PROMOTING WOMEN’S ENTREPRENEURSHIP - TANZANIA VIRTUAL BUSINESS INCUBATOR

Dar es Salaam
Sept. 27, 2010

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Outline

1. Project background
   i. Objectives
   ii. Activities
   iii. Features

2. Impact evaluation (IE)
   i. Learning objectives and rationale
   ii. Set up
   iii. Implementation issues
Promotion of Women’s Entrepreneurship: Tanzania Virtual Business Incubator

- Intervention to support women’s entrepreneurs through delivery of training and BDS
- Gender Action Plan (GAP) focus on female economic empowerment
- Why entrepreneurship?
  - The large majority of Tanzanians in the LF are informal
  - In Tanzania: 2.7 million enterprises producing 30% of GDP
  - 98% are microenterprises (<5 employees, <US$5,000)
- Why women?
  - 80% of microentrepreneurs in Tanzania are women
  - Women have higher constraints than men, and specific constraints

→ Choice of a VIRTUAL incubator (‘without walls’)
Support the growth of women-owned businesses through delivery of BDS to strengthen their skills (financial literacy, market outreach, PD&D, etc.)

Through supporting women’s entrepreneurship the project aims to:
- Increase women’s social and economic empowerment
- Improve women’s well-being as well as their household
- Improve children’s outcomes

Target is the micro/very small entrepreneurs but who wants their business to grow
Tanzania Virtual Business Incubator: Components

1. Development of a Virtual Business Incubator
2. Impact evaluation and monitoring framework
   - Impact evaluation is a ‘structural’ part of the project
   - Impact evaluation is very different from M&E. Both IE and a strong M&E framework are needed to evaluate the project and measure/understand its impact
3. Communication and dissemination
Tanzania Virtual Business Incubator: Component #1: Activities

- Pilot project in Dar es Salaam
- Delivery of training and BDS to 550 women, but 850 are ‘targeted’ (300 are in the control group)
- AIDOS model
  - Virtual incubator (incubator w/out walls)
  - Tailor-made portfolio of resources and support services
  - Attention to improving product quality and design
  - Market-oriented focus
  - Development of a network of experts
- Assessment of two different training packages
### Tanzania Virtual Business Incubator: The training package

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Business health check; SWOT-analysis of the business</th>
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<tbody>
<tr>
<td>**Entrepreneurship and Business Management **</td>
<td>Entrepreneurship and enterprising organization; low cost promotional activities; understanding your market; effective marketing; costing, pricing, and calculating your profit; bookkeeping; managing cash, inventory and credit; customer care; sources of finance; business plan; HR management; branding and patenting; time management; leadership training; communication and negotiation</td>
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<tr>
<td><strong>Technical Training</strong></td>
<td>Production skills, packaging and labeling, quality management, maintenance, customer care, product pricing, hazard analysis and critical control points, compliance, traceability and bar code</td>
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<tr>
<td><strong>Specialized Technical Assistance and Individualized Counseling, Coaching, and Mentoring</strong></td>
<td>Business counseling; linkage to consultants, advisors, project programmers; marketing assistance and linkage to markets; individualized support from coaches; link with mentors and participation in networking forums; finance facilitation</td>
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Tanzania Virtual Business Incubator: Features of the project

- BDS delivery is at the core of the project
- Project born with its impact evaluation
- It is a pilot, but sustainability and capacity building are central
- Implemented by Tanzania Gatsby Trust (local NGO working in consortium with IMED, SIDO-WED, Kwanza collection); AIDOS (Italian NGO, Technical advisor); WB team, including a Consultant based in Dar
- Learning from IE useful for both research and implementation (scaling up, adjustments, new areas)
- Cost: about US$1.35 million (of which about US$150,000 for the impact evaluation). Funded by the Italian Cooperation.
Promotion of Women’s Entrepreneurship: Tanzania Virtual Business Incubator

Mpango wa Kukuza Ujasiriamali na Biashara kwa Wanawake

BIG: Program to grow entrepreneurship and women enterprises
Learning objectives of the IE

- To what extent does business training affect:
  - Enterprise outcomes
  - Individual (e.g. female decision-making) and household (e.g. consumption) outcomes
  - Children’s outcomes (human capital investments) of female entrepreneurs in Dar es Salaam?
- What kind of program works (doesn’t work)?
  - Business training/BDS
  - Business training/BDS + individualized support from coaches/mentors
- Does the training (and enterprise development) lead to any unintended consequences (good or bad)?
  - Debt
  - Depression
  - Domestic violence
Features and advantages of IE

- Use of control group randomly selected among eligible partic.
- Baseline + endline surveys
  - Firm + household questionnaire recording many outcomes of interest
  - Knowing about spillovers in the household
    - More accurate calculations of cost-benefit ratios
    - Can think about necessary complementary services for scale-up
      - Example: If depression or debt increases, can think about pairing program with counseling or financial literacy training
- Experimentation
  - Can learn about effectiveness of 2 different program variants relative to same baseline
Timeline

Dec09-May10
- All applicants 3200

May10-June10
- Eligible applicants 850

July10-Aug10
- Baseline survey

August 2010
- Comparison group 300
- Basic treatment 275
- Basic treatment + mentoring 275

from Sept 2010
- MKUBWA services
  - Basic (Sept-Nov10)
  - Advanced (Sep-ongoing)

Sept 2011
- Complementary services
- Endline survey
Implementation issues

1. Program eligibility
2. Number of participants
3. Engagement of participants and control group
4. Baseline survey
5. Date for endline survey
6. Monitoring
Program eligibility

- **MKUBWA targets:**
  - Entrepreneurs established for at least 1 year
  - Certain sectors with growth potential identified in market study
  - Entrepreneurs willing to pay upfront commitment fee

- Implication for IE: might not be able to say anything about entire population
  female entrepreneurs in Dar but need to be clear about population of interest
  - Ideally entrepreneurs comparable to targeted beneficiaries in a scaled-up version
    of the program
    - Target those with highest potential to benefit → cannot say that we expect same results
      during scale-up
    - Target those with very limited potential → no effect of program in impact evaluation → no
      rationale for scale-up

- Estimated program impact most relevant for women who meet these criteria
Initial sectoral distribution: 3300 applicants
Why at least 750 women?

- Answer: Power calculations for sales + capacity of local implementation partner
- Power calculations from TZ Enterprise Survey (2006)
  - 10% increase: 1,079 in each group → 2,158 total treated
  - 15% increase: 480 in each group → 960 total treated
  - 20% increase: 270 in each group → 540 total treated
  - 25% increase: 173 in each group → 346 total treated
  - 30% increase: 120 in each group → 240 total treated
- An impact of a 15% increase in sales cannot be distinguished from zero impact with confidence
  - OK because this is an expensive intervention; not interested knowing about small effects
- 850 targeted to allow for attrition
Engagement of participants, especially control group

- To keep all 850 women engaged
  - All given an incubator “ID” card
  - All benefit from complementary services, i.e. information sessions on issues identified by women in focus group discussions + quick survey (women’s rights, HIV/AIDS, disability issues, family planning)

- Communication strategy

- Waiting list with priority for next training cycle
What can we learn from the baseline survey itself?

- Descriptive data on characteristics we know little about (e.g. debt, inventories, suppliers)
- Can also experiment with data collection methods to see how these affect responses (especially to sensitive questions)
  - Type of non-monetary compensation for survey participation (personal versus business)
  - Order of instruments (household and business)
  - Very cheap or costless
- Baseline data available soon!
Endline survey

- Approximately 1 year after program start

- Why?
  - Simple answer: Project cycle

- Not clear ex ante how long it would take for effects to materialize

- Ideally, a second endline 3+ years later
Do we still need monitoring?

- Definitely. Impact evaluation does not fill all of a project’s monitoring needs

- Most importantly, it typically does not track process
  - If mentoring does not work, is this because mentoring really doesn’t work or because mentors never met with the beneficiaries?
  - Did trainers show up in the classroom, did beneficiaries show up?

- Some impacts may not be easily “measured” (e.g. women’s self-confidence, assertiveness, family relations, etc.)

- Implementation agency and field coordinator needs to systematically and quantitatively track this kind of information.
Broader monitoring framework

- Includes variables difficult to collect in baseline/endline survey (for example, qualitative variables)
  - e.g. increase in the quality of product, product differentiation, woman’s assertiveness, etc.

- Includes variables capturing process/implementation
  - e.g. number of women reached at each stage; number of visits by coaches; attendance to training sessions; quality of trainers, etc.

- Includes variables assessing increased capacity of the local partner, team performance in dissemination, etc.
  - e.g. number of papers and policy notes; partnership and collaborations stimulated by the project, etc.

- Uses a variety of tools
  - e.g. coach logs, evaluation forms, focus groups, etc.
The team

World Bank:
- Elena Bardasi (PRMGE, TTL)
- Hiska Reyes (PRMGE)
- Elena Bonometti (PRMGE, based in Dar)
- Alaka Holla (AFTPM)
- Sibomana Leonard (PRMGE, based in Dar)

- AIDOS (Paola Cirillo, Daniela Colombo, AIDOS consultants)
- TGT (Olive Luena, Wankembeta Kinyau, Ndema Mbise, Eric Kimasha)
- TGT partners: IMED (Donath Olomi); SIDO-WED (Happiness Mchomvu); KWANZAZA Collection (Lawrence Muze)