

# **Final Report**

for the Mid Evaluation for  
**4 Youth Entrepreneurship Projects**

Financed by  
**The Multilateral Investment Fund**

**Mentoring Model**  
to Develop Young Entrepreneurs in:

**March  
8<sup>th</sup>  
2010**

**Barbados**

**Belize**

**Guyana**

**Trinidad & Tobago**



  
**ARTHUR LOK JACK**  
GRADUATE SCHOOL OF BUSINESS  
*Innovatus Ars Ducendi*

## CONTENTS

<b>LIST OF ABBREVIATIONS.....</b>	<b>4</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>5</b>
<b>INTRODUCTION.....</b>	<b>8</b>
• Background.....	8
• Objectives of the Evaluation.....	9
<b>EVALUATION FINDINGS.....</b>	<b>10</b>
• Relevance.....	10
• Project Duration and Assumptions.....	14
• Efficiency.....	16
• Project start-up.....	16
• Project Promotion.....	19
• Training.....	20
• Target Group and the Selection Process.....	21
• Training Programme Content and Methodology.....	23
• Training Duration and Methodology.....	27
• Mentoring .....	28
• Key Project Management Issues.....	32
• Belize .....	32
• Guyana .....	34
• Trinidad and Tobago.....	34
• Philosophical Dilemma.....	36
• Logical Framework.....	41

- Evaluation of the Implementation of Activities Identified under the Logical Framework.....50
- Analysis of Loan Portfolio.....55
- REVIEW OF REGIONAL COORDINATOR'S (RC) ROLE.....60**
- LESSONS LEARNT.....63**
- RECOMMENDATIONS.....65**

## LIST OF ABBREVIATIONS

- **BYBT - Barbados Youth Business Trust**
- **EA - Executing Agency**
- **GYBT – Guyana Youth Business Trust**
- **IDB – Inter-American Development Bank**
- **IPED – Institute for Private Enterprise Development**
- **MIF – Multilateral Investment Fund**
- **RC – Regional Coordinator**
- **YBI – Youth Business International**
- **YBT – Youth Business Trust**
- **YBTB – Youth Business Trust Belize**
- **YBTT – Youth Business Trinidad and Tobago**

## EXECUTIVE SUMMARY

This report presents the findings of a mid-term evaluation of four (4) Youth Entrepreneurship Projects being implemented in Barbados, Belize, Guyana and Trinidad and Tobago. This Final Report is structure into five (5) main sections as follows:

- Introduction
- Evaluation findings
- Review of the Regional Coordinator's Role
- Lessons learnt
- Recommendations

The main part of the document is the section - Evaluation Findings. This section examines in detail the three main components of the programme and focuses on mentoring, training, financing, institutional experience and institutional capacity within the context of project management. The key role of the Regional Coordinator was examined in terms of the oversight function, sharing of experiences and the building of national and regional networks among key stakeholders.

### **Relevance**

In terms of relevance the design of the project was, and still is relevant, in terms of targeting the real needs and the core problem, that is, the shortage of economic opportunities and income generation opportunities for economically disadvantaged youths. A major weakness of the programme, rooted in the project design, is the lack of institutional experience and institutional capacity within the Executing Agencies. From the point of view of the respective Executive Agencies this has had tremendous impact of their implementation of the project. This was most apparent in the case of the Youth Business Trust Belize in which case the organization was formed to facilitate implementation of the project.

## **Efficiency**

With respect to the Donors Memorandum it is determined that the Youth Business Trusts within all the countries have not executed all of their activities. Managing the mentoring and financing component of the programme still remains a fundamental challenge for the Executing Agencies. However, the Barbados Youth Business Trust has done remarkable well with the execution of the mentoring aspect of the project. This aspect – mentoring – of the project needs to be structured and streamlined by the Youth Business Trust Belize, Guyana Youth Business Trust and Youth Business Trinidad and Tobago. Similarly, the Guyana Youth Business Trust has done remarkable well with the execution of the financing aspect of the project. This is partly due to the fact that the organization to which the Guyana Youth Business Trust is associated has years of experience in this area. The other Executing Agencies are challenged with this aspect of the programme and need, as a matter of urgency, to undertake a loan portfolio evaluation. Within this context the Regional Coordinator needs to take action in keeping with item 3.16 of the Donors Memorandum. It is recommended that the Youth Business Trust Belize and the Barbados Youth Business Trust should suspend the financing component of their project pending completion of the RC loan evaluation exercise. The general approach to implementation of the training component of the programme varies widely within all the Executing Agencies. Basically, a generic approach is used, however given the learning from the programme and the findings of this evaluation there is clearly a case for the adoption of a needs based approach to the training.

## **Effectiveness**

The project has also made progress in contributing to the objectives of increasing economic opportunities and income generation for economically disadvantaged youth interested in becoming entrepreneurs. The process is facilitated by the delivery of the much needed training of potential entrepreneurs and mentors. To increase effectiveness of the programme the programme has a component aimed at the building of networks and sharing of experience and learning. There is certainly the need for more sharing of learning and experiences among the mentors. Networking among the stakeholders needs to shift from being local to regional. As per the Donors Memorandum the Regional Coordinator needs to play a much more active role in this process.

The focus of the Regional Coordinator in this area is mainly limited to activities of the Barbados Youth Business Trust. Acceleration of activities in this area will increase the outcome of the project. Strengthening of the institutional capacity within the Executing Agencies will also act as a fillip to this process.

### **Sustainability**

A fundamental challenge now for the Executing Agencies is to structure their operations and manage the implementation process so as to ensure the sustainability of this programme in an effort to sustain the gains made so far in order to achieve the medium to long-term benefits of such a programme. Sustainability of the benefits will depend on, among other things, prudent management of the loan portfolio, establishment of the appropriate legal and administrative framework for the financing component of the programme, the development of institutional capabilities to facilitate the efficient implementation of programme, increase counterpart funding, the Executing Agencies ability to meet the recurrent cost associated with their overall operations.

## INTRODUCTION

### Background

This report presents the findings of a mid-term evaluation of four (4) Youth Entrepreneurship Projects being implemented in **Trinidad and Tobago, Barbados, Belize, and Guyana**. These projects - **Mentoring Model to Develop Young Entrepreneurs** in (i) Trinidad and Tobago (ii) Barbados, (iii) Belize and (iv) Guyana, are funded under a financing agreement with the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB). The broad objective of these projects is **“to increase economic opportunities and income generation for economically disadvantaged youth interested in becoming entrepreneurs”**. To accomplish this broad objective, the project finances the extension and strengthening of a youth entrepreneurship model utilized by each Executing Agency through technical cooperation and provision of finances for recapitalizing lending programs.

The four (4) Youth Entrepreneurship Projects have three (3) distinct but interrelated components which are as follows:

- Promotion of the business mentorship model as well as the engagement and development of a cadre of business mentors to work with young mentors;
- Monitoring, training and financial support for young entrepreneurs; and
- Development of a sustainable network of business and financial partners in each country as well as stakeholders in the region through dissemination of results.

The projects are respectively executed by Youth Business Trust of Trinidad and Tobago (YBTT), Barbados Youth Business Trust (BYBT), Youth Business Trust Belize (YBTB) and Guyana Business Youth Trust (GBYT). Each project was financed via a non-reimbursable technical cooperation and a loan. This loan was for the capitalization of their respective microfinance programs. Each of these Youth Business Trusts by way of an agreement is defined as an Executing Agency (EA) and is responsible for:

- Implementation and management of the respective technical cooperation and loan operations financed by the MIF in accordance with the governing contracts;

- The provision of required counterpart resources to ensure achievement of the project and broader developmental objectives defined for each of the four technical cooperation programs.

Each of the Executing Agencies is a member of Youth Business International Network and at the time of this mid-term evaluation engages in financing and mentorship of young entrepreneurs.

### **Objectives of the Evaluation**

In summary an understanding of the Terms of Reference indicates the main objective of the mid-term evaluation is to review the work done since the inception of the projects and to make specific recommendations for improvement in its implementation. This includes a review of the activities that were to be implemented under the project to date. The mid-term evaluation will also provide lessons learnt which both the executing agencies and the MIF can incorporate into future project design and execution. Critically the evaluation is undertaken within an evaluation framework which addresses the key issues of relevance, efficiency, effectiveness and to a lesser extent sustainability.

Within this context the specific objectives of the mid-term evaluation are as follows:

- To determine the extent to which the objectives as defined in the logical framework have been met and the likelihood of achieving them upon project completion;
- To identify the Executing Agency's institutional strengths and weaknesses as the implementing agency of the project;
- To identify potential options for improving the project

Against the background of these specific objectives the evaluation will provide recommendations to improve and accelerate the execution and thus the likelihood of achieving its development objectives.

## EVALUATION FINDINGS

### Relevance

A critical issue to be addressed in project evaluation is that of relevance. Specifically, the issue of relevance will be analyzed in relation to the validity of the project design. Within the context of relevance one needs to firstly understand the theory of change underlying the design of this project. Theory of change is a representation of how an intervention is expected to lead to desired results. It can also be viewed as a representation of how an organization or initiative is expected to achieve results and an identification of the underlying assumptions made. A theory of change model typically has five components: inputs, activities, outputs, outcomes and impact. Against this background possible questions to ask with respect to the evaluated project are the following:

- Is the theory of change plausible, logical and coherent?
- Is the theory of change feasible, that is, are the capabilities and resources to implement the strategies possible to produce the outcomes?
- Are elements necessary and sufficient?
- Is it realistic to assume that the programme will result in the attainment of stated goals in a meaningful manner?
- What are the key assumptions being made?
- What else is going on in the environment that might help or hinder the intervention?

The appropriateness of the project design with regards to the problem to be addressed was assessed at two points in time; when the project was designed and at the time of this mid-term evaluation. The relevance of the project has been evaluated in the context of the overall socio-economic environment in each of the four countries as well as against the background of a common approach among member countries of the Caribbean Single Market and Economy regarding policies and institutional frameworks in support of building increasing competitiveness.

In summary, it can be concluded that:

1. The project strategy is plausible, logical and coherent. The programme has already effected positive change to the target group by **“creating economic opportunities and the generation of income”**
2. In strategic terms, the project fits into the national development strategy of the four countries. In addition, globalization and the need for competitive goods and services to capture international market share also demands that the region enhances all efforts at promoting entrepreneurship among its young population.
3. The project has the necessary but not sufficient elements for the successful implementation of the project. In the case of BYBT, GYBT and YBT there were existing institutional structure and institutional capacity for the implementation of the project. In addition these three (3) institutions had past experience in similar type initiatives. This was not the case with the YBTB which had limited institutional experience and lacked institutional capacity. In fact the reviewed office documents clearly indicate the YBTB was established to meet one of the main criteria for the implementation of the project. From review of the “Agreements” one can conclude that there was no real assurance that the necessary “counterpart resources” would have been made available in the stipulated amounts in a timely manner. The absence of such resources has significantly affected the implementation of some components of the project. In essence there was necessary but not sufficient resources, both human and financial, to achieve the objectives of the project.
4. In terms of the key assumptions and the question - is it realistic to assume that the programme will result in the attainment of stated goals in a meaningful manner?- it is imperative that one carefully examine items 2.05, 2.08 and 2.10 in the Annex of the Technical Agreement document which was signed between the “Beneficiary” and the “Bank”. A careful examination of these items will indicate some key assumptions. Item 2.05 assumes, firstly a ready pool of young entrepreneurs who can be easily reached exist in these countries. Secondly, all this group needs to start their businesses is training and financing.

Given the contents of item 2.08 the main focus is on business creation and is therefore consistent with the assumption in 2.05. In essence the assumption is, entrepreneurs exist and what is needed is specific business training for them to create and operate their businesses. However, in the case of 2.10 the focus reflects that of a project with more social objectives. The fundamental question which arises is, how do we meaningfully reconcile this situation and meet the "real needs" of these two different target groups – existing entrepreneurs and socially disadvantaged.

In principle this situation can be reconciled; however the difference must first be recognized. Recognizing this difference is important, particularly for designing the training component of the project. This point will be further developed under the section of the report which addresses the training component of the project.

5. What goes on in the environment may help or hinder the intervention. It is critical to mention that since the inception of the project the global and by extension, the regional macroeconomic conditions have changed fundamentally due to the global economic melt down. For example unemployment in Belize, Barbados, Guyana and Trinidad and Tobago now stands at 12.1%, 8.6%, 11%, 5.5%, respectively, when at the inception of the project it was 8.1%, 6.7%, 9.1% 4.2% respectively. It means the pool of unemployed and underemployed have significantly increased. The very reality makes the macro economic environment, one in which business startups and business sustainability, particularly for small businesses, much more difficult. It will also tend to slow down the rate of new business creation.

The existing difficult macro economic environment has also placed much more demands on the entrepreneurs who are mentors and effectively reduce their time for mentoring activities. The existing situation has also even made some mentors skeptical. These two realities were expressed in different ways by some of the mentors.

An example can be seen in the following statements made by mentors during the intervention:

- **“Due to the existing business climate the demands of my business have meant I have had less time for my mentee”.**
- **“Things are so hard and difficult I am very cautious to encourage anyone to start a business at this time of economic downturn. I am feeling it in my business”**
- **“Times are so difficult volunteerism is failing and dying”**

Notwithstanding these shortcomings, it can be expressly stated, the project design directly addressed several of the problems associated with entrepreneurial development in the respective countries. The designers' approach is based on an understanding that the existing problem is multi-faceted involving wider issues that are directly linked to the identified core problem.

This understanding has implications for the success of the project since the core problem can only be effectively solved if these related issues are also addressed. The key issue here is; if the project aims at removing the core problem - shortage of young entrepreneurs - it must of necessity adopt a holistic and multi-faceted approach and address both the supply side (in this case access to finance and training) and the demand side (in this case business networking and the cultural environment) issues. The project design effectively and directly addressed both the supply and demand side issues. In essence it addressed the core problem and all of its associated components, or to be more specific, the needs of the intended beneficiaries.

Socio-economic conditions have changed significantly since the start of the project. At the time of evaluation, unemployment levels continue to be high, poverty continues to be a major cause of concern and economic diversification continues to be a major priority for these countries. These conditions have in fact intensified the need for the project. These conditions indicate that the purpose and goal of the project are still very relevant, and the development of a pool of entrepreneurs is still a priority for the countries. As such there is no real need for fundamental changes in the project design.

### **Project Duration and Assumptions**

Relevance and adequacy of the project design should also be interpreted within the context of the time frame of the project, the activities that were to be undertaken to give effect to the stated project objectives and the local implementation capacity.

Firstly, the four (4) year time frame of the project seems reasonable enough to address the core problem and the other related problems so as to achieve the project goal. However, at the inception of the project the implementation capacity within the Executing Agencies of the four countries was not the same. As indicated before, such capacity was virtually non-existent within the targeted executing agency in the case of Belize. As indicated above the YBTB lacked institutional capacity; this constraint was further compounded by very limited institutional experience in the implementation of such project. This very fact would have suggested if the same project design was to be used there was a clear case for the project duration to be extended in the case of Belize. Hence it would have therefore been very challenging to achieve the outline project goal within a four year timeframe.

This then raises a critical issue within the context of the project design, that is, in the case of Belize was the project duration realistic given its three main components and the then existing, or lack of, institutional capacity.

Very often project duration is linked to the assumptions which are made about the external factors that are likely to impact on the project implementation process. Given the standard four-year time frame of the project, and the standard goal that is meant to be achieved at the end of project, one must infer that the project designers assumed the existence of adequate implementation capacity in all the countries. This was not the case with this project. The evaluators are of the view that if this assumption is unfounded, achievement of project goal and objectives would have required the project designers (in the case of Belize) to:

- i. Design, the project over a longer period knowing that it takes time to bring about socio-cultural change and build institutional capacity or;
- ii. Design a project with the same aim but with less immediate objectives involving fewer project activities.

Against this background one might conclude that the designers were not fully aware or did not give full consideration to the organizational / institutional realities of the executing agencies. In essence there was a lack of strategic fit between project duration, project activities and institutional capacity.

There is also another assumption in the Donors Memorandum which needs commenting on; it relates to item 2.10 which outline reasons why multinational corporations get involved in mentoring programmes as part of their interest in corporate Social responsibility (CSR). In part item 2.10 states; "several factors explain the particular interest shown by these large enterprises. Training young entrepreneurs is a well-tried method of building their own supply chains and strengthening local SMEs..... By transferring their knowledge and experiences to young people, they also enhance the pool of labor skills for recruitment purposes". This is certainly the case in the developed world where the economies are mainly driven by multinational corporations. The situation is completely different in small underdeveloped economies such as Barbados, Belize, Guyana and Trinidad and Tobago. In these economies SMES, many family-owned, are key economic drivers. The reality is one where there is dependency on a narrow range of products. Firms in this environment have a reduced tendency towards cooperation and collaboration.

In a small restricted market with enterprises producing the same products and limited opportunities for integration among their productive activities, co-operation among them is severely reduced. In fact, in such small markets there is more a tendency to 'cut-throat' competition, since competition is intensified because of the size of the market. Therefore in such an environment improvement of managerial and technological capabilities through inter-firm cooperation are severely limited. The Project Director at the BYBT is very conscious of this reality for she specifically indicated in our interview with her; **"I do not pair mentees and mentors who are in businesses which can compete with each other or their associates/partners"**.

This position of the BYBT Project Director reflects a very clear understanding of Caribbean socio-economic realities. This very reality has profound implications for the quality of mentors and the rate at which mentors will sign on to the project.

It will be a much more socially intricate and personalized process in the Caribbean when compared to the United Kingdom where the YBI concept originated. In essence this reality makes the mentor creation process a much longer one when compared to a larger economy which is dominated by multinational corporations.

### **Efficiency**

This concerns how well the various activities transformed the available resources into the intended results (sometimes referred to as outputs), in terms of quality, quantity and timeliness. As such this section focuses to a large extent on the different components of the project - training, mentoring, financial support and the establishment of sustainable networks. With reference to the project's logical framework these are effectively the main project activities.

### **Project start-up**

This aspect of the project needs to be examined within the context of certain critical occurrences before the implementation of the project. The Executing Agencies signed an agreement with the Bank to manage the project. Under the terms of the agreement, the third condition established the following:

"The first disbursement of the Contribution and the Financing shall be subject to the fulfillment, to the satisfaction of the Bank, of the conditions set forth in Article 2 of the General Conditions, as well as the following:

- (a) Evidence of the selection of the Program Manager.
- (b) Evidence of the conformation of a National Council.
- (c) Evidence of the adoption of the Program Operating Regulations."

Article Two of the "General Conditions of Applicable to Non-reimbursable Technical Cooperations" also established the conditions for the financial accountability of the fund by directing that:

- (a) The first disbursement of the Contribution shall be subject to the fulfillment of the following requirements, by the Beneficiary, directly or through the Executing Agency:
  - (i) Designation of the person or persons authorized to represent it in all acts relating to the execution of this Agreement, and submission to the Bank of

authenticated specimen signatures of such persons. If two or more officials are designated, the designation shall indicate whether they may act severally or jointly;

(ii) Submission to the Bank of a request for disbursement, justified in writing; and

(iii) Presentation to the Bank of a timetable for use of the Counterpart Resources.

(b) If within one hundred and eighty (180) days from the effective date of this Agreement, or within such longer period as the parties may agree in writing, the conditions precedent to the first disbursement established in this Article and in the Special Conditions have not been fulfilled, the Bank may terminate this Agreement by giving notice to the Beneficiary.

While the latter condition found ready compliance among the executing agencies, the appointment of the Program Manager proved to be particularly challenging for at least two of the executing agencies. The difficulty experienced in recruiting suitably qualified persons to this position resulted in significant delays in the commencement of the project. For example, the Program Officer for GYBT project was appointed some six months after the signing of the agreement, whilst the Belizean counterpart was appointed only after a temporary appointee had been in the position for approximately three months. In both instances, the inability to recruit a cadre of suitably qualified persons in the respective countries was cited as the reason for the delay in the appointments. Consequently, the delay in making these appointments severely hampered the agencies' ability to meet the project deliverables within the agreed period as established in the Logical Framework.

In terms of project start-up the situation in Belize was peculiar. Because the Belize Trust, as explained earlier, was established to manage the project, efforts were made to have the Program Director also function in the capacity of Manager of the Trust. This was due to the fact that in the early stages of the project the Trust was particularly concerned with minimising its operational cost due to the slow pace of raising the required counterpart funding.

At the date of visiting the office, as part of this evaluation process, this said situation still exists. This situation will be examined in more detail under the section which gives individual country synopsis.

In the Donors Memorandum Section B Item 2.9 is most interesting; it states

*"Youth Start Plan Limited (YSPL) in Belize, formed as part of a national IDB/MIF project, focused primarily on creating training opportunities for young people and secondarily to develop entrepreneurial ventures for youth. **The project started in 1997 and closed in 1999 with mixed results.** Youth Business Trust Belize (YBTB) was created last year utilizing the YBI model and building on the experiences of the earlier effort of YSPL. The pilot effort of YBTB was launched with resources from the United Nations Development Programme and the British Department for International Development (DFID) Small Grants Scheme".*

Item 2.9 certainly raises two fundamental questions. Firstly, did the project designers undertake institutional capacity assessment which should inform the project design and what was the finding/s of such an assessment? Secondly, did the newly formed YBTB have the requisite experience and institutional capacity to implement the Mentoring Model to Develop Young Entrepreneurs?

The evaluators are of the firm view the answer to the second question is in the negative, particularly when they examined the lessons learnt section in the PPMR for the YBTB dated 19 October 2009. Among others, three of the **lessons learned** that are listed in the said PPMR are:

- "1. **Institutional capacity.** Prior to consider an operation, assure the EA has the minimum capacity need it to be charge of an operation (institutional risk analysis).
2. **Avoid under-budgeted projects.** Assure the costs of the resources and activities required in the project are in line with local costs and have been included in the budget.
3. **Lack of training in project execution utilizing IDB standards** is a problem.

In summary these three (3) comments, above, indicate there was and still is a lack of institutional capacity within the YBTB.

## **Project Promotion**

The Logical Framework identified that specific initiatives be undertaken to facilitate the promotion of the project and the recruitment and training of mentors and entrepreneurs. The promotional initiatives included presentations, the production of promotional material and the publications of articles in the mass media. The consultants found that the BYBT was the most successful in meeting these deliverables. The BYBT offices hosted an impressive display of articles, photographs and evidence of events hosted by the BYBT in the pursuit of these objectives.

With respect to the recruitment of mentors, there was evidence to suggest that the influence of the Project/ Program Director played a significant role in the Trusts' ability to attract and retain mentors for the project. It was also noted that the size of the territory played a significant role in the Trust's ability to reach increased (and perhaps, deserving) members of the target group. For example, Guyana's 83,000 square miles and the 33,000 square miles of Belize dictated that the focus of the Trust be concentrated in the urban centres. The logistics involved in reaching the youth in the rural districts in Guyana and Belize proved to be way beyond the capabilities of the limited number of personnel employed by the Trusts. This limited institutional capacity resulted in the promotion of the project being concentrated in the urban centres of Guyana and Belize.

In the case of Trinidad and Tobago and Barbados the programme was promoted with a much wider geographic spread. In these countries the spread is within both the rural and urban centres. Actually in the case of Trinidad most of the businesses which have been funded to date are in the rural areas.

## **Training**

This is a major project activity which will be examined from the point of view of its relevance, delivery and programme content. Of necessity any training programme must be designed with a clear understanding of the respective target group which should also inform the objectives of the training. Specific reference to the project document<sup>1</sup> indicates that the project has a mixture of economic and social objectives and focuses mainly on business creation. In the context of entrepreneurial development programmes, those with economic objectives focus on business creation, while those with social objectives have as their main focus development of the entrepreneur. Business creation fundamentally involves matching people who have entrepreneurial characteristics with business opportunities and facilitating the business formation process. This involves identifying people who are entrepreneurs; in this case the focus is on the enterprise. Entrepreneur development fundamentally involves increasing the supply of people with entrepreneurial characteristics. It involves identifying people capable of being developed into entrepreneurs; here the focus is on the individual.

Strictly speaking the eligibility criteria outlined in item 2.10 within the Annex of the Agreement implies a programme with a strong social objective. It can be contended that only two of the eligibility criteria – (iii) have an economically viable business and (iv) apply personal skills or knowledge to the program - are economic and directly address business creation. Therefore the programme emphasizes social objectives. Given the eligibility criteria – underemployed or unemployed, socioeconomically disadvantaged, etc - and the underlying rationale – lack of resources to engage entrepreneurial activities – one can argue that such emphasis is logical. In the first place the achievement of these social objectives is developmental and therefore long term by its very nature.

Yet, the duration of the training programmes which were undertaken and the level of follow-up activities do not seem to be adequate for the promotion of such long-term developmental objectives. Particularly in an environment where business culture among the local population is yet to be cultivated; it would have been more logical to start at a grass-roots level with more emphasis on issues of attitudinal development.

---

<sup>1</sup> Refer to the Annex of the "Agreement" page 2 under the caption- Component II: Orientation, training and financial support to young entrepreneur initiatives. In particular item numbers 2.05, 2.08 and 2.10.

### Target Group and the Selection Process

In attempting to develop a supply of entrepreneurs for business creation, a starting point must be determined. The starting point is usually a selection process. Selection is introduced for two main reasons. First, it is neither practical nor desirable for everyone to aspire to be entrepreneurs and so development should be directed towards those most likely to become interested and pursue the career. Secondly, there may not be sufficient resources to develop all those who desire to become entrepreneurs; therefore the resources should be spent on those most likely to succeed. The assumption is made that it is possible to identify those with the most potential to become entrepreneurs and to create businesses.

In terms of selection, the project document outlined certain eligibility criteria to guide the process. It specifically stated, ***“The selection process for potential young entrepreneurs will typically begin with the initial consultation or “expression of interest”, followed by an individual interview by program staff. If the youth is considered to have an original and worthwhile business idea that is, in principle, economically viable within the parameters of the Program, the young person will be eligible to participate in the program training courses”.***

There is a fundamental challenge with the outlined process. The last sentence clearly addresses the case of business creation and a focus ought to be on the enterprise in which case specific training will be needed. Certainly there will be other scenarios in which case there will be the need for training which extends beyond business creation and the enterprise. Given this reality there should be the need for, not a single, but multiple, selection processes, with each process having its own pre-determined methodology.

Against this background with the exception of BYBT there were no clear guidelines or criteria used by the project coordinator or the agency to guide the selection of participants for the training programmes. Thus, the actual **beneficiaries** of the training consisted of a mixture of unemployed, employed, socio-economically disadvantaged and individuals of varying educational and social background.

Against this background of a mixed target group the issue of selection of programme beneficiaries happens to be one of the very controversial aspects of the project in the sense that there was no real objective selection process for choosing the trainees in Belize, Guyana and Trinidad and Tobago.

Comments by some of the participants when asked, **“how and why did you attend the training programme”**, give an indication as to how selection was undertaken.

A few of the responses were:

- i. “Because it was convenient at the time and I thought that there is never too much training”.
- ii. “I saw an ad in the newspaper and I enquired and was accepted so I attended the training”.
- iii. “I was told about the programme by a friend and since I had nothing to do I attended”
- iv. “We were informed and selected by the coordinator so we attended”.
- v. “The training was advertised and it was very cheap so I decided to go and see what it was about and it was real good”

These comments indicate that the training programme was available to anyone who wanted to attend regardless of their interest, background and commitment to being an entrepreneur. In some cases there was no profile of the participant on which selection and screening could have been based. Screening narrows the potential target group for a training programme. The fact that this was not done meant implementation of a less selective programme; this no doubt negatively affecting the efficiency of the programme and its final outcome. Further, the less selective a programme the more remote is the connection with resulting business. While it is true that entrepreneurial capabilities can be developed in a wide variety of people regardless of their background, not everyone is capable of becoming an entrepreneur and the cost of developing some groups is higher than it is for others.

Within this context appropriate selection techniques would have certainly improved the results of the overall programme; although it is not always true that those who do not pass the selection test cannot become entrepreneurs.

## Training Programme Content and Methodology

The general content of the training component of the project was outlined in the Annex of the Agreement; in essence the content was pre-determined and the approach outlined was a universal one. However, to some extent the nature of the market and the target group dictate the scale of business operations that can be contemplated. The scale of operations in turn has ramifications for the intensity of entrepreneurial characteristics, range and depth of management techniques and skills, sophistication of the feasibility analysis and business plan, depth of technical knowledge and skills. Nevertheless, at the country level all of the beneficiaries were exposed to the same course of training. However, the very composition of the groups of beneficiaries clearly indicates that there was need for different courses of training. For the management and training requirements of these groups differ substantially; and the technical knowledge and skills required for the different groups is also totally different. In essence for an entrepreneurial development programme to be of maximum benefit to groups of such varied characteristics, the programme ought to be different for each group. However this approach was not used for the implementation of the programme. Instead, a universal as opposed to a specific approach was used.

This situation of mismatch of target group and training programme was further compounded by the fact that the programme had multiple objectives - economic and social. For where the emphasis is on economic development and creation of businesses the target group should be people with relevant technical and managerial experiences and the desired commitment, as indicated by interest and access to personal resources. Whereas in the case where emphasis is on first time entrepreneurs without business or technical experience, as the target group should have been, there has to be emphasis on the development of latent behavioural and technical potential so as to promote self confidence and initiative to the point where the individual can undertake enterprise.

This difference in needs is better understood if the potential entrepreneurs are looked at not on the basis of socio-economic groupings but rather on what development needs they have. This can be demonstrated by examining the characteristics of the beneficiaries.

For example a small business owner may need operational competence, an unemployed may need self-confidence and a business idea and a farmer may need resources. Operational competence can be addressed by technical and management training; self-confidence can be addressed by motivational and behavioural training, a business idea can be generated by training aimed at opportunity guidance. Access and preparation to win resources can be improved by training in feasibility analysis, business planning and financing proposal writing. The mixture of the target groups with such great variation of characteristics meant the course of training would not have addressed the immediate specific needs of the beneficiaries.

Such a programme should be designed after the undertaking of a needs analysis of the proposed target group followed by careful construction of the required components. Since the topics and the depth of coverage must be determined by an analysis of what is needed to manage an enterprise of the scale aimed at successfully. This **“needs based approach”** is particularly needed in an environment where business culture among the local population is yet to be cultivated. In this said context, motivational training is indispensable for target groups that do not have a tradition of business enterprise. The BYBT did adopt this **“needs based approach”** to its training programmes. In the project document the content of the training programme was outlined, but the duration of the implementation to match the said programme was not indicated. The EAs should have determined the duration and the most appropriate methodology for the delivery of the training particularly given that the EAs directly select the participants for the training programme. For the actual implementation, in some countries there were minor modifications to the content of the programme as outlined in the project document; but it was fundamentally the same as that which was indicated in the project document. In the countries the duration of training per topic varied from a minimum of three (03) hours to a maximum of eight (8) hours. This training period is short for a programme of this nature.

It was noted that in Trinidad & Tobago, the YBTT outsources the training of its entrepreneurs to a partner institutions the National Entrepreneurship Development Company (NEDCO). It will also appear that the design of these training programmes is not influenced by the content as defined in the project document.

The focus of the NEDCO training programme is on Business Planning, Book Keeping and Marketing. For more details on some specifics of the training programme see table 1 below. The table below gives an idea of the deliverables with regards to the training and the status of each country.

**Table 1 – Summary of Training Deliverables**

Country	# of training events for potential and existing entrepreneurs	Length of Training Session	# of Entrepreneurs trained	# of Business Creation	Average number of jobs created per Business
<b>Project Deliverable</b>	<b>36</b>		<b>Approx 288</b>		
Belize	2	8 hrs	N/A	24	Mainly self employed
Barbados	8	8 hrs	41	N/A	3
Trinidad	2	8 hrs	418	N/A	N/A
Guyana	4	3 hrs	87	8	2

At BYBT training is delivered in one day sessions. Different facilitators are engaged according to the focus of the subject matter. All entrepreneurs as well as mentors are invited to attend training sessions. Through these sessions mentors are able to glean an idea of what entrepreneurs are exposed to. Our document review indicates that the structure and content of the training programmes for entrepreneurs are well structured and relevant, however a concern must be whether one day is sufficient for entrepreneurs to appreciate the content of the module being taught and develop the competencies that can affect one's behavior for long term business sustainability.

For example a BYBT training session conducted in Entrepreneurial Training included the following topics: Characteristics of Entrepreneurial Training, Reality, Attributes, Research Finding, Philosophy, Evaluating your Business Skills, Not so Learnable, Managing People, Directing Business Operations, Directing Sales and Marketing Operations, Setting up a

Business, Where can you acquire the necessary skills, Job experience, Club activities, Listening to friends, Family relationships, At home and How to find help.

This outline though very relevant and critical to a nascent entrepreneur is very intense and even more so for a day's session. The duration of training definitely needs to be re-evaluated so that sessions are broken into several sessions which will facilitate a process where more conversation, simulation and learning can take place rather than sessions of a traditional lecture style.

Additionally participants have supported this notion that the training sessions are too short to fully encapsulate all relevant topics in a training session. After reviewing the evaluation forms completed the most frequent comments were, **"training session was very beneficial but generally needed to be longer"**, **"more time needed"** and **"overall more time needed for discussion"**. There is a similar finding in Belize where on examination of the content of the programme what appears to be a four to five day programme is condensed into a one day session.

In the case of Guyana where training sessions are conducted by one facilitator it can be found that this essentially limits participants' exposure to varying perspectives as it relates to the respective subject matters. However Guyana has also embraced an alternative approach in which entrepreneurs are required to complete a nine-week<sup>2</sup> training program before submitting a business plan. The training is geared specifically towards preparation of the business plan subsequent to which entrepreneurs receive a certificate of participation which gives the green light to put in the application for financing.

In concluding this section on training content and methodology it is imperative that the evaluators make two summary comments that relate specifically to the duration of the training and approach to evaluation of the said training. There is;

- The need to review the duration of the training for the entrepreneurs;
- A need to have a more systematic approach to the evaluation of the training conducted.

---

<sup>2</sup> The nine weeks consist of two three hours sessions per week.

### Training duration and methodology

The duration of the training seems inadequate or at least questionable given the subject areas, the general average duration of such programmes and the overall objectives of the programme. Particularly since the achievement of social objectives are developmental and long term the duration of all the training programmes was not adequate for the promotion of these long term developmental objectives.

The inadequacy of training duration is apparent given that training programmes for entrepreneurs (without technical training components) usually average about 160 hours of classroom activity, which may last from four weeks of full-time training to up to two years of part-time training with technical training and field experience interspersed. Generally, the average programme is conducted over a period of eight to 12 weeks; and implementation and follow-up may last up to one year after the training.

The duration of the training clearly had implications for the specific methodology that could have been used for the training. The educational methodology used was lectures, which is a teacher-centered technique of imparting knowledge. Since the programme was aimed at producing independent, self-reliant individuals the educational methodology should have favoured trainee-centered techniques and placed emphasis on approaches such as case studies and real - life projects. This was necessary since straight lectures have limitations in the teaching process. However it was probably the most appropriate technique given the duration of the training, since trainee-centered techniques are more time consuming.

Case studies would have been particularly effective since most of the exercises can be designed around a business plan. With this approach the individuals not only learn but at the same time they will be completing their business plans. However, it would have been difficult to use this technique given the limited number of hours, which comprised each training programme. Also the fostering and development of entrepreneurs depend upon practically linking the potential entrepreneur with a suitable, viable, business opportunity which can be effectively demonstrated with the use of case studies.

Within this context a selection of feasible opportunities, relevant for different locations and in varying investment sizes can be used in order to stimulate local interest and finalize appropriate project plans.

There are two other limitations of the methodology that was used. Firstly, is the fact that it did not allow for an intensive, comprehensive business planning activity wherein prospective entrepreneurs were subjected to the discipline of collecting, analysing, presenting, defending and promoting all aspects of what is necessary to start and operate their business. Experience has shown that such an approach is one of the most indispensable elements of a successful entrepreneurship development programme. Secondly, it did not allow for field trips to selected business enterprises so as to expose trainees to the operational conditions. Such field trips are particularly useful for individuals, such as the project target group, who lack business skills and experiences.

### **Mentoring**

At the outset it must be stated the mentoring component is a very innovative aspect of the project. This aspect clearly indicates that the designers of the project understand that the effective promotion of entrepreneurship is multi dimensional and goes beyond the traditional supply-oriented approach to enterprise and entrepreneurship development. It embraces both the "hard" and "soft" aspects of human development. This component of the project involves, **"promotion of business mentorship model as well as the engagement and development of a cadre of business mentors to work with young entrepreneurs"**. The "Agreement" between the respective parties clearly and specifically outlines the characteristics sought in a mentor and the process to be undertaken for them to become mentors for the project. Given the general outlined framework in the agreement, at a very minimum, there was then the need for the EA to undertake establishment of the following:

- Specific guidelines for the mentorship recruitment process; and
- A training programme aligned to the proposed role of the mentors.

Given the centrally important role of this component of the project the Executing Agencies should have had a clearly defined, systematic and transparent system to facilitate the above, in particular, selection of the mentors. The review of documents at the Executing Agencies during the evaluation process, with the exception of the BYBT, indicates this is not the case. In essence a formal structured system for mentor recruiting is lacking and the “process” which is used is very informal and unstructured.

The BYBT has a well structured and systematic process for the recruitment of mentors. In fact the BYBT has effectively turned this process into a very logical and sequential one. Its mentorship recruitment process has eleven (11) clearly defined steps which begin with the identification of partner organizations and concludes with the assignment of the mentor. Within this context the BYBT also has three (3) different classifications for its mentors which are as follows:

- One-on-One Mentors;
- Group Mentors ; and
- Specialist mentors.

The One-on-One mentor works with an individual for a maximum of three (3) years. Group mentors work with a group over a maximum of three years; whereas the Specialist mentor works as a subject matter expert who is assigned to a specialist matter, such as taxation and law, and work is done on a project basis, that is, with a clear start and end point. It has also created a structured forum for the networking of mentors, mentees and partners which is facilitated by business meetings. These Business Club meetings take place every three (3) months involving mentors, mentees, and partners. It is also a forum where mentors and mentee exchange and share real experiences; this is effectively a forum for entrepreneurial learning. There is also a structured system in place to facilitate feedback between the mentors and the agency (BYBT). In essence the BYBT has a system which makes maximum use of the mentorship process. There is always a Guest Speaker at these meetings discussing a topical issue, most times of particular interest to the business community. Very often the mentees are given the opportunity to chair these sessions. These sessions also effectively facilitate the development of a sustainable networking for the young entrepreneurs.

Unfortunately in the case of the GYBT, YBTB and YBTT there is no structured forum for the networking of mentors, mentees and partners. There is also no structured system in place to facilitate feedback between the mentors and the agency in these respective countries. This is a fundamental flaw in the execution of the mentoring component of their respective projects.

With regards to mentor training all countries have different and distinct approaches to training for Mentors. However BYBT is the only one with a systematic approach to the training, recruitment and assignment of their Mentors. The content of the mentor training is well structured, focusing directly on relevant areas of mentorship, the process and responsibilities. Training sessions span one day, and topics include:

- What is Business Mentoring
- Who is a Business Mentor
- Mentoring Programme - History, Structure, Mandate, Expectations, Matching, Signing Agreement, Monitoring, Exit Strategy
- Main Roles of a Mentor
- Mentor Support
- Developing and Maintaining Relationships
- Why is Business Mentoring vital to the success of Young Entrepreneurs
- Profile of an effective Business Mentor
- How to become an effective Business Mentor
- Benefits to the Business Mentor

Within the context of the challenges which the EAs are having with the mentorship component of the project the Regional Coordinator has undertaken a number of training sessions for mentors, on behalf of the EAs, in Belize, Guyana and Trinidad. Her approach reflects sharing of the vast experiences and promotion of the lessons learnt based on the varied experiences which the BYBT has in this component of the programme. This approach is certainly in-keeping with the Donors Memorandum section IV which deals with Executing Agencies. Item 4.2 states, "a Regional Coordinator of the program will be used to facilitate each country's progress and the exchange of experiences and lessons among the projects".

The conducted training sessions were aimed at:

- a) Motivating mentors, and
- b) Getting mentors to “Understand their mentorship roles.

Review of the Regional Coordinator's report indicates that generally these training sessions focused on the following areas:

- Expectations of mentors/ confidentiality/trust
- What do you think we want you to do as mentors
- What is business mentoring
- Who is a business mentor
- Profile of an effective business mentor
- Duties/responsibilities
- Exit Strategy
- Evaluation (internal, use of BYBT's )

Interestingly, in one of her reports the Regional Coordinator noted that from experience there were two types of persons to screen out when recruiting business mentors. These are:

- Altruistic – I have so much to give; I want to put something back; I want to stop my mentee making the same mistakes I did. Often it is self indulgence and self-focused.
- Helper syndrome – usually over attentive, drawn to these types of roles to avoid confronting their own problems/painful issues. Have found that they can also project their own problems onto their mentees.

She noted in the said report, “the most effective mentors are the ones who see the opportunity for themselves to grow and develop”.

**Table 2 – Summary of Mentor Training and Assignment**

Country	# of Training Sessions for Mentors	# Of Mentors Trained	# of Mentors Assigned
<b>Project Deliverable</b>	<b>16</b>		<b>65</b>
Belize	2	41	13
Barbados	4	47	32
Trinidad	3	27	11
Guyana	4	34	4

As indicated earlier, the YBTT outsources this component of its training to partner institutions. Three (3) sessions have been held over the last eighteen (18) months.

### **Key Project Management Issues**

Management of the overall project was vested in the Executive Agency whose activities were overseen by a Board of Directors and a Credit Committee which comprised members of the Board.

#### **Belize**

In the case of the YBTB a Board of Patrons was initially set up to provide advice and guidance and secure funding for the project while the Board dealt with strategic issues affecting the project. These two bodies were eventually merged into a single Board of Directors. This arrangement is certainly problematic given what is outlined above where the Program Director also functions in the capacity of Manager of the Trust. It means that this single individual is responsible for all the key activities of the YBTB and the MIF project; and reports to a single Board of Directors which oversees these two distinct entities.

Concern about this dual relationship was highlighted by YBTB Board and the Regional Coordinator. The concern was reflected in the YBTB Board minutes of 23<sup>rd</sup> March 2007 which states, under the Agenda Item Office Budget and Operations,

“The BOD discussed the financial burden of hiring a General Manager on par with the \$5000 pcm allocated for the IDB Project Manger<sup>3</sup>. It was agreed that it was unrealistic to pay the GM less than the PM as the PM reports to the GM”.

The said concern was reflected in the Regional Coordinator's Report of her visit to Youth Business Trust Belize which took place over the period January 7-10, 2008. The Regional Coordinator's report stated,

“ the RC questioned the role of the Project Director vs. the Program Manger and made the point that the Program should have a manager separate from the project Director's post. She recommended that this be looked at in the future”.

The said report also stated,

“ the question of ongoing fund-raising was also discussed as there is no provision in the IADB project for the Project Director's salary for the final year of the project”.

The situation has certainly contributed to the weak administrative and management systems which were evident at the YBTB office. Based on discussions with the Project Director it was clear the challenge was one of capacity and not one of lack of competency. Given the responsibilities of the Project Manager as outlined in item 4.3 of the Donors Memorandum it is difficult to understand how a single individual will effectively undertake these two portfolios. This arrangement effectively means the project is still in need of a Project Manager and the necessary staff if the organization is not going to operate at a sub-optimal level. It is also a difficult organizational arrangement with blurred lines of authority and responsibility. This bureaucratic arrangement has the real potential to compromise the accountability and transparency of the project.

---

<sup>3</sup> In keeping with the IDB project document this must be interpreted to mean the Project Director

## Guyana

In Guyana, the GYBT evolved out of the Institute for Private Enterprise Development (IPED) which was established twenty-four years ago using funds made available through the United States PL480 program and with assistance from USAID, the Pan American Foundation and the Guyanese private sector.

The Board of Directors of IPED also provides oversight for the GYBT operations and the Chief Executive Officer of IPED also functions in the dual role of Executive Director of the GYBT.

According to the Executive Director, "IPED was developed with the philosophy that Guyanese had a peculiar culture of non-repayment of loans granted by government-funded institutions and that success of the institution would necessarily be based on the insistence of collateral and the application of interest at market rates for all loans". Since this strikes against the core principles on which the Youth Business International (YBI) was founded, the Board of GYBT made successful representations to the YBI to facilitate the use of collateral requirements and market rates for the dispensing of loans to entrepreneurs. In essence the IDB project was made to fit within the existing institutional framework of IPED where there was adequate capacity and requisite experience. There was no fundamental change to its institutional structure<sup>4</sup>.

## Trinidad and Tobago

In keeping with the Donors Memorandum, in the case of Trinidad and Tobago and Barbados a National Council to oversee the project was established<sup>5</sup>. The Chairman of the National Council (and Board of Trustees) is distinctly different to the Chairman of the Board of Directors of the YBTT and the BYBT; however the Chairman of the National Council (and Board of Trustees) is a member of the YBTT and the BYBT Board. This indicates there are clear lines of entity demarcation for administrative and management purposes.

---

<sup>4</sup> This will be further discussed in the following section - Philosophical dilemma.

<sup>5</sup> In the case of Barbados it is referred to as the Board of Trustees

The YBTT and the BYBT also has its Executive Director and there is also a Project Manager who manages the IDB project activities in keeping with the project plan. In both cases the IDB Project Manager reports to the Executive Director.

The projects are therefore managed within the BYBT and YBTT institutional frameworks which had some "minimum" institutional capacity but certainly much experience in working with youths in the area of entrepreneurship in the widest sense. In terms of the three specific components of the programme it is fair to say they also had much experience in component II and limited experiences in components I and III of the Project Document.

Against this background review an examination of their office documents indicates there are structured management and, to a lesser extent, accounting systems. As expected, the organizations are documenting their day to day and strategic operations which help the knowledge management process. This is reflected in the systematic documentation of, among others, operational plans, loan portfolio records, semi annual reports, and minutes of Board and Committee meetings.

However, there is room for improvement particularly the need to keep the data sets current so as to facilitate timely decision making. In all of the projects there is an urgent need for the streamlining and updating of the accounting and financial systems for the effective management of the projects. Particularly since the Donors Memorandum states the EAs, "shall maintain an appropriate system of internal accounting and administrative controls. The accounting system shall be organized so as to provide the necessary documentation to permit the verification of transactions and facilitate the timely preparation of financial statements and reports'. In all of the EAs this challenge is related to the institutional capacity within the respective agencies and the need for greater emphasis on project monitoring and control which has been very lax. This is of particular concern to the evaluators from the points of view of accountability, transparency and sustainability.

For comparison, in terms of organizational structure, it is observed the GYBT's position is directly opposite to that of the BYBT and YBTT. The BYBT and the YBTT made adjustments to their institutional frameworks to accommodate the IDB project, the GYBT did not. One can contend that there was fundamental change to their institutional structure with the creation of the National Council and the Board of Trustees. It could be argued, for the GYBT structure informed strategy; whereas for the BYBT and the YBTT strategy informed structure. In the case of the YBTB a structure was hurriedly put together just to facilitate execution of the project. Generally, structures and strategy have philosophical underpinnings which shape and influence the actions and decisions which are made within the organization. This line of thinking leads the evaluators to the next section of the report - Philosophical Dilemma.

### **Philosophical Dilemma**

It would appear that the Trusts are faced with the dilemma of finding the delicate balance between their social agenda and a financial/commercial agenda. This dilemma is examined initially within the context of the missions of these organizations. The mission statement of the four Executing Agencies - BYBT, GYBT, YBTB and YBTT are outlined below: In the case of Belize (YBTB) it is,

*"to facilitate the creation of viable youth enterprises that would provide new opportunities, foster self confidence and contribute to the sustainable economic development of Belize".*

In the case of Barbados (BYBT) it is,

*"to help young people who would not otherwise have had the opportunity to develop their self-confidence, achieve economic independence, fulfill their ambitions and contribute to their community through the medium of self-employment and job creation".*

In the case of Guyana (GYBT) it is to,

*"develop and promote youth entrepreneurship as a sustainable mechanism to overcome poverty by sharing our wealth of experience, skills and resources in order to create an environment for individual achievement".*

In the case of Trinidad and Tobago (YBTT) it is,

*"to help people who would not otherwise have the opportunity, to fulfill their ambition and contribute to the community through the medium of self employment and development of their self-confidence".*

A careful examination of these mission statements will reveal that the YBTB mission centers on business creation, in essence it is business creation driven. It can be argued the mission in and of itself is short term and output driven. In the case of BYBT and YBTT the mission focuses on a real desire "to help people" reflecting a strong social orientation. This is a more medium to long term orientation. In the case of GYBT the mission focuses on the entrepreneur and sustainability. This is clearly a long term orientation within the context of sustainability. In essence the BYBT and YBTT missions are underpinned by a social philosophy, GYBT's mission is underpinned by a commercial philosophy, whereas, YBTB's mission is underpinned by a philosophy which is a mixture of social and commercial considerations.

The management of the loan portfolios must be examined and understood within the context of the philosophical underpinning of the EAs operations. It is good to start with the GYBT whose operation is underpinned by a clear long term commercial philosophy grounded within the context of sustainability. In Guyana, the Institute for Private Enterprise Development (IPED) adopted the philosophy that Guyanese had a peculiar culture of non-repayment of loans granted by government-funded institutions and that success of the institution would necessarily be based on the insistence of collateral and the application of interest at market rates for all loans. While such an approach may appear to be extremely conservative, the Board of Directors is convinced that this is the foundation on which IPED's sustainability has been built.

As a result, when the GYBT was established, its loan philosophy also incorporated the requirement for collateral on loans. This is clearly the behaviour of an organization whose mission is underpinned by a commercial philosophy. Since this strikes against the core principles on which the Youth Business International (YBI) was founded, the Board of GYBT made successful representations to the YBI to facilitate the use of collateral requirements and market rates for the dispensing of loans to entrepreneurs. It was noted that while collateral requirements were waived for loans granted to young entrepreneurs under the MIF facility, market rates were still applied. Additionally, the consultants noted that the GYBT commenced the training of entrepreneurs in June, 2009 (more than two years after the agreement was signed). The lengthy delay was attributed to the preparation of materials for the training of mentors and entrepreneurs as well as the delay in the appointment of a program officer, as indicated earlier.

As a result, only eight (8) loans were approved with seven (7) of those having been disbursed at the time of the evaluation.

It was noted that while collateral requirements were waived for loans granted to young entrepreneurs under the MIF facility, market rates were still applied. The evaluators also noted what appeared to be an extremely conservative approach to the Trust's lending policy in that of the eight (8) loans granted, six (6) were related to traditional businesses such as vending and retail sales. There appeared to be some limitations in the Trust's capability to evaluate proposals that focused on internet / IT-related businesses.

This has implications in the longer term for the dilution of the quality of the loan portfolio and can also increase the risk of survival among the entrepreneurs' businesses given the proximity and similarity of these businesses to each other.

Given the relatively late start to the project in Guyana, the issue of delinquency has not yet arisen. However, it is worth noting the concern expressed by the Chief Executive Officer of IPED who also functions as the Executive Director of the GYBT. In making the case for a less liberal approach to lending to young entrepreneurs, he indicated that "if you give a client a loan that goes bad, then that smears the client's record indefinitely." In summary all of the policies, procedures and decisions made by the GYBT, in relation to the financing component of the project, are driven by a strong commercial / free market philosophy.

The other Trusts – BYBT, YBTB and YBTT adopted a much less conservative approach in their lending policies and management of the loan portfolios. The very nature of their mandate as expressed by the mission statement meant policies, procedures and decisions relative to the financing component of the project had to be made within the context of social and commercial/market considerations. This is the essence of the philosophical dilemma. The fundamental question is, as organizations with a social orientation aimed at "helping" young people where do we strike the balance. In a very practical sense this is certainly a difficult balance to strike. In fact in an interview with one of the project managers, the individual stated, "how can we be helping individuals and at the same time subject them to rigid financial and commercial discipline; it is about helping to build human capacity".

However, this said manager agreed there was a need to address the delinquency within the loan portfolio. These two conflicting positions are reflective of the philosophical dilemma.

As an example, this strong social orientation which is at the heart of the philosophical dilemma is reflective in the BYBT monitoring activities. In the case of the BYBT while notices are sent to remind entrepreneurs of outstanding payments, as long as the entrepreneur maintains communication links with the office, the BYBT does not classify the entrepreneur's facility as being in a state of delinquency and does not initiate collection proceedings. Even if this is reflective of some basic level of monitoring it is certainly at variance with the sustainability of the project.

Of the forty (40) loans granted to date, the office has been unable to maintain contact with only one of the entrepreneurs and collection proceedings are being considered.

For the BYBT, maintaining "good" relationship with its entrepreneurs is paramount. This relationship appears to be facilitated in the main, by the following two factors:

- The strength of its mentorship programme; and
- The relatively small size of the country which facilitates easy identification and access to individuals through a network of family and community relationships.

In fact the smallness of the societies compounded the philosophical dilemma. The main beneficiaries of the financing can be classified as operators within the SME sector within this sector there is the dominance of informal agreements. The dominance of the informal agreement is related to the smallness of the society where relationships are often based on trust, for the closer the degree of social distance the greater the degree of trust. Also, given the strong network of relationships within the society contractual relationships will be particularly difficult to administer.<sup>6</sup> It ought to be understood that this sociological reality underpinned by a strong social philosophy negatively affected the process of monitoring and controlling of the loan portfolio.

---

<sup>6</sup> Benedict 1967, p.52 from the book "**The problems of smaller territories**" indicated, in small societies contractual relationships face difficulties for where one is doing business with one's relatives, friends and neighbours it is difficult to apply impersonal standards.

However, all of the EAs could have adopted the position taken by the GYBT to underpin the project with a clear commercial philosophy. Given the existing mission statements of the other EAs; this position would have had to be sanctioned and accepted at the strategic level of the EAs. The fact that the EAs did not adopt this GYBT philosophical position increased the risk exposure of the loan portfolio. At this inflection point there is an opportunity for all the key stakeholders to learn from this philosophical dilemma. It indicates to us that development projects of this nature must be aligned to the executing agency's philosophy and by extension its mission. Any approach which is opposed to this one is clearly a project risk.

### Logical Framework

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTT
1. Promotion and development of business mentors based on the notion of corporate social responsibility	Number of mentors trained and assigned to young entrepreneurs. Number of mentors trained and assigned by the end of the project				
1.1 Recruit and select mentors	<p>Number of presentations / events targeting potential mentors in the first year; # in the second; # in the third; and # in the fourth, each one including 30 participants.</p> <p>Production of promotional materials for the mentors including 1500 basic brochures with information.</p> <p>Number of articles in mass media in the first year; No. in the second; No. in the third; and No. in the fourth.</p>	24	3	15 (> 600 Persons)	14
		mentor brochure developed	mentor brochure developed	not actioned	mentor brochure developed
			10 TV; 8 newspaper releases	25 Radio & 5 TV interviews	9 articles

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTT
1.2 Train and motivate the mentors	<p>Develop and enhance training materials for mentors within six months after project commencement.</p> <p>Number of training events for potential mentors in the first year; No. in the second; No. in the third; and No. in the fourth, each one including 15 participants.</p> <p>Replication of 200 copies of didactic mentors handbook.</p> <p>Number of mentors committed and assigned to a young entrepreneur in the first year; No. in the second; No. in the third; and No. in the fourth.</p>	<p>Done</p> <p>4 (47 trained)</p> <p>handbook developed</p> <p>32 assigned; 8 awaiting assignment</p>	<p>Done</p> <p>4</p> <p>handbook developed</p> <p>34 on database</p>	<p>Not auctioned</p> <p>2 (41 trained)</p> <p>not actioned</p> <p>13 assigned; 21 awaiting assignment;</p>	<p>Training outsourced</p> <p>3 (13 trained)</p> <p>not actioned</p> <p>11 assigned</p>
1.3 Develop a database for registering mentors	A developed and updated database with pertinent information about the participating	actioned	actioned	actioned	Not actioned

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTT
	mentors.				
1.4 Strengthen network of mentors	At least 2 business club meetings for mentors in the first year; 3 in the second; 3 in the third; and 3 in the fourth.	Qtly. meetings held	2	1 meeting held	2 meetings held
	Develop and disseminate periodic newsletters for mentors.	5qtly. newsletters developed	not actioned	newsletters sent	1 electronic newsletter
	Exacerbate				
	Develop and update directory of mentors from database.	actioned	actioned	not actioned	not actioned
	At least 1 event for mentors in the first year; 1 in the second; 1 in the third; and 1 in the fourth.	actioned	not actioned	1 business club meeting	2 business club meetings
	Number of certificates of recognition for mentors awarded by the end of the project.	Certificates awarded	not actioned	Certificated presented at YBTB's AGM	not actioned

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTT
2. Monitoring, training, and financial support for young entrepreneur initiatives	<p>Number of new businesses created by young entrepreneurs by the end of year 2.</p> <p>Number of new businesses created and sustained by young entrepreneurs by the end of the project.</p>				
2.1 Outreach and promotion to potential young entrepreneurs	<p>Number of presentations / events targeting potential entrepreneurs in the first year; 6 in the second; 6 in the third; and 6 in the fourth, each one including 50 participants.</p> <p>Production of promotional materials for potential youth entrepreneurs including 2500 basic brochures with information.</p> <p>Number of articles in mass media in the first year; No. in the</p>	27	2		18
		brochures prepared	brochures prepared	not actioned	brochures prepared
			6 stories on TV on entrepreneurs		

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTI
	second; No. in the third; and No. in the fourth.				
2.2 Business training to young entrepreneurs	<p>At least 2 training events for potential and existing entrepreneurs in the first year; 2 in the second; 2 in the third; and 2 in the fourth, each one including 20 participants.</p> <p>At least 90% of the training events will be in the following areas:</p> <p>Basic bookkeeping, skills and attitudes for success in business, business plan development, market study / pricing, marketing definition of product and service. The other 10% will focus on legal and statutory requirements for small businesses such as BIR , NIS and VAT requirements</p>	8	4 done in 2 <sup>nd</sup> year	2	2

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTT
	etc.				
2.3 Analyze business initiatives of young entrepreneurs	A developed and updated project registry / database with pertinent information about the young entrepreneurs.	Registry available	Registry available	Registry available	Registry available
	Number of expressions of interest received from young entrepreneurs in the first year; No. in the second; No. in the third; and No. in the fourth.	412	145		868
	Number of young entrepreneurs fulfill eligibility criteria for starting a business in the first year, No. in the second, No. in the third and No. in the fourth.		87 persons trained		
	Number of business plans are received in the first year; No. in the second; No. in the third; and No in the fourth.	136	49		129

--

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTT
3. Development of a sustainable network and dissemination of the results.	A wide range of representatives of the private sector, public sector and civil society made aware of the results of the project.				
3.1 Dissemination and promotion activities	<p>An annual regional conference in each of the four years of the program, each one including at least 100 participants.</p> <p>National seminars held annually commencing in year two through year four.</p> <p>Number of case studies developed each year.</p> <p>Number of hits per month to the project website.</p>	<p>2 national conferences held</p> <p>10 cases developed</p>	<p>Annual Conference held</p> <p>Not actioned</p>	<p>25 cases developed</p>	<p>Annual Conference held</p> <p>2 national conferences held</p> <p>2 cases developed</p>
3.2 Develop alliances	Alliances with private companies, technical and educational institutes, NGOs, public sector and international organizations.	Extensive network developed			3 Alliances formed

	Targets	Results to date			
		BYBT	GYBT	YBTB	YBTI
3.3 Institutional strengthening through the exchange of lessons learned and sharing of best practices	<p>Annual meeting of participating organizations.</p> <p>At least each staff / trustees trained in fundraising, writing case studies, website maintenance, use of media, building partnerships, etc.</p>				

## Evaluation of the Implementation of Activities Identified under the Logical Framework

The goal of the project as identified in the Logical Framework is ...

*"To increase economic opportunities and generate income for young people interested in becoming entrepreneurs but who do not otherwise have the opportunity".*

The purpose of the project is defined as:

*"... to improve and extend the outreach of the Youth Entrepreneurship model through an increasing partnership with the business community."*

To facilitate the pursuit of this goal, the following components were identified, and the indicators and assumptions were defined as follows:

Components	Indicators	Assumptions
1. Promotion and development of business mentors based on the notion of corporate social responsibility	At least 35 mentors trained and assigned to young entrepreneurs by the end of year two. At least 80 mentors trained and assigned by the end of the project.	Individuals and business professionals are keen on participating in the project.
2. Monitoring, training, and financial support for young entrepreneur initiatives	At least 35 new businesses created by young entrepreneurs by the end of year two.	The methodology and approach adopted for announcing the project and attracting the young entrepreneurs is effective.
3. Development of a sustainable network and dissemination of the results.	A wide range of representatives of the private sector, public sector and civil society made aware of the results of the project.	Organizations in each country remain interested in being a part of the program and in exchanging lessons learned and experiences.

While the Logical Framework lists a number of activities to facilitate the achievement of the Components, it is clear that the focus of the Executing Agencies should be on:

- The promotion and development of business mentors;
- The monitoring, training and financial support for entrepreneurs; and
- The development of a sustainable network for dissemination of results.

In this context, the following Table provides an overview of the performance of the Executing Agencies in delivering the Components of the project.

Component	Indicator		
Promotion and development of business mentors based on the notion of corporate social responsibility	Number of mentors trained and assigned to young entrepreneurs		
Executing Agency	Target (Y2)	Actual	Variance
BYBT	50	40	- 10
GYBT	45	34	- 11
YBTB	35	13	- 23
YBTT	50	27	- 23
Component	Indicator		
Monitoring, training, and financial support for young entrepreneur initiatives	Number of new businesses created by young entrepreneurs		
Executing Agency	Target (Y2)	Actual	Variance
BYBT		45	
GYBT	35	8	- 27
YBTB	35	24	- 11
YBTT	50	75	+ 25

Component	Indicator		
Development of a sustainable network and dissemination of the results	A wide range of representatives of the private sector, public sector and civil society made aware of the results of the project. <ul style="list-style-type: none"> <li>National seminars held annually commencing in year two</li> <li>Development of case studies</li> <li>Hits on website</li> </ul>		
Executing Agency	Target (Y2)	Actual	Variance
BYBT			
GYBT	10 case studies; 3 hits / mth	-	- 10
YBTB	20 case studies 100 hits / mth	25	+ 5
YBTT	6 case studies; 60 hits / mth	2	- 4

If an interpretation of the findings of the above Table were based purely on quantitative analysis, then it would be safe to conclude that with the exception of YBTT's performance for "new businesses created, the EAs failed to meet any of the projected targets. While such an analysis is incontrovertible, the evaluators also viewed the performance in the context of the Assumptions made in the Logical Framework.

The Assumptions for the Components as well as for the Goal and Purpose of the Project are instructive. Those Assumptions are:

- Individuals and business professionals are keen on participating in the project.*
- The methodology and approach adopted for announcing the project and attracting the young entrepreneurs is effective.*
- Organizations in each country remain interested in being a part of the program and in exchanging lessons learned and experiences*

For the Goal:

*"The macroeconomic conditions in the country remain stable."* And

For the Purpose:

*"A critical mass of young people exists that have ideas and skills needed to be entrepreneurs"*

These Assumptions clearly indicate that there is need for the EAs to engage in a process of strategic re-alignment to address the changing realities of their external environments, while the Assumption that *"The methodology and approach adopted for announcing the project and attracting the young entrepreneurs is effective"* suggests that there is a need for continuous monitoring of the impact of these approaches with a view to improving their effectiveness.

The evaluators noted that despite these strategic imperatives, the Agencies maintained a rigid focus on the operational targets as prescribed by the Logical Framework for the pursuit of the Activities. Given the similarities of these Activities and Targets and the varied socio-economic conditions that exist in the host countries, it would have been advisable that the Agencies seek to re-negotiate some of these activities while maintaining their focus on the achievement of the Indicators for the Components. Instead, there was a rigid adherence to the pursuit of the Activities without the attendant evaluation of the impact of their initiatives. As a result, significant effort was being expended on the pursuit of the Activities without any analysis of the appropriateness of these activities in the prevailing country environment.

It was noted that while there was great concern that the prevailing economic conditions were having a debilitating impact on the operations of the EAs and their clients, no proposals have as yet been forthcoming for possible adjustments to the Activities identified.

There is need therefore for the EAs to develop a stronger strategic orientation to facilitate more timely responses to the changing external environment.

Another area of concern is the process used by the EAs for the recruitment and training of mentors. With the exception of the BYBT, this appears to present a major challenge for the Agencies. Given that the concept is relatively new to the Caribbean, EAs must dare to explore alternative strategies to achieve the objectives of this component of the project, and to share their experiences from the use of such strategies. For example, it is noted that Indicators for the "Recruitment and Selection of Mentors" prescribe presentations/events targeting potential mentors and the production of promotional material including brochures. It is clear at this stage of the project, that the strategy has not been as effective as originally anticipated.

Interestingly, mentors frequently shared with the evaluators that their involvement in the project was prompted by their organisations' desire to embrace the precepts of corporate social responsibility, as a result of which they were nominated by their respective organisations. Perhaps, brochures could also be developed to target organisations based on this concept of corporate social responsibility. In this context, the third Component of the project is critical as it seeks, inter alia, to enlist the support of corporate citizens for the sustainability of the project.

The work of the BYBT in this area is particularly outstanding given the expansive network of relationships. The evaluators were also impressed by the EA's publication of a comprehensive business directory of the young entrepreneurs assisted by the Agency.

In summary, the changing realities of the external environment has brought new and increasing challenges for the Executing Agencies in the implementation of the Activities of the Logical Framework. Interestingly, this is precisely the situation in which their client entrepreneurs find themselves and a successful resolution would require both an entrepreneurial and a strategic orientation. It should be noted that there is a symbiotic relationship among the three Components of the Logical Framework. A strong alliance network is likely to produce an appropriate stream of mentors; and a strong mentorship programme will ultimately result in a sustainable entrepreneurial environment. There is need therefore for a systemic approach to the implementation that would ensure that the execution of Activities are likely to produce the desired results.

## Analysis of Loan Portfolio

**Table 3**

**Barbados Youth Business Trust (BYBT)**

Number of Loans Outstanding as at 30 November, 2009: 41  
Total of Outstanding Balances: \$ 504,025.15  
Age Analysis of Loans in Arrears

Period of Default	Number of loans	Total Arrears	Cumulative Total of Balances of Loan in Arrears	Arrears as a % of Cumulative Balances	Cumulative Balances as a % of Total Portfolio
>1mth; <3mths	1	\$ 658.33	\$ 1,927.84	34%	0.38%
>3mths; <6mths	6	\$ 12,120.70	\$ 98,569.85	12%	19.56%
>6mths; <12 mths	8	\$ 25,950.76	\$ 66,559.87	39%	13.21%
>12 mths	17	\$ 23,820.14	\$ 205,172.73	60%	40.71%
	32	\$162,549.93	\$ 372,230.29	44%	73.85%

**Table 4**

**Youth Business Trust of Trinidad & Tobago (YBTT)**

Number of loans Outstanding as at 30 November, 2009: 75  
Total of Balances Outstanding: \$ 633,398.57  
Analysis of Loans in Arrears

Period of Default	Number of loans	Total Arrears	Cumulative Total of Balances of Loan in Arrears	Arrears as a % of Cumulative Balances	Cumulative Balances as a % of Total Portfolio
>1 mth; <3mths	3	\$ 1,733.35	\$ 11,888.09	14.6%	1.9
>3 mths; <6mths	5	\$ 8,059.42	\$ 42,716.83	18.9%	6.7
>6mths; <12 mths	12	\$ 40,927.20	\$ 112,604.96	36.3%	18.0
>12 mths	6	\$ 31,622.06	\$ 38,732.88	81.6%	6.1
	26	\$82,342.03	\$205,942.76	40.0%	32.5%

**Table 5**

**Youth Business Trust Belize (YBTB)**

Number of loans Outstanding as at 30 November, 2009: 22  
Total of Balances Outstanding: B\$ 129,034.30  
Analysis of Loans in Arrears

Status	Number of Loans	Total Outstanding	% of Total Portfolio
Legal action initiated	3	\$16,300.15	12.6
In default; no action initiated	8	55,772.43	43.2
Deceased (murdered)	1	9,982.39	7.73
Left the country	1	9,931.25	7.70
	13	91,986.22	71.29

Item 3.13 of the Donors Memorandum states in part that ...

*"An effort will be made to ensure an overall punctual repayment rate by the young entrepreneurs of at least 60% in the first year, 65% in the second, 70% in the third, and 70% in the fourth, levels that will be achieved through monitoring of the new businesses and the influence of the mentors whose job is to impart values such as responsibility and honouring commitments."*

The BYBT uses the following criteria in its analysis of the loan portfolio.

Arrears as a percentage of Loans Disbursed: (26.13 %); and  
Arrears as a percentage of Balance Outstanding: (32.19%)

The figure used in the calculation of "arrears" refers to the cumulative total of payments outstanding. While the resulting ratios reflect the status of the portfolio as being within the parameters established by *Item 3.13* of the Donors Memorandum, it does not provide a true indication of the size of the risk posed to the entire portfolio. Unfortunately, the Donors Memorandum does not provide operating guidelines on the use of appropriate ratios for analysis and the EAs cannot be faulted for the use of what they perceive to have been appropriate. The evaluators have however undertaken an "Age Analysis" of the portfolios of each of the Executing Agencies and have found that significant portions of these portfolios are at risk at the BYBT, YBTB and, to a lesser extent but also significant, at the YBTT.

For its part, the conservative approach adopted by the GYBT has resulted in a comparatively smaller portfolio, but with a 100% repayment record.

Closer analysis of the portfolios show that for the BYBT, 40.71% of its portfolio represents loans that are in arrears for more than 12 months; 13.21% represents loans that are in arrears of between 6 and 12 months; and 19.56% represents loans that are in arrears of between 3 and 6 months. Refer Table (3).

For the YBTT, the figures are 6.1% in arrears for longer than 12 months; 18.0% in arrears of between 6 and 12 months; and 6.7% in arrears of between 3 and 6 months. Refer Table (4).

While a similar “Age Analysis” of the portfolio at the YBTB was not possible due to the absence of the appropriate software at that EA, the absence of an appropriate system for the tracking of payments made at the designated bank, and the consequent state of the records at the EA, discussions with the Project Officer revealed that legal action had been initiated against 3 of the entrepreneurs for balances amounting to 12.6% of the portfolio; another 43.2% of the portfolio was in default at the time of the visit to the EA, and another 15.43% appeared to be uncollectible since one of the entrepreneurs involved was murdered and the other had left the country. Refer Table (5).

While this has obvious implications for the sustainability of the project, an underlying issue is the “philosophical dilemma” (raised in an earlier section of this report) which these agencies must face in the execution of the project. Such a dilemma would address such questions as:

- Should the project have a social focus or commercial one?
- If both are desired, then how does the EA, given its original orientation, find the balance between them?

If the project were to become sustainable, clearly there was need for an embrace of both philosophies and for the recruitment/development of the appropriate competencies to support the implementation. This should also have been a factor in the initial risk assessment undertaken for the project which may have resulted in lower initial targets under the log frame to ensure the acquisition of the necessary country competence, with subsequent targets escalating to the desired levels by the end of the project.

Item 3.13 further states that ...

*“Preventive measures will be adopted to comply with the above indicators, including: supporting projects that are clearly feasible, viable and profitable; making sure that the assignment of mentors and project approval are simultaneous; and tailoring training to specific needs. However, if at the end of each year of the project, the aforementioned repayment percentages have not been reached, a special portfolio evaluation process would begin, involving intervention by the Regional Coordinator of the program and/or the hiring of a consultant.”*

With respect to the current status of the loan portfolios in the various EAs, it is expected that the impact of the global financial crisis on the country economies would have seriously affected businesses, and more so, the efforts of small start-ups such as those of the young entrepreneurs. However the environment also provided the opportunity for invaluable experiential learning for the entrepreneurs where mentors (where those skills were available) could have helped them to negotiate moratoria on their loan payments; worked with the EAs to have debts restructured; and encouraged the payment of "good faith" deposits to demonstrate a commitment to the servicing of their facilities.

This further highlights the critical importance of the role of mentors in the attitudinal development of the young entrepreneurs and the EAs will be well advised to pay particular attention to the strengthening this aspect of the project. A discussion on the selection and training of mentors is included elsewhere in this report.

The evaluators further noted that given the formula employed by the BYBT (which has the responsibility for regional coordination) in the evaluation of its portfolio, it is perhaps understandable that neither the "preventive measures" nor the "special portfolio evaluation process", as required by *Item 3.13*, was initiated by any of the EAs discussed above.

## REVIEW OF THE REGIONAL COORDINATOR'S (RC) ROLE

The Donors Memorandum Section D, item 2.13 states in part; “the executing agency in Guyana would be GYBT in Georgetown; in Trinidad & Tobago, YBTT; and BYBT in Belize. In Barbados, BYBT's experience in the field, positions it well as the lead entity, in charge of implementing activities of a regional nature while assuming a coordinating role”. In the Donors Memorandum the role of the Regional Coordinator is specifically outlined in items 3.6, 3.13, 3.14 and 4.2. These roles are outlined, in part, below:

- a. “A Consultant will be contracted to design a model data base containing pertinent information on mentors in the region” (item 3.6).
- b. “However, if at the end of each year of the project the aforementioned repayment percentages have not been reached, a special portfolio evaluation process would begin, involving intervention by the Regional Coordinator of the programme and/or the hiring of a consultant” (item 3.13).
- c. “A consultant will be hired to develop a data base and roster of participating youth that will also facilitate monitoring and supervision of the young entrepreneurs. Program staff would be able to access this register via the Internet. BYBT will hire the consultant and will lead the supervision of the development of this system, incorporating the input and ideas of the other executing agencies” (Item 3.14).
- d. “A Regional Coordinator of the program will be used to facilitate each country's progress and the exchange of experiences and lessons among the projects. This Coordinator will be located in BYBT in Barbados in recognition of their role as the leading agency in the Caribbean” (item 4.2).

The role of the RC will be examined individually against each of these four items and within the wider context of a coordinating role. Firstly, in terms of contracting a consultant to design a model data base containing information on mentors in the region this is yet to be done.

Secondly, contracting a consultant to develop a database and roster of participating youths that will also facilitate monitoring and supervision of the young entrepreneurs is yet to be done. However, the BYBT has a well structured data base of its mentors with detailed information of their skills, competencies, addresses, assignment. There was also a

standard contract which is signed by each mentor. The other EAs could certainly learn from BYBT in this area by way of the RC exchanging of this experience.

Actions on the part of the RC with respect to item 3.16 are sadly lacking. Clearly there was and still is a case for intervention in YBTB, YBT and even in YBT given the state of their loan portfolios. (See of the Report). Failure of the RC to enact her role and undertake a special portfolio evaluation meant that the EAs lost a real opportunity to adopt risk mitigation measures on a timely basis. This is particularly so given that the Donors Memorandum clearly outlined a course of action to address program risks for example, failure of young entrepreneurs to make payments. Should this risk occur the proposed measures outlined in the Donors Memorandum are:

- a) Intensify collection procedures.
- b) Review and if, necessary modify the parameters governing the existing incentives and penalties system.

In reviewing the RC's country reports there is no observable reference to any of these measures with respect to the EAs' loan portfolios. This is certainly an area for more than urgent action which must be taken by the RC.

The RC has focussed mainly on facilitating each country's project through exchange of experiences and sharing of lessons among the projects. The RC has shared the BYBT's strength – its mentoring experience - with the other EAs. She has facilitated the training of mentors in all the programme countries. To give an example, during her filed visit to Guyana over the period March 17-21, 2008 she trained 31 mentors; during her field trip to Belize over the period January 7-10, 2008, she trained 29 mentors; during her field trip to Trinidad over the period December 3 – 6, 2007 she facilitated the training 40 mentors. In these countries the RC has also facilitated the training of entrepreneurs and conducted motivational sessions with Board members of the all the EAs.

The RC has facilitated progress of the programme by building an elaborate network of relationship and strategic alliances, mainly with the private sector, on behalf of the BYBT which she shares with the other EAs. The following list gives an indication and purpose of some of these networks and alliances:

- There are Memorandum of Understanding (MOUs) with the Ministry of Agriculture, Chamber of Commerce, Butterfield Bank (and off Shore Bank), Business International Networking Association for Entrepreneurs (BNI). The BNI is an

international networking association and there have a young entrepreneur component.

- Two of our BYBT young entrepreneurs have won awards from the BNI, one in 2008 and one in 2009.

In the case of the Ministry of Agriculture the BYBT works with the Ministry on the Agripreneurs project. This project is aimed at developing entrepreneurs within the agricultural sector. The BYBT is a Group member of the Small Business Association of Barbados. With this membership all its young entrepreneurs are automatically members of the said association. Also the BYBT works with the association on its youth entrepreneurial programme in the secondary schools. The BYBT is represented on the SEED advisory Board at the University of the West Indies (UWI). The BYBT is also represented on the Selection Committee for the Incubator Project of the Barbados Investment Development Corporation (BIDC).

Finally, the BYBT, based on its networking, now has a working relationship with the Small Business Association of Bermuda. Representatives from that association visited the BYBT in 2009 to understudy the overall operations of the organization, particularly its mentorship programme. An outcome of that visit is the adoption of the BYBT mentorship methodology by the Small Business Association of Bermuda for use in a similar programme. The BYBT is aiming to provide technical assistance to the said association in the future. These alliances facilitate the building of a sustainable network of which young entrepreneurs can be a part.

## LESSONS LEARNT

Projects by their very nature are instruments of learning and as such with this approach there is much focus on lessons learnt so as to make future project design and implementation more responsive to experiences gained. Given that this is a mid-term evaluation these lessons could be used to improve the project implementation process. It will also be useful and applicable for the design of similar projects in the future.

The key lessons learnt from this programme are:

1. The programme will certainly lead to a pool of better trained and educated youth entrepreneurs in the countries;
2. Those involved in the project design process should always assess the institutional capacity of the implementation capacity before finalizing the project;
3. Project design must be informed by the institutional capacity of the implementation agency;
4. Designing a project into the existing structure and culture of the implementing agency improves the implementation process;
5. The YBT's, with the exception of GYBT, philosophical underpinnings, in particular their mission, vision and focus is incompatible with the financial sustainability of this project as a result more emphasis must be placed on the risk mitigation measures outlined in item 6.3 of the Donors Memorandum;
6. The YBTB does not have the institutional capacity for the implementation of the projects;
7. For the effective implementation of the programme there is the need for effective working and collaboration among a number of institutions and groups within the private and public sectors, as such in each country there is the need for a coordinating committee with commensurate authority to coordinate the implementation process;
8. The three components of the programme by themselves can increase economic opportunities and generate income for economically disadvantaged young people interested in becoming entrepreneurs. However there are other fundamental socio-cultural issues, such as family support, factors influencing student's choice of subjects areas and career guidance, to be addressed in order for the target group to effectively access and benefit from what is offered within the programme;



9. There are private sector organizations operating within the programme countries that are willing to work with public sector institution to promote entrepreneurship. In the future, for similar projects, these organizations ought to play an integral role in the design and implementation of these programmes;

## RECOMMENDATIONS

The following recommendations are made against the background of the findings of the evaluation. These recommendations are structure along the lines of the three components of the programme:

### Component 1

1. Given the delays in the starting of the projects in Guyana and Belize the stakeholders should review the completion date for these projects;
2. There is the need to urgently strengthen the institutional capacity within the YBTB and YBTT. In the case of YBTB the Project Manger and General Manager posts should be filled as a matter of urgency;
3. The establishment and operationalisation of a system by the YBTB and the YBTT for the ongoing monitoring of entrepreneurs. The implementation of a formal system for the identification and selection of mentors must be a part of this process.
4. The mentorship component must be strengthened in the YBTT, GYBT and YBTB to ensure that young entrepreneurs are paired with their mentors, if possible, prior to the development of the business plans so that they could benefit from guidance on the social factors which reinforce the entrepreneurial qualities.
5. Each EA should structure formal sessions for mentors for the exchange of learning and experiences gained in their role in this project. These experiences and learning must be documented as part of the process of building and promoting best practices based on contextual understandings and realities;
6. The mentors ought to play a more active role with the young entrepreneurs, mainly by way of moral suasion, in the portfolio management process.

### Component 2

1. In all In all of the four projects there is need for readjustment of the training methodology with a greater emphasis on the use of experiential learning, simulations and case studies. This of necessity will require an increase in the duration of each training programme;

2. Given the on-going experiences and learning there is need for flexibility to the implementation process. Therefore, there is a need for a shift to needs/competencies based training for the young entrepreneurs. In essence there needs to be a shift from the generic approach which is now used;
3. Given the default rates the training of young entrepreneurs must focus on the role of loan repayment plays in the sustainability of a financial institution;
4. There is need for all of the Trusts to improve their systems for accounting and financial management so as to improve accountability, transparency and sustainability.
5. In the case of Belize and Barbados the financing aspect of this component of their projects should be suspended and the recovery process accelerated. The RC must act in keeping with item 3.13 of the Donor Memorandum and report to the IDB on same within one month;
6. There is the need for the YBTB, GYBT, and YBTT to diversify their loan portfolios to facilitate the creation of more innovative businesses.
7. In the case of GYBT there is the need for more innovative financing with a shift from the traditional activities such as “vending and trading”. This is necessary for diversification of the loan portfolio and overall sustainability of the project;

### **Component 3**

1. The EAs should develop medium to long term strategies aimed at attracting more counterpart; one approach could be to seek endowments;
2. Given the number of young entrepreneurs trained they must now be assisted with the building of their own network. Firstly at the local level and then at the regional level. This will be a means of their sharing business and other related information, supporting and motivating each other and working and solving common problems;
3. The Trusts must make use of the success stories of funded entrepreneurs for strategic branding and marketing of the Trusts. Such approach/campaign to improve the public and cultural image of Trusts should be based on a mechanism which:
  - Promotes the success stories of businesses of individuals trained and funded by the Trusts,

- Demonstrates the changing working environment, the move from simple manual tools to high tech equipment<sup>7</sup>, of technical and vocational trades which were funded and purchased with loans from the Trusts;
  - Institute a system of rewards for creativity and innovativeness among technical and vocational students;
4. As a special project all the EAs must start documenting the success stories and challenges of their young entrepreneurs for use as teaching material in the training programmes.
  5. The next National Conferences of the EAs and the next Regional conference should focus specifically on the challenges of the programme. The theme of these conferences should be **solution driven** and **problem solving** oriented. Whatever the theme, these conferences should not be simply talk shops. The conferences must end with a 10 point country agenda for each EA and its stakeholders whereby they could make maximum use of the resources made available to them. It is the only way this much needed partnership with the IDB can be sustained.

---

<sup>7</sup> By way of an example, the dramatic move within most organizations from the use of Typewriters to Computers has changed the very meaning of a Secretary. It has also made the job much more attractive and by extension changed the public's perception of the job from a low skill routine job to a "high status" job. This is reflected in the fact that today the name Secretary is seldom used; these individuals are more often referred to as Office Managers.