - PART 1**

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT DOT MATRIX TYPE.

IDENTIFICATION DATA

A. Reporting A.I.D Unit: Mission or AID/W Office <u>USAID/Zambia</u> (ES# _____)	B. Was Evaluation Scheduled in Current FY. Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date : FY <u>95</u> Q <u>4</u>	C. Evaluation Timing Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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D. Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project/ Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
698-0463.11	Human Resources Development Assistance	FY91	09/30/96	\$4,692,817	\$4,692,817

ACTIONS

E. Action Decisions Approved by Mission or AID/W Office Director _____ Action (s) Required Final assessment leading to follow-on program	Name Of Officer Responsible for Action USAID/Zambia Diane Eames Asina Sibetta (attach extra sheet if necessary)	Date Action to be Completed. June, 1996 (attach extra sheet if necessary)
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APPROVALS

F. Date Of Mission or AID/W Office Review Of Evaluation: (Month) April (Day) 12 (Year) 1995

G. Approvals of Evaluation Summary And Action Decisions:

	Project/program Officer	Representative Of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
NAME (Typed)	Asina Sibetta	Perm. Sec/MCTI	CNoren	JStepanek
SIGNATURE				
DATE				

ABSTRACT

H. Evaluation Abstract (Do not exceed the space provided)

The purpose of the Human Resources Development (HRD) Project is to increase productivity and economic growth among existing Small and Medium Enterprises (SMEs) in the formal private sector. The increased productivity and economic growth will contribute to the project's goal of "a market-oriented sector established with broad participation". To assist in achieving the goal, the project has designed training programs in basic and advanced business management and financial skills to make SMEs productive, create jobs, increase income and wealth. It also has to meet a special target for the training of women. The project is aimed at achieving the following purposes:

- a) To assist Zambia improve the management of its economy by reducing its heavy dependence on the public sector and expanding the role of the private sector.
- b) To increase the size and viability of Zambian businesses, and
- c) To enhance the prospects for long term increases in productivity in all sectors.

The project is being implemented through a Cooperative Agreement with Clark Atlanta University. The total amount for the Cooperative Agreement is US\$ 300,000.

The Ministry of Commerce, Trade and Industry is the implementing agency on behalf of the Government. The Ministry chairs the Project Executive Committee, a body responsible for providing direction and guidance to the project. The PEC comprises members from the public and private sector, but is dominated by public sector members. The project has worked very closely with the Small Industries Association of Zambia (SSIAZ), the Zambia Federation of Business Women (ZBF), the Zambia Confederation of Chambers of commerce and Industry (ZACCI), the Small Industries Development Organization (SIDO), Copperbelt University and other organizations have played the role of stake holders, partners and customers.

COSTS

I. Evaluation Costs

NAME	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
<p align="center">1. Evaluation Team</p> <p>M and N Associates Ltd David T. Musona Gertrude Ngenda</p>	<p align="center">611-0463-c-00-5136-00</p>	<p align="center">\$31,474</p>	<p align="center">HRD Project</p>
<p>2. Mission/ Office Professional Staff</p> <p>Person - Days (Estimate) <u>5</u> _____</p>	<p>3. Borrower/Grantee Professional Staff</p> <p>Person - Days (Estimate) <u>N/A</u> _____</p>		

A.I.D EVALUATION SUMMARY - PART II

S U M M A R Y

J. Summary of Evaluation findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided) Address the Following Items:

- * Purpose of Evaluation and Methodology used
- * Purpose of activity(ies) Evaluated
- * Findings and Conclusions (relate to questions)

- * Principal recommendation
- * Lessons Learned

Mission or Office:

USAID/Zambia

Date This Summary Prepared:

October 1995

Title And Date of Full Evaluation Report:

Human Resources Development Project

This is an interim contract evaluation for the period beginning October 1, 1993 ending September 30, 1995. This evaluation was conducted by M and N a local Zambian firm, on the basis of a review of project documents, visits to former trainees and interviews. The following methodologies were used Questionnaire, Case Studies and Focus Group Interviews. The purpose of the evaluation was to determine the value of training and justification, if any, for this type of training. The objectives of the evaluation were:

1. Measure or estimate the economic behavior change induced by this training.
2. Determine the extent the change was attributed to the training; and
3. Estimate the extent the training was critical to the change.

The project trained 543 business owners and managers in basic and advanced financial and management skills. Another 83 participants were trained in marketing and sales activities. The training was conducted in collaboration with Zambia training institutions and SME support institutions.

The evaluators used three types of methodologies:

- a. Questionnaire: Postal questionnaires were sent to 450 former trainees. A total of 202 (45%) former trainees responded and completed the questionnaire. Statistically, a sample of 202 out of a universe of 450 is considered valid, as postal questionnaires range between 20 and 40%.
- b. Focus Group Interviews. The postal questionnaires were supplemented by Focus Group Interviews. In all five focus group interviews were conducted to validate the results of the postal/self assessment questionnaires.
- c. Case Studies: The interviews were conducted on three selected firms to obtain in-depth information on the former trainees who were randomly chosen. The case studies were aimed at tracking capacity building, application, performance improvement and growth.

The major findings are that:

An overwhelmingly positive impact of improved performance at individual and institutional levels, as cited below, after HRD project training.

83% of the respondents reported that the changes in increase of revenue/income, good performance, access to market etc. would not have occurred without the training.

With regard to skills acquisition, 99% of respondents reported using the acquired skills, a behavior change that has been induced by HRD training.

In application of skills learned, 53% of the respondents have established books of accounts and 79% have prepared business plans and tenders for the application of skills learned in this training.

75% of respondents have reported increased gross revenue facilitating the buying of raw materials, equipment and diversifying in new products.

A.I.D EVALUATION SUMMARY - PART II

S U M M A R Y C O N T I N U A T I O N

That training plays a key role in entrepreneurship development and improvement.

That participation of beneficiaries in design of the training programs has resulted in the positive impact of the training, i.e., Project Implementation Seminar.

That training has to be complemented by availability of credit, as credit is the major constraint for SMEs.

That the number of workshops the entrepreneur attended was correlated to improved capacity and performance in the firm.

That the majority of SMEs lack basic management and financial skills, which is a contributing factor to failure of SME businesses.

That there is need for continuous monitoring of trainees to assess impact.

That banks need continuous and close liaison with SMEs in order to develop an appreciation of the opportunities, and to explore and find ways to provide line of credit to the Sector.

RECOMMENDATIONS

- That the training program be extended so that more SMEs will benefit. (600 participant SME representatives have been served out of an estimated 10,000 SMEs in the country).
- That the HRD Project work out a system to include referral and continuation of the current efforts of sensitizing banks on viability of investments from former trainees.
- Encourage trainees who completed basic courses to attend further training workshops.
- That the duration of the workshop be increased from one week to an average of three weeks to enhance effectiveness of the training program.
- That future training programs should include topics such as Value Added Tax.
- That Government ensure effectiveness of this training by providing and /or facilitating access to soft loans to former trainees.
- That the Government and/or SSIAS should ensure sustainability of the project training activities.
- That the process of planning/training should include the collecting of baseline data against which the impact of training can be assessed.
- Participants' capacities in cost sharing should be evaluated before participants fees are established.
- That training should also target prospective entrepreneurs.
- That credit managers for all lending institutions be encouraged to visit SME business premises to familiarize themselves with SME operations.

ATTACHMENTS

K. Attachments (list attachments submitted with this Evaluation Summary: **always** attach copy of full evaluation report, even if one was submitted earlier. Attachments may include: studies, surveys e.t.c, from "on-going" evaluation, if relevant to the evaluation report.)

1. Copy of the Evaluation
2. Copy of the Impact Monitoring Plan

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee on Full Report

USAID/Zambia has found the Impact Monitoring Evaluation complete and accurate. The Mission commends M and N Associates Ltd for documenting the findings as specified in the Monitoring Plan.

The positive impact for private sector training program will depend on conducive policies, availability of credit, access to market, infrastructure support. To maximize impact assessment, a monitoring plan should be effected at regular intervals during project implementation and follow-up.

. The current mission HRD program has been adjusted to improve the focus of its impact, and further thought and planning are needed to develop results measurements of impact for any follow-on program. The present indicator baseline is focussed on the outputs of training, rather than on mission strategy and project impact.

. Any follow-on program should address how the training technology and service capacity will be transferred and made sustainable as a Zambian enterprise.