

UNDP Ukraine

FINAL EVALUATION REPORT

Decentralized External Progress Evaluation of UNDP Project:
Strengthening MSME Business Membership Organizations in Ukraine:
Phase II (2019-2023)

Project ID: 00110134

Funded by the Swiss State Secretariat for Economic Affairs (SECO) with US\$ 2,525,000

and co-funded by the UNDP with USD 100,000

for a total amount of USD 2,625,000.

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Final evaluation report

29 January 2023

Table 1 – Evaluation Details

| Project /Outcome Information | | |
|--|---|-----------------|
| Project/Outcome Title | Strengthening MSME Business Member Organizations in Ukraine Phase II (2019 – 2023) – BMO Phase II | |
| Atlas ID | 00110134 | |
| Corporate Outcome and Output | UNDAF outcome 1.1.: By 2022, all women and men, especially young people, equally benefit from an enabling environment that includes labour market, access to decent jobs and economic opportunities CPD Output 2.2. Public Institutions and private entities effectively cooperate to improve the business environment – Gender marker: GEN2 | |
| Country | Ukraine | |
| Region | 27 BMOs selected country-wide | |
| Start Date of Project document | 1st November 2019 unsigned copy | |
| End date of project | 31 October 2023 (operationally) Extension currently under discussion | |
| Total committed budget | Us Dollar 2,625,000.-- (two million six hundred and twenty five thousand US Dollars)) | |
| Project expenditure at the time of the evaluation | N/A – expected to reach full delivery by end of project | |
| Funding source | SECO for US\$ 2,525,000 and UNDP TRAC US\$ 100,000.-- | |
| Implementing Party | UNDP through Direct Implementation | |
| Evaluation Team | Christian Bugnion de Moreta – team leader - remotely Iryna Nehrieieva – national consultant – in Ukraine | |
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| | Start | End |
| Evaluation dates | 21 October 2022 | 31 January 2023 |

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Acronyms and abbreviations

| | |
|--------|---|
| BDS: | Business Development Services |
| BMO: | Business Membership Organisations |
| CEPU | USAID Competitive Economy Program in Ukraine |
| CPD: | Country Programme Document |
| DAC: | Development Assistance Committee |
| EEPO: | Entrepreneurship and Export Promotion Office |
| ERA | USAID Economic Resilience Activity |
| FGD: | Focus Group Discussion |
| GEWE: | Gender Equality and women's empowerment |
| GoU: | Government of Ukraine |
| HRBA: | Human Rights Based Approach |
| KII: | Key Informant Interview |
| KMBS | Kyiv Mohyla Business School |
| MEU | Ministry of Economy of Ukraine |
| MSME: | Micro, small and medium-sized enterprises |
| M&E: | Monitoring and Evaluation |
| OECD: | Organisation for Economic Cooperation and Development |
| PE: | Project Evaluation |
| PPD: | Public-Private Dialogue |
| RBM: | Results Based Management |
| RF: | Results Framework |
| RPP | UN Recovery and Peacebuilding Program |
| SGP: | Small Grant Program |
| SDGs: | Sustainable Development Goals |
| SECO: | Swiss State Secretariat for Economic Affairs |
| SME: | Small and medium-sized enterprises |
| ToC: | Theory of Change |
| ToR: | Terms of Reference |
| ToT: | Training of Trainers |
| UNDAF: | United Nations Development Assistance Framework |
| UNDG: | United Nations Development Group |
| UNDP: | United Nations Development Programme |
| UNEG: | United Nations Evaluation Group |

1. Executive Summary

1.1. Object and rationale for the evaluation

The United Nations Development Programme (UNDP) Country Office (CO) has hired a team of two independent consultants to undertake the decentralised (mid-term) external progress evaluation of the project: "Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023" – hereafter abbreviated as BMO Phase II. It is funded by the Swiss Government through the Swiss Secretariat for Economic Affairs (SECO) and co-funded by UNDP. The evaluation takes place at a time when the context has been substantially altered since that of the beginning of the project, firstly with the COVID-19 pandemic declared in March 2020, then with the full-scale invasion of the Russian Federation in Ukraine, sparking the on-going armed conflict. The main objective of this evaluation is to conduct a forward looking progress assessment of the BMO phase II project. In particular, in addition to providing evidence of results against the five evaluation criteria of coherence, relevance, efficiency, effectiveness and sustainability, the evaluation will provide lessons learnt and recommendations: a) for the end of the current project phase b) for a potential third phase of the project.

The unit of analysis is the BMO Phase II project since its starting date on 1st November 2019 until the current evaluation date of December 2022. The project budget is US\$ 2,525,000 funded by SECO plus US\$ 100,000 from UNDP TRAC funds bringing the total project budget up to US\$ 2,625,000.

The overall goal of the project is to contribute to economic development in Ukraine through increased growth and competitiveness of the Ukrainian MSME by achieving three expected outcomes:

1. Micro, Small and Medium-sized Enterprises (MSME) sector representativeness through professional BMOs has increased
2. MSMSE increasingly benefit from business development services (BDS) provided by BMOs to enhance their competitiveness
3. Representative and effective public-private dialogue (PPD) contributes to improvement of business environment for MSMEs.

The project has a results framework (RF) which contains twenty two indicators measuring results.

1.2. Evaluation methods and approach

The evaluation team used a mix of methods, primarily based on:

- a) Desk review of the available documentation, used for the preparation of the inception report;
- b) Data collection through phone or virtual means with the primary project stakeholders, including UNDP, SECO, EEPO, GIZ and BMOs, through Key Informant Interviews (KII). Planned Focus group discussions (FGD) had to be modified given the electricity outages when the accessibility of individual respondents was better than group interviews. A total of 21 KIIs with BMOs and 7 KIIs with project stakeholders were conducted. KII were carried out as semi-structured interviews using questionnaire protocol to ensure comparability and consistency.
- c) On-site observation of BMOs' strategies' presentations during the final session of KMBS training on November 14-15, 2022, in Kyiv.
- d) Presentation of the preliminary findings to UNDP at the end of the data collection phase on 19.12.2022 to validate and obtain feedback on the preliminary findings, conclusions and recommendations.

- e) Additional presentation by the national consultant without the team leader to SECO and UNDP on 23.1.2023
- f) Receipt of the consolidated comments from UNDP on 26.1.2023

The evaluation followed a “utilization-focused” approach and ensured participation by the highest number possible of the primary project stakeholders. However, the difficult security situation and recurrent missile attacks caused a number of planned meetings to be postponed, rescheduled and some were finally not held. Despite the difficult context 78% of BMOs were interviewed, as well as key project stakeholders from the Government of Ukraine (through EEPO), the Swiss Government (through SECO), and the UNDP project team and CO staff. Given the prevailing context, the sampling of correspondents is deemed to provide sufficient evidence to support the evaluation findings, conclusions and recommendations.

1.3. Principal findings (structured by evaluation criterion)

The project was found to be relevant at the time of its design, fulfilling national priorities, and aligned to the donor’s and UNDP’s strategies. The project relevance is grounded on growing acknowledgement of importance of developing small and medium-sized business in Ukraine as a sector that is a major contributor to the Ukrainian economy. MSMEs accounted for 73 percent of the country’s employment and generated 63 percent of gross sales in 2020¹. With its educational, on-request consultancy and advocacy components, the project responded to a continuing need to fill gaps in skilled labour, competencies, and internal capacities of BMOs and MSMEs of Ukraine and to better advocate their priorities to national and regional governments to eliminate barriers in developing fair and equitable business environment for SMEs². Despite COVID-19 and the armed conflict, the project remains relevant at present, even more so as it allows BMOs to focus on constructive improvements despite a volatile security and thus business situation. In the recovery phase and while many development partners will support infrastructure and reconstruction efforts, the BMO project should maintain its primary role of capacity development catalyst for the BMOs and seek complementary funding from those projects that provide funds for infrastructure to complement the support it is providing to the BMOs.

The project is coherent internally as good communication is established among Project Board (PB) members and between the different project components. Within the UNDP portfolio of projects, it is having concerted efforts with other interventions. In relation to the external coherence, the evaluation team was only able to obtain evidence of an open communication with GIZ, but no evidence was found regarding the other international donors that support MSME development (such as CEPU/USAID, EUROSUPPORT/EU, EBRD, SIDA, etc.).

The project was efficiently managed and showed adaptive capacity to the two main challenges during implementation, COVID-19 and the Russian Federation armed invasion. The first allowed the project to move more rapidly to web-based, digital solutions for the activities that could not be held in person given the restrictions linked to the risk of spreading the pandemic. In this the UNDP was able to respond and adjust the contents of the project to the situation. When the Russian Federation invaded Ukraine

¹ Rapid Assessment of the War’s Impact on Micro, Small and Medium Enterprises in Ukraine, <https://www.undp.org/ukraine/publications/rapid-assessment-wars-impact-micro-small-and-medium-enterprises-ukraine>

² Foresight: Development of micro-, small and medium-sized business in Ukraine by 2030, SECO, UNDP, 2021, <https://www.undp.org/ukraine/publications/foresight-development-micro-small-and-medium-sized-business-ukraine-2030>.

in February 2022, a number of projects' activities had to be cancelled or suspended. The BMO Phase II project continued to operate despite the international armed conflict, and this was very much appreciated by all stakeholders and considered as an important demonstration of the commitment from the project team towards project stakeholders. The final financial information is not yet available as the project is running until 31 October 2023, but it is expected that the project will be able to achieve near complete delivery.

In terms of effectiveness, the project was clearly effective in developing the capacity of the BMOs through a concerted effort that included various activities. The single most salient feature was the professional training BMO Leadership Programme (Sep 2021 – Aug 2022) provided in cooperation with Kyiv Mohyla Business School (KMBS), which was highly regarded by the BMOs interviewed. Although there were different types of training activities (with different levels of appreciation for each), coaching, peer-to-peer learning, use of the Small Grants Programme and several networking events contributed to a substantial step forward in the strengthening of the efficiency and competitiveness of the selected group of Ukrainian BMOs by the date of evaluation. The project Results Framework (RF) indicates that the majority of the targets at the output and at the outcome levels have been achieved. The negative effects of the war cannot be fully mitigated, and therefore some indicators could not be met, for example the share of members paying their fees dropped by 32% in 2022. On the other hand, the aggregate membership of 27 BMOs increased, the share of women-led business was raised by 7%, and a number of legislative documents produced and adopted. The qualitative appreciation of the BMOs interviewed is generally high, finding the project focused and supportive. More and better information and communication to external audiences is needed to ensure a more thorough understanding of the project's expected benefits, and a more dynamic engagement in the PPD would be desirable. The project's essence is a capacity development project creating processes that lead BMOs towards a more modern, efficient and competitive model of business such as the one in use in Europe and other parts of the world.

It remains too soon to consider that project benefits will be sustainable. While some aspects will certainly continue after the end of the project, there is not yet a critical mass of efficient and competitive BMOs that can ensure the continuation of the BMO transformational process overall in the country. Mechanisms are being created to develop sustainability, but there is a clear case for a third phase to consolidate the existing progress and scale up.

The evaluation also found that a positive and indirect project result was the fact that the continuation of the project while the country suffers from an armed conflict generated positive and constructive feelings among the BMOs. The project in this sense contributed to the resilience and mental health of the participants as it gave a feeling of normalcy in a very difficult and constraining context of suffering and loss of life.

1.4. Conclusions

The project was well managed and implemented with a generally high level of satisfaction from the project stakeholders. Despite a complex operating environment characterized by the COVID-19 pandemic restrictions in place since March 2020, and with the full-scale armed invasion of the Russian Federation into Ukraine at the end of February 2022, the project management showed adaptive capacity and was able to maintain the support and the project activities, at a time when other international cooperation projects had to modify or suspend their activities..

The fact that the project continued was seen as a beacon of hope for the BMOs and as a positive sign towards a return to normalcy, providing an unexpected by high positive psychological effect which actually helped BMOs to cope better with the current conflict situation.

Donor funding is gradually moving to large allocations for the much-needed recovery and infrastructure investments to offset the destruction from the war. While there is a need to also fund the rehabilitation and reconstruction efforts, the BMO Phase II project should remain focused and keep its value addition through the transformation capacity development efforts to business towards EU models of business in line with the country's aspiration for EU accession.

Nonetheless close coordination of this project should take place with other infrastructure and reconstruction projects undertaken by UNDP as well as that of other donors in order to maximise the synergies within the business community, creating a multiplier effect for project beneficiaries.

1.5. Recommendations

For the next year (2023) and until the end of the project:

1. Keep the focus on the support to capacity development with the consultancy and funding implementation of BMOs' strategies.
2. Agree with the donor on a project extension until the end of 2023 or early 2024 (process is on-going).
3. Maintain clearer communication for BMOs and stakeholders stating the expected results and benefits from the participation in the project (aligning BMOs expectations to project benefits) as well as project workplans and procedures. Support BMOs' communication strategies on role of BMOs in promoting interests of MSMEs. If possible, recruit a communications expert for both internal and external communications.
4. Develop a more informative and inclusive participatory approach to decision-making and purchases that concern service delivery for BMOs e.g. training, consultancy, communication and promotion services. Optionally, the small CB grants may be introduced to enable BMOs select consultants or trainers for their needs independently.
5. Where possible, engage more experienced BMOs to act as trainers or coaches for case studies or workshops (increasing internal project synergies).
6. Increase the number of participants from each BMO for training and consultancy to facilitate the ownership for transformations within BMOs and the achieved results.
7. Consider providing Gender Equality training as well as on other normative UN programming principles (such as HRBA, LNOB, etc.) to deepen their understanding of and support ethical business standards.
8. Pursue an individual approach to support the implementation of the strategic plan based on BMOs' capacities, staff, membership, and sector. A unified approach is not always the best solution.

For the phase III of the project: (contingent upon reception of future funding)

1. Scale up the project based on available donor funding, interest of BMOs to participate, and UNDP project management capacity (project team and staff). The methodology developed for

phase I and phase II can be used with minor upgrades to more case studies, examples of other BMOs' best practices and practical implications.

2. Consider building BMO development hubs in the region, using the most successful BMOs as references or models.
3. Site visits and/or exchange programmes can contribute to enhance the effectiveness of capacity building particularly with countries having some similarities with the situation of Ukraine.
4. Continue to support and intensify BMO's networking as interaction and peer-to-peer learning and exchanges is highly appreciated by BMOs.
5. There needs to be stronger interaction with other programmes for MSME development to ensure BMOs get opportunities to get additional support and spread their services to a wider range of businesses (including regional CCI, universal BMOs, sector-specific BMOs).
6. Avoid dominance of stronger BMOs (e.g. CCIs) over others both nationally and regionally/locally in partnering projects and during training sessions. Without a doubt, the knowledge and experience of more capable BMOs are valuable for the rest of beneficiaries. At the same time, individual approaches for different BMOs should be considered that are based on needs assessment, to provide more assistance to weaker organisations. For instance, stronger BMOs may be assigned as co-trainers or tutors during training, partnering subgrant activities or PPDs building. However, clear rules for equal opportunity need to be equally disseminated within the project.
7. Support a concerted wide-scale communication campaign on the role of BMOs in MSME development and support BMO's efforts to be aware of existing opportunities, trying to change the "prejudiced" perception among businesses and in order to attract new members.
8. Recruit and incorporate a communications expert for both internal and external communications as part of the project team
9. Avoid funding directly reconstruction effort and maintain the project's added value as capacity development, but closely coordinate with reconstruction/recovery actors to ensure support to MSME and BMOs is synergetic across the projects and complementary.
10. Consider introducing training modules on UN normative principles (including Gender Equality) as well as business ethics.

2. Introduction

The UNDP has hired a team of two independent consultants to undertake a mid-term, forward looking Evaluation of the Project: "Strengthening MSME Business Membership Organisations in Ukraine Phase II (2019-2023)", hereafter abbreviated as the "BMOII" project. The project started on 18 November 2019 and has a planned end date of 31 October 2023. The total project budget is US\$ 2,625,000 --, of which the Swiss State Secretariat for Economic Affairs (SECO) contributed US\$ 2,525,000 -- plus a contribution from the United Nations Development Programme (UNDP) of US\$ 100,000 --

This mid-term project progress evaluation has been contractually foreseen and is included in the UNDP Ukraine Evaluation Plan 2018-2023.

3. Purpose, scope, and objective of the assessment

The main objective of this Project Evaluation (PE) is to conduct the forward-looking progress evaluation of the project "Strengthening MSME Business Membership Organizations in Ukraine: Phase II" (2019-2023) (Project ID:00110134). The nature of the PE is meant as a management tool to provide project stakeholders with an account of results against the initial plans, project document and cost-sharing agreement, and provide recommendations and guide further SECO's and UNDP's interventions.

The purpose of this evaluation is three-fold:

- 1) To analyse the implementation of the project in 2019-2022 against the five OECD/DAC criteria of relevance, effectiveness, efficiency, sustainability, and coherence, particularly in consideration of the full-scale invasion of Ukraine by the Russian Federation;
- 2) To draw lessons learnt, including viable suggestions on operational directions, which could be sharpened and enhanced in the follow-up project phase;
- 3) To provide recommendations and inform the development of further SECO's and UNDP's interventions accounting for the ongoing war and its impact on partner BMOs and MSMEs as well as for the need for further UNDP assistance, paving the way for a follow-up phase.

The criteria for the evaluation are standard evaluation criteria defined by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) and the United Nations Evaluation Group (UNEG): **relevance, coherence, efficiency, effectiveness, sustainability**. The evaluation is also requested to assess the cross-cutting normative principles of the United Nations namely regarding the Human Rights Based Approach (HRBA) and the inclusion of gender equality and women's empowerment (GEWE).

The scope of the final evaluation is the implementation period of the Project since its start on 18 November 2019 until the end of October 2022.

4. Audience

This progress evaluation is meant to provide evidence of results and accountability to the UNDP, SECO; the Government of Ukraine (GoU), BMOs, as well as other interested parties. The evaluation report will be published on the Evaluation Resource Centre website (an open information site accessible to all to view evaluation plans and evaluations, available at <https://erc.undp.org/>) and/or other platform(s) for dissemination and communication purposes.

It is undertaken under the oversight of the UNDP Ukraine Office. The UNDP evaluation manager is the Team Lead for Strategic Planning, Partnerships and RBM unit at the Country Office (CO). Her role is to ensure that the project evaluation remains on track with the contents of the inception report, its work plan, as well as quality review and accept the required deliverables.

5. Project background

This project represents the second phase of the SECO-funded intervention to help strengthen institutional/ organizational/ financial capacities of BMOs in Ukraine. The project's first phase was implemented by UNDP Ukraine from 2015 to 2018, which provided the groundwork for the expansion of the project in phase two (from 7 BMOs in phase I to 27 BMOs supported in the current Phase II).

Phase II is viewed as continuation of Phase I incorporating relevant lessons learnt and introducing adjustments that enhance overall positive influence on MSME sector.

The Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023) project aims to contribute to **economic development in Ukraine through increased growth and competitiveness of the Ukrainian MSMEs by achieving three expected outcomes:**

1. MSME sector representativeness through professional BMOs has increased.
2. MSMEs increasingly benefit from business development services (BDS) provided by BMOs to enhance their competitiveness.
3. Representative and effective public-private dialogue (PPD) contributes to improvement of business environment for SMEs.

The project respectively planned twenty-two indicators for its expected results at all three levels – the impact, three outcomes and three outputs with targets to be achieved by the end of October 2023, as presented in the Results Framework (RF) below.

Table 2 – Project Results Framework indicators

| Expected Results | Indicator | Final target (2023) |
|---|---|----------------------------|
| Impact | | |
| Increased growth and competitiveness of the Ukrainian SMEs contribute to economic development in Ukraine | 1.1. The share of the added value (by cost of production) of MSMEs in total added value | 66.2% (↑3%) |
| | 1.2. Number of people employed by MSME-members of partner BMOs | 157,590 (↑3%) |
| | 1.3. Number of laws and sub-laws, consulted with partner BMOs (laws/sub-laws), submitted to respective authorities review and adopted | 3/11 |
| Outcomes | | |
| Outcome 1. MSME sector representativeness through professional BMOs has increased | 1.1. Organizational capacity of partner BMOs <i>[as per index of organizational capacity]</i> | 3.22 (↑30%) |
| | 1.2. Aggregate membership of partner BMOs ¹ | 6,031 (↑20%) |
| | 1.3. Share of women led MSMEs among the members of partner BMOs, excluding BMOs representing exclusively women entrepreneurs | 32% (↑20%) |

| | | |
|---|--|---------------|
| | 1.4. Share of members paying fees in partner BMOs | 75% (↑25%) |
| Outcome 2. MSMEs increasingly benefit from BDS provided by BMOs to enhance their competitiveness | 2.1. Share of members acquiring BDS from partner BMOs | 70% (↑30%) |
| | 2.2. Share of MSMEs-members satisfied with BDS provided/facilitated by partner BMOs | 76% (↑25%) |
| | 2.3. Share of BDS customers among women-led MSMEs-members | 87% (↑15%) |
| Outcome 3. Representative and effective PPD contributes to improvement of business environment for SMEs | 3.1. Number of industry-based standards developed by partner BMOs on the principles of self-regulation and implemented by industry-based MSMEs | 7 |
| | 3.2. Share of full members of partner BMOs satisfied with the quality of Public-Private-Dialogue | 44% (↑30%) |
| Outputs | | |
| Output 1. Partner BMOs strengthened governance and organisation capacity to better represent the interests of MSMEs | 1.1. Number of partner BMOs with improved governance, management and optimized internal processes and are able to maintain adequate organizational structure and processes | 22 |
| | 1.2. Number of hubs/platforms established for BMO cooperation and partnership | 4 |
| Output 2. MSMEs have better access to BDS through BMOs | 2.1. Number of BDS on cost-recovery basis implemented by partner BMOs | 65 |
| | 2.2. Number of Group Purchasing Organizations established or facilitated by partner BMOs | 5 |
| Output3. Private sector and government side engaged in effective public-private dialogue | 3.1. Number of laws and sub-laws, consulted with BMOs, that have been submitted to respective authorities for adoption (number of laws/sub laws) | 8/14 |
| | 3.2. Number of partner BMOs that established partnerships linkages and created networks and coalitions with other relevant organizations | 22 |

| | | |
|--|---|----|
| | 3.3. Number of dialogue platforms established to improve national or local regulations | 6 |
| | 3.4. Number of partner BMOs that established effective cooperation and partnerships to advocate for quality standards and/or certification, and/or lead the process of such standards development | 14 |

The Project's strategy is aligned with the priorities of the Government of Ukraine – the United Nations Partnership Framework 2018–2022, and the UNDP Country Programme Document 2018-2023.

It is expected that the BMO Phase II Project will contribute to UNPF thematic pillar 1 «Sustainable Economic Growth, Environment and Employment” Outcome 1.1: By 2022, all women and men, especially young people, equally benefit from an enabling environment that includes labour market, access to decent jobs and economic opportunities”.

It also contributes to UNDP Global Strategic Plan Outcome 1: *Growth is inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.*

The project responds to CPD 2018-2023 Output 2.2. Public institutions and private entities effectively cooperate to improve the business environment with two indicators that incorporate gender marker. (CPD Indicator 2.2.1: *Share of members of UNDP-supported business membership organizations satisfied with the business environment*; CPD Indicator 2.2.2: *Number of businesses that benefit from scaled-up advisory support*).

The BMO phase II project faced an urgent need to adapt to rapidly changing context twice during project implementation: once when the COVID-19 pandemic was declared on 15th March 2020 by the WHO, resulting in lockdown and mobility limitations, and the second time due to full-scale armed invasion of Russian Federation to Ukraine in February 2022. The war caused disruptions in business activities, broke logistical and production capacities, led to mass relocations, partial or full close of many MSMEs. Regular project activities had to be cancelled, postponed, or modified to provide vital support and assistance to MSMEs through Business Membership Organizations (BMOs) and their further development.

6. Evaluability

The project document clearly identifies the expected results, the project components and the actual outputs which are to be achieved through the project.

While there is no specific theory of change to explain how the project will navigate to reach the higher-level results (e.g., expected results), there is a clear logic behind the structure of the results framework. The activities detailed when completed support the achievement of each project output. In turn the outputs are directly contributing to the component statements, which support the accomplishment of the expected results as mentioned in the project document. There is a logic behind the hierarchy of results, even if the project document on page 13 does not use the traditional Results Based Management (RBM) terminology of impact, outcome and outputs when identifying the levels of results.

The project indicators are SMART and allow to appraise the progress for each of the outputs. The Results Framework therefore allows to evaluate the project progress to date.

The two major challenges to the project's evaluability are the changes in the operating conditions during the project implementation period: firstly, the COVID-19 pandemic since March 2020, which was not foreseen in the initial risk register, which might be revised during the project implementation. The second, the war between the Russian Federation and Ukraine pursuant to the military invasion of Ukraine on 24th February 2022. The latter risk was envisioned in the project risk register with possible impact of impeding the project implementation. Both these factors were major game-changers and have required adaptive management capacity from UNDP to adjust the project implementation to the changing context.

In the case of the COVID-19 pandemic, the major challenges were linked to the limitations and restrictions regarding physical contact and face-to-face meetings. Logically this had implications on all activities and trainings that were to be conducted, although to a certain extent the challenge was overcome by switching to online and application-based solutions wherever this was possible. At the same time, the COVID-19 pandemic also showed the importance in supporting the process of digitalisation in Ukraine. Certainly, the COVID-19 pandemic had a major impact on the MSMEs in Ukraine, as it did in the rest of the world, with some sectors more affected than others. Nonetheless through mitigation measures the project appears to have continued its efforts to undertake the planned activities to the best of its ability taking into consideration the effects of the pandemic.

The second major challenge is the on-going war with the Russian Federation since the end of February 2022. The most affected areas are those on the front line, mostly in the east and south of the country, but the entire economy has suffered both from the conflict and from its socioeconomic consequences, including the high inflation rates fuelled by the conflict. Certainly, the economic performance of BMOs and MSMEs have been and remain sorely affected by the conflict. Although this risk was foreseen in the risk log, there is very limited mitigation capacity to offset the effects of the conflict.

The evaluation adopted essentially a qualitative analysis when looking at the outcome levels (e.g., the component and expected results level) based on stakeholders' perception, to see if the project was able to increase the resilience of its beneficiaries.

The Evaluation ToR includes 32 evaluation questions, most of which include from 2 to 5 sub-questions, making a total of 61 questions. The list is too long for quality evaluations and has been condensed in the evaluation matrix under point 9. at the end of the inception report, which contains the key questions the evaluation will be addressing.

7. Approach and methodology

The evaluation follows the United Nations Evaluation Group (UNEG) evaluation norms and standards (2017 revision), and the UNDP "PME Handbook" established by the UNDP in 2009 and revised in 2011, the UNDP Outcome-level evaluation, a companion guide to the Handbook on Planning, Monitoring and evaluation for development results for programme units and evaluators, December 2011, the UNDG, Results-Based Management Handbook, Harmonizing RBM concepts and approaches for improved development results at country level, October 2011, as well as the updated UNDP evaluation guidelines of 2021³. It is conducted under the provisions of the revised UNDP Evaluation Policy of 2019⁴. The final evaluation also adheres to and is a signatory of the UNEG ethical guidelines for

³ <http://web.undp.org/evaluation/guideline/index.shtml>

⁴ http://web.undp.org/evaluation/documents/policy/2019/DP_2019_29_E.pdf

evaluation and the UNEG Code of Conduct both of 2008. The approach follows a “utilization-focused evaluation” approach that is described by M. Q. Patton in his book of the same name⁵ that continues to be a good practice reference material for the conduct of evaluations.

The evaluation is a progress evaluation with one more year of project implementation ahead. The ToR request the evaluation to be forward-looking, meaning that the recommendations are meant to show the way forward in the current context in order 1) to maximise the potential impact of the project’s performance by its closure 2) to identify the gaps, good practices and uncovered needs which need to be addressed in a potential third phase of the project, both from the perspective of the donor, SECO, and that of the implementing agency, UNDP.

The five criteria for undertaking the assessment are mentioned in the ToR and are the standard criteria used for project evaluations: relevance, coherence, efficiency, effectiveness, and sustainability. Originally the definitions of each of the evaluation criteria had been given by the OECD/DAC in its glossary of key terms in evaluation and results-based management in 2002. However, in 2019 the evaluation criteria were revised and updated as follows⁶ :

“Relevance: The extent to which the intervention objectives and design respond to beneficiaries’, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.

Relevance answers the question: is the intervention doing the right things?

Coherence: The compatibility of the intervention with other interventions in a country, sector, or institution.

Coherence answers the question: how well does the intervention fit?

Efficiency: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way. Note: “Economic” is the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes, and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. “Timely” delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).

Efficiency answers the question: how well are resources being used?

Effectiveness: The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. Note: Analysis of effectiveness involves taking account of the relative importance of the objectives or results.

Effectiveness answers the question: Is the intervention achieving its objectives?

Sustainability: The extent to which the net benefits of the intervention continue or are likely to continue.

Sustainability answers the question: will the benefits last?”

In addition, the evaluation reviewed the extent to which the normative principles of the UN (HRBA, GEWE, Disability) have been applied during project implementation and how it has contributed to its performance. The Project has a Gender Marker of 2 (on a scale of 0 to a maximum of 3) which means

⁵ “Utilization-focused Evaluation”, Michael Quinn Patton, 3rd Edition, Sage publications, 1998, also see <https://www.utilization-focusedevaluation.org/>

⁶ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

it is gender responsive, but not gender transformative. It addresses specific aspects of gender through targeted support for women-led organisations as a positive measure to reduce the gender gap and gender analysis was mainstreamed within the evaluation process and questions.

This PE used a two-pronged approach: on the one hand, it used the data collected through the M&E system established by the project to provide evidence of the results achieved, in line with the results framework established for the project. On the other hand, it focused on a qualitative approach through Key Informant Interviews (KII) in order to understand which components have contributed to a) maintaining or increasing business activity despite the two major challenges encountered, b) increasing the resilience of BMOs in light of the changes in the operating environment and c) address the level to which the PPD could take place in such a complex environment.

KII were based on the perception of the different key informant interviews regarding the positive and/or negative changes generated by the project, to obtain evidence of what worked and why, from the perspective of the different stakeholder categories. KII used a questionnaire protocol to ensure comparability and consistency across the various evaluation respondents.

Tools and methodology

The evaluation used a combination of methods that included:

- a) Documentary review of project outputs and reports submitted by the project, and other relevant UNDP documents, national and/or sub-national strategies, action plans, policies and analytical documents pertaining to business membership organisations and entrepreneurship in Ukraine, surveys and analytical research on MSMEs development in Ukraine as well as well as media publications about the project and its activities leading to the preparation of the inception report;
- b) Seven Individual Key Informant Interviews (KIIs) online with key project stakeholders: Project Board members including Entrepreneurship and Export Promotion Office (EEPO), the Ministry of Digital Transformation, SECO/Swiss Cooperation Office, UNDP analytical and business advisory staff, UNDP BMOII project team.
- c) Individual KIIs with the 21 of the 27 BMOs. Focus group discussions (FGD) could not take place given the security situation and all interviews were, in the end, held individually.
- d) The PE TOR do not foresee field work to take place in Ukraine, and interviews were carried out through virtual means. However, the national consultant was invited to attend the final session of the KMBS training on 14-15 November 2022, allowing for on-site observation as one of the data collection tools and observation of BMOs' strategies presentations.

KII were undertaken through a semi-structured individual interview format of around one hour.

Tools: The evaluation team used a questionnaire guide to ensure comparability and consistency amongst the different respondents who will be interviewed. Probing was done when and where necessary to obtain a clear understanding of the responses to the Key Evaluation Questions (KEQ) as defined in the inception report.

All responses are treated confidentially and the KII are coded to ensure that no attribution or identification is made to a specific person regarding the information leveraged during the interviews, in line with the UNEG Evaluation Norms and Standards (2017) and UNEG Ethical Guidelines for Evaluation.

Data Analysis: Several methods to analyse collected quantitative information were used. Qualitative data collected through interviews was mapped and analysed by use of content analysis, comparative analysis, and discourse analysis methods as well as key words and topic modelling to identify trends and insights for the evaluation report. For the appraisal of the higher level results (outcome and goal), the evaluation team used appreciative enquiry and contribution analysis.

Sampling of respondents: the Project Board members were compulsory KII, as are the 27 BMOs, of which 21 proved available to be interviewed. The total number of KII was 28 in total, including the UNDP, SECO, EEPO and BMOs.

Division of labour within the evaluation team: the evaluation team leader is responsible overall for the different PE deliverables and focused more attention on the higher-level of results (impact and outcome) of the RF, while the national consultant will be focusing more attention on the context development and adaptive management, outputs and their updated indicators and results.

The team leader does not speak Ukrainian and interviews with BMOs were undertaken by the national consultant in Ukrainian language, while interviews with SECO, UNDP, EEPO were led by the team leader.

The National Consultant is responsible for the contents of the BMO interviews at the output level, while the analysis of the outcome level results is based on joint analysis by the national consultant and the team leader of the data and evidence obtained during data collection, and of its interpretation.

Ethics

This evaluation was conducted in accordance with the principles outlined in the UNEG 'Ethical Guidelines for Evaluation'⁷. The National Consultant and the team leader safeguarded the rights and confidentiality of information providers, interviewees and stakeholders through measures to ensure compliance with legal and other relevant codes governing collection of data and reporting on data. The evaluation team respected differences and accord equal spaces and dignity regardless of interviewees' gender, race, sexual preference, ethnicity, ability, or other markers of identity. The evaluation team ensures security of collected information before and after the evaluation and protocols to guarantee anonymity and confidentiality of sources of information where that is expected. The information knowledge and data gathered in the evaluation process will also be solely used for the purpose of this evaluation and no other uses will be made.

8. Risks and limitations

Online key informant interviews may have somewhat limited trust between respondents and interviewers due to reduced personal and eye contact. That may cause to obtain formal responses without contextual information. To minimize the effect, interviewers used soft skills to build the trust.

Due to regular electricity cuts off in Ukraine since October 2022, which intensified from October 31 given repeated missiles shelling from the Russian Federation, respondents had limited time intervals to schedule their online communications. The evaluation team therefore agreed to an extension of the fieldwork period in order to obtain the highest possible number of participants. 78% of the BMOs were finally interviewed (21 out of 27).

The project is still under implementation, so the final target indicators may not be achieved or available until the project's closure.

⁷ UNEG, 'Ethical Guidelines for Evaluation', June 2008. Available at <http://www.uneval.org/search/index.jsp?q=ethical+guidelines>

9. Evaluation findings

This section is structured for ease of reading by evaluation criterion and, for each evaluation criterion, by key evaluation question as submitted in the inception report in the evaluation matrix.

9.1. Relevance

9.1.1. Was the project addressing national development priorities, UNDP and SECO priorities before the onset of the full-scale military invasion of Ukraine in February 2022?

The project was aligned to the national priorities, as it was approved by the Ministry of Economy of Ukraine (MEU) and to the Sustainable Development Strategy for Ukraine by 2030 which was published in December 2017. Further, UNDP Country Programme Document (CPD) 2018-2022 indicates as one of the four national priorities it is supporting the need "To create favourable business environment, support development of small and medium enterprises, attract investments, facilitate international trade and enhance labour market efficiency".⁸

For the UNDP the project was developed under the Strategic Plan, 2014-2017 OUTCOME: 1. Growth is inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded. It remained aligned to the successive Strategic Plan 2018-2021 which envisioned "to help countries to achieve sustainable development by eradicating poverty in all its forms and dimensions, accelerating structural transformations for sustainable development and building resilience to crises and shocks"⁹. It is also supporting UNDP's Strategic Plan 2022-2025 which focuses on three directions for change "structural transformation, leaving no-one behind, building resilience" as part of its 3x6x3 strategy.¹⁰

According to the UNDP's CPD Results and Resources Framework, the project is positioned under "UNDAF OUTCOME: 4.1. By 2022, all women and men, especially young people, equally benefit from an enabling environment that includes labour market, access to decent jobs and economic opportunities" and therefore directly contributes to the Sustainable Development Goals 1 (no poverty) and 8 (decent work and economic growth)

For the donor, Ukraine is a priority country in terms of Swiss transition cooperation with Eastern Europe. Under the previous cooperation strategy (2015-2018), Switzerland was strengthening its support in those areas where it had been active: decentralisation, healthcare, energy efficiency and support for the private sector. Under the current strategy, support to SME as a contribution to sustainable economic development is one of the four areas of support for the Swiss cooperation programme (2020-2023).

With funding from SECO, the support to SME as part of its contribution to sustainable economic development is one of the four priority areas of support for the Swiss cooperation programme (2020-2023).

Started in 2014, Ukraine launched a large-scale pro-European reform process moving forward towards a more efficient and effective system, with a more transparent and agile government, with improved

⁸ UNDP CPD Ukraine 2018-2022, Results and Resources Framework,

⁹ UNDP Strategic Plan 2018-2021, 17 October 2017, DP/2017/38, page 10

¹⁰ UNDP Strategic Plan 2022-2025, p. 7

institutions and a more efficient private sector, in line with European Union accession aspiration. But the transition of business models requires time and efforts and is an on-going process which should be clearly supported by the country's development partners.

At the time of the project preparation, the objectives and components of the project were highly relevant to the needs of the country and of the business community. It was aligned with the donor and the UNDP's priorities.

9.1.2. To what extent is the project relevant to address the newly emerging needs and priorities after the full-scale invasion breakout? If so, how can it maintain its future relevance?

As a result of the invasion in February 2022, in July 2022 Ukraine launched a National Recovery Plan (NRP) with funding needs in excess of US\$ 750 billion across all sectors, in order to offset the large amount of destruction and depletion of economic assets caused by the war. The NRP contains five guiding principles, one of which is enabling private investment and entrepreneurship. Despite a major focus on recovery and reconstruction, the NRP also contains sizeable investments in support of private businesses, with an estimated US\$ 5 billion investment on programme 5. Boost business environment.¹¹

There is a clear priority to rehabilitate and reconstruct damaged and destroyed infrastructure, so large amounts of funding will be necessary in this recovery phase. However, the project's thrust as mainly a capacity development process that allows BMOs and MSMEs to interact and grow through peer experience and learning, learning by doing, coaching, high quality knowledge transfer, remains relevant to support the transformation process of the businesses in Ukraine and is not affected at its core by the armed conflict. If anything, the need to support businesses to become more successful and efficient and prosperous is even more acute today to compensate all the losses in assets and capital as a result of the war. Certainly, a more vibrant, effective and professional business community contributes to a higher GDP for the country, creates job opportunities and informs and supports government policies.

A key aspect in the recovery phase is that the project should be closely aligned and coordinated with other interventions which provide recovery funds so that the 27 BMOs who are the direct project beneficiaries are able to take advantage of both the funding for capital assets and continue with the technical support in their capacity development from the BMO Phase II project, but using as much as possible a coordinated and complementary approach so that synergies can be established and maximized.

While the on-going reform process means that there have been some institutional changes, the project remains relevant in today's armed conflict scenario in the country and its objectives are still aligned with national priorities and the Sustainable Development Goals, particularly SDG 1,5 and 8.

It is not possible to plan in a vacuum, and the organisational strategy of the BMOs supported by the project is being developed with a view to a "post conflict" scenario¹². As the situation remains volatile at the time of writing this report, with regular shelling and missile attacks from the Russian Federation to major cities and the Ukrainian capital Kyiv, the continuation of the fighting on the frontlines, it is not possible to predict when a more stable situation will allow substantial investments into private sector development. However, the opportunity is there, and BMOs with UNDP support may use a period of

¹¹ Ukraine's Recovery Plan Blueprint, <https://www.urc2022.com/urc2022-recovery-plan>

¹² Comment from the CO: "In fact the project has insisted that the partner BMOs reflect both the "post-conflict" and "ongoing war" scenarios in their strategies. Thus they are well equipped for upcoming developments even if the war is not over."

armed conflict to get better prepared for a stronger support to the private sector to take place once the armed conflict has stopped.

KIIs shared the most acute issues the businesses face during the armed conflict. Among the most frequent - broken logistical and supply chains, shrinking sales for the majority of goods, physically crippled production capacities by warfare in the occupied territories, lack of funding and working capital, workers mobilized into the army and deficit of qualified personnel in territories on relocation. Later, after October 10, 2022, regular power outages were added to the long list of losses due to the reduction in production volumes in all regions of Ukraine. In liberated and heavily shelled territories (Kharkiv, Kherson, Mykolaiv, Zaporizhzhia, Odesa, Donetsk) many businesses are fixing damages and worrying about possible compensations of losses by the government. They experience difficulties in getting access to bank loans and grant opportunities from international donors as they are categorised as "highly risky" clients because their businesses are located in regions close to war zone.

UNDP BMO II project could hardly anticipate the emerging changes in business environment MSME within their given budget and mandate. However, having the first-hand information from its BMOs, the UNDP management participated in working groups meetings on developing the restoration and renovation plan.

9.2. Coherence

9.2.1. Is there evidence of a concerted approach within SECO, UNDP and with other programmes and donors?

The project shows internal coherence in regard to both SECO support to the private sector and the UNDP sustainable economic development goals, as mentioned under relevance. SECO is funding other interventions, such as integrating the products of agricultural SMEs into sustainable value chains and facilitating access to financial services, as well as assisting national authorities in implementing economic legislation reforms and creating a pro-competitive regulatory environment. In addition, in 2022 SIFEM committed USD 15 million to a Ukrainian fund that contributes to economic activity in Ukraine by investing in export-oriented IT companies. SIFEM was established by SECO as Switzerland's Investment Fund for Emerging Markets. That complement the work of the BMO phase II project, but the BMO Phase II project is a reference point for demonstrating capacity development of BMOs in Ukraine.

UNDP has also been supporting the MSMEs and has a large portfolio of projects, including area-based projects, on-going in the country. According to KII with UNDP staff, the BMO phase II project has been closely collaborating and coordinating its efforts with other UNDP interventions, particularly areas-based projects (such as the Recovery and Peacebuilding Programme (RPP) in the East of Ukraine) and has been instrumental in informing mechanisms and venues to collaborate and support the private sector, as the experience, research and materials produced by the BMO phase II project were used to support technical considerations under other projects and vice versa. To give an example, the analysis of women in the legal system under the BMO phase II project was used in one of the components relating to policy dialogue on GEWE in a joint programme with ILO and the UNDP. Another project focusing on SDG also coordinated with BMO Phase II to see how information about sustainable development and the SDGs could be provided to the BMOs. The Economic Recovery and Restoration project within RPP built its support for SMEs in specific sectors in cooperation with several BMOs that have been trained with UNDP BMO phases I and II project. There appears to be a good level of internal coherence between the different UNDP interventions and that of the BMO phase II project.

Regarding other donors, and with the notable exception of GIZ that confirmed a good information exchange with UNDP and a number of synergies between the GIZ strategy and the BMO Phase II

project, the evaluation team was unable to obtain evidence of close cooperation with other international donors that support MSME development, such as the ERA/USAID, CEPU/USAID, EU4Business/EU, EBRD, SIDA and other international donors.

A key stakeholder that does not seem to participate actively in supporting the project results is the Ministry of Economy of Ukraine. In order to extend practical collaboration, the BMO Phase II project was able to work directly with the Entrepreneurship and Export Promotion Office (EEPO), an institution that sits under the Cabinet of Ministers and was recently transformed from a focus on export promotion (previous institution) to the current focus that includes small and medium business development. Generally good information exchange is reported to take place with UNDP although there is still room for improvement in terms of coordinating or simply disseminating information on specific activities that could be done in a more consultative basis.

One BMO mentioned during interview that their previous donor IFC recommended them to join the UNDP BMOII project, and even assisted with the application. That might be evidence of cooperation between UNDP BMO II and IFC program on improving access to financial assets for the most vulnerable SME.

9.3. Efficiency

9.3.1. Is the project bringing value for money?

The project is still under implementation and has not yet completed all its planned activities. The financial delivery is expected to be on track towards full execution of the project budget, although the updated financial information is not currently available, as the UNDP closes its annual accounts at the end of December and the financial details will only be available in 2023.

However, in terms of the value addition, the project is leveraging results that show value for money. From a project management efficiency perspective, the project responds to the needs of the BMOs by the provision of different aspects of capacity development: technical support, coaching, training, peer-to-peer learning, knowledge and skills transfer, strategic thinking abilities and gradual changes in the mindset to facilitate an orientation of the business community towards more efficient, effective, competitive and resilient BMOs that support sustainable economic development. As the project continues its activities, there is a gradual but noticeable progress towards not only the targets defined in the project results framework, but also in terms of BMOS' awareness, attitudinal changes and receptiveness for models which are aligned with good business and EU practices. The invasion of the Russian Federation has exacerbated the value of the EU business procedures and as the country is now looking at European accession or integration, the models and examples that can be used to support the transformation and reform of the business sector are providing an important added value to BMO members – especially when considering exports to the EU.

The BMO phase II project is therefore investing funds into a constructive and business-friendly approach that shows it is able to leverage concrete results from the project activities despite a highly constraining environment characterised by high insecurity and recurrent conflict, shelling and missile attacks. Despite a negative business environment, the BMO phase II project is able to keep its beneficiaries motivated and engaged in the project activities, as the majority of the beneficiaries see the value of their continued participation in the process, and the benefits that can be expected from such support.

UNDP procurement procedures seemed to be well arranged and returned acceptable quality for optimized invested funds. Besides, the COVID-19 period helped the BMO phase II to make savings by

conducting numerous online events instead of offline and some cancelled travels due to pandemic restrictions.

9.3.2. Has the BMO phase II project been efficiently managed?

The BMO phase II project counts with a small project team as defined in the project document. The core project team consists of a Project Manager and a Finance and Procurement Associate. The project management has the authority to run the project on a day-to-day basis on behalf of the Project Board, is responsible for decision-making for the Project, and for ensuring that the project produces the results specified in the project document. The Finance and Procurement Associate provides financial, procurement and administrative assistance for timely and quality implementation of the project activities and delivery of the intended results.

Under the oversight of the project manager, three National Coordinators are responsible for the management, coordination and facilitation of the respective groups of activities under each of the three project outputs. In addition, they serve as experts providing direct development services to project.

In terms of management efficiency, the project team has shown adaptive management capacity as the project had to face two major constraints: the COVID-19 pandemic in March 2020 and the full-scale armed invasion of the Russian Federation in February 2022.

Despite the restrictions linked to the COVID-19 pandemic, the project was able to avoid any significant negative effects regarding the quality of the training and the consultancy services delivered. A number of activities had to be moved to virtual means in order to avoid physical contact and the risk of spreading the disease. The project progress report of March 2021 indicates a delivery of 76% of the budget amount for year 2020. There were some savings retained which may be used for a no cost extension of the project, which is currently being discussed between UNDP and its donor.

BMOs have generally been supportive of the project management style, understanding the procedures and the decisions made. There were however some exceptions regarding the length of the planning process, which left compressed time periods for implementation, and some concerns about the inclusion of a more participatory approach in the selection of the speakers, trainers or coaches (in which more advanced BMOs could be playing directly a more active role) or in the sub-contracting software developer for adding a business support infrastructure register to the Diia.Business¹³ platform (a state owned resource and service portal for small and medium business of Ukraine), for which previous experience in developing government and institutional products should form part of the procurement requirements.

The second major challenge was the full-scale invasion of the Russian Federation in February 2022. Many other projects had to suspend or modify their activities because of the armed conflict. But the BMO phase II project was able to continue its activities and providing support even under the current volatile environment, something that was highly appreciated by all project stakeholders, as it allowed BMOs to focus on some constructive business orientations that will contribute to their long-term efficiency and sustainability after the end of the conflict. The project also contributed to developing resilience among its beneficiaries, bringing an appearance of normalcy in an unstable and straining operational context.

It is also important to note that the selection of the BMOs represented a comprehensive typology of BMOs. It was a comprehensive mix of size, variety, sector, geographical locations (including East and

¹³ <https://business.diia.gov.ua/en/business-map>

South of Ukraine) and included the participation of the Chambers of Commerce and Industry (CCIs) both at national and regional levels. Despite the fact that it appeared to be a cluster of heterogeneous organisations, the actual selection allowed for a level of diversity and complementarity which actually provided interesting peer-learning across sectors, organisational systems, size and locations. The evaluation team found that the composition of the project beneficiaries, selected according to the set criteria, was adequate within the scope of the project (with a total of 27 BMOs selected). Motivation for development and changes was one of the noticeable features for all selected BMOs. At the same time, evaluation discovered that not all organizations had a clear understanding of the project benefits and expected results, as well as a volume of forthcoming activities, at the stage of application. Which, again, should be attributed to project's ability to communicate and form expectations.

9.3.3. How well was the project designed?

The project document clearly identifies the expected results, the project components and the actual outputs which are to be achieved through the project.

While there is no specific theory of change to explain how the project will navigate to reach the higher-level results (e.g., expected results), there is a clear logic behind the structure of the results framework. The activities detailed support the achievement of each project output when they have been completed. In turn the outputs are directly contributing to the component statements, which support the accomplishment of the expected results as mentioned in the project document. There is a logic behind the hierarchy of results, even if the project document on page 13 does not use the traditional Results Based Management (RBM) terminology of impact, outcome and outputs when identifying the levels of results, something that may lead to confusion. Nonetheless a review of the alignment of the project design to ensure consistency with RBM practices would be useful for the next phase, as would the inclusion of a more detailed roadmap towards the higher level results (e.g. a full theory of change narrative and diagram).

The project indicators are SMART and allow to appraise the progress for each of the outputs. The Results Framework allows to measure the project progress to date through the indicators identified.

The project is built on the identified needs of Ukrainian BMOs in knowledge and best practices exchange to improve their governance, strategic thinking and ability to attract and serve more MSMEs. The project also intended to fill gaps in the BMOs' ability to establish and maintain the public-private dialogue to raise the MSMEs voice and mitigate challenges for its development.

9.4. Effectiveness

9.4.1. What are the key project results? How effective was the Small Grants Programme (SGP) in the country context?

The larger BMOs reported having developed and/or updated their policies and procedures. At BMO internal level according to the logframe indicators currently 16 BMOs indicate having the processes already in place and functional. 6 Hubs and platforms for BMO cooperation were established, versus a target of four. The number of BDS on cost-recovery basis implemented reached 78 versus a target of 59, and group purchasing was able to take place on two occasions (versus a target of three). At the policy level, BMOs took part in consultations regarding 32 laws and 28 by-laws. 27 BMOs built partnerships and cooperation with other relevant BMOs. More efforts are warranted in the establishment of the dialogue platforms to improve national and local regulations, with one PPD held

versus a target of five. According to the results framework, the currently available indicators report the following results:

Table 3 – Indicators as of December 2022 for the BMO Phase II project results framework (Source: UNDP).

| Indicator | Baseline 2018 | Progress 2021 | Progress 2022 | Target |
|---|----------------|--------------------|---------------|---------------|
| KPIs: Impact | | | | |
| 1.1. The share of the added value (by cost of production) of MSMEs in total added value | 64.3% | 70.2% (↑9%) (2020) | - | 64.5% |
| 1.2. Number of jobs created and improved in enterprises with BMO membership | 153,000 (2020) | 155,000 (↑1%) | - | 157,590 (↑3%) |
| 1.3. Number of laws and sub-laws, consulted with partner BMOs (laws/sub-laws), submitted to respective authorities review and adopted (submitted / adopted) | 0/4 | 6/22 | 12/26 | 2/7 |
| KPIs: Outcomes | | | | |
| 1.1. Average organizational capacity of partner BMOs (as per organizational capacity index) | 2.48 (2020) | - | - | 3.22 (↑30%) |
| 1.2. Aggregate membership of partner BMOs | 5,026 (2020) | 5,118 (↑2%) | 5,049 (↑0.5%) | 6,031 (↑20%) |
| 1.3. Share of women-led MSMEs among the members of partner BMOs | 27% (2020) | 27% | 29% (↑7%) | 32% (↑20%) |
| 1.4. Share of members paying fees in partner BMOs | 60% (2020) | 62% (↑3%) | 41% (↓32%) | 71% (↑25%) |
| 2.1. Share of SMEs acquiring BDS from partner BMOs | 54% (2020) | 59% (↑9%) | 51% (↓6%) | 70% (↑30%) |
| 2.2. Share of members satisfied with the quality of BDS provided by partner BMOs | 61% (2020) | 66% (↑8%) | - | 76% (↑25%) |
| 2.3. Share of women among BDS customers of partner BMOs | 76% (2020) | 81% (↑7%) | - | 87% (↑15%) |
| 3.1. Number of industry-based standards developed by partner BMOs | 1 | 6 | 6 | 7 |
| 3.2. Share of members of partner BMOs satisfied with the quality of PPD | 34% (2020) | 35% (↑3%) | - | 44% (↑30%) |

| KPIs: Outputs | | | | |
|---|----------|-------|---------------------|------|
| 1.1. Number of partner BMOs with improved governance and optimized internal processes | 7) | 15 | 16 | 22 |
| 1.2. Number of hubs/platforms established/developed for BMO cooperation | 0 (2020) | 3 | 6 | 4 |
| 2.1. Number of new BDS on cost-recovery basis implemented by partner BMOs | 35 | 50 | 78 | 65 |
| 2.2. Number of Group Purchasing Organizations established or facilitated by partner BMOs | 1 | 2 | 2 | 5 |
| 3.1.a/b Number of laws/sub-laws, consulted with partner BMOs, that have been submitted to respective authorities for adoption (laws / sub-laws) | 5/4 | 22/24 | 32/28 ¹⁴ | 8/14 |
| 3.2. Number of partner BMOs that created networks and coalitions | 7 | 17 | 27 | 22 |
| 3.3. Number of municipalities that established dialogue platforms to improve local regulations | 1 | 1 | 1 | 6 |
| 3.4. Number of partner BMOs that established effective cooperation to advocate for quality standards and/or certification | 4 | 11 | 13 | 14 |

Note: Green cells reflect successfully achieved or exceeded targets for 2022. Red cells are warning – either the indicator cannot be achieved due to continuing war, or more attention of the project management should be paid to project activities and outcomes in 2023.

On a qualitative level and from the KII undertaken, the project was proven to be effective in the educational component of the **BMO Leadership Programme** (Sep2021–Aug2022) delivered in cooperation with Kyiv-Mohyla Business School (KMBS). All BMOs interviewed mentioned this as a key result of the UNDP BMO phase II project. The intensive training for BMOs (10 for leaders and 5 for key staff) supplemented with webinars, consultations and coaching sessions allowed most of the BMOs to gain a higher level of knowledge and skills, as well as awareness on business associations' organizational policies and procedures, communications, financial management, human resources management and strategic planning, which will contribute to enhancing their efficiency and effectiveness. There was a consensus that the training was a salient feature of the BMO project that triggered an important evolution in developing the capacity of the participating BMOs. All BMOs should be able to develop their strategies by end 2025.

Another important change mentioned during interviews was more focus on increasing memberships by offering valuable services to BMOs, as well as building a multi-level membership, which none of

¹⁴ Progress data for 2022 was collected through BMO survey in Sept-Oct 2022 and reflects 10 laws and 4 sub-laws consulted with the partner BMOs and submitted to respective authorities for adoption.

BMOs in the project had been practicing before. Many mentioned improvements in their communication strategies and importance to be transparent to their members to build more trust. Despite a decline in membership and paid fees during the 2022 war period, BMOs feel readiness to attract and serve more businesses after the end of the active phase of the war. The different conferences, webinars and coaching received diverse feedback regarding their quality and effectiveness. Some were highly appreciated; others were not remembered. However, almost half of the BMOs interviewed expressed their gratitude for having allowed their staff and members to participate in these events. Among BMOs, three indicated that they would be able to deliver similar or higher quality webinar, so closer interaction and synergies amongst BMOs could be leveraged in the future.

The assessment of the organisational capacity obtained mixed reviews and was appreciated by less than half of the respondents. Not all BMOs understood the expected effects or the applicability of the assessment report, indicating the need to have a clearer message and communication regarding the benefits of the process. Two BMOs also reported that they would want to have a second external assessment in order to be able to appraise the changes from the first to the second assessment.

The Small Grant Programme (2022) required cooperation between several BMOs. Instead of providing individual grants, UNDP picked up four consortium projects and invited BMOs to join one or two groups for the grant implementation on voluntary basis. Work on grants' implementation contributed to building long-term partnerships of BMOs that will last beyond the end of the grant period. However, not all BMOs were satisfied about the partnership style and results achieved. Some complained that their BMO did not benefit from the small grant project results because it was far from their MSMEs' needs. Some did not want to invest much time in long group discussions when the UNDP modified task for the grant in process of implementation. Small BMOs with limited staff struggled with enormous workload for getting formal UNDP approvals and reporting.

9.4.2. To what extent are the outcomes achieved?

From a quantitative perspective, most of the outcomes were achieved by 2021 (as mentioned above in table 3 containing indicators for the project's results framework), and in 2022 some exceeded the planned targets, for example:

- Aggregate membership of partner BMOs decreased in comparison to 2021 due to the armed conflict, from 5,118 to 5,049 members (data exclude National CCI), but still demonstrated a rise of 0.5% if compared to baseline in 2020 (5,026 members).
- The share of women-led businesses increased by 7%.
- Nonetheless, the negative aspect is a significant drop in the number of members that pay their fees (minus 32%) and a drop in members who receive BDS in 2022 (minus 6%).

From a qualitative analysis and based on the KII undertaken, the visibility of BMOs has somewhat increased among MSMEs that attracted more businesses to BMOs for consultations and important information, but it is still insufficient and requires greater efforts according to BMOs interviewed.

In terms of service delivery, BMOs mainly switched to information services for MSMEs in 2022. Most MSMEs did not require training, consultancy during 2022, but were mostly focused on searching information about changes to legislation that concerned MSMEs, work of customs, availability of production capacities in regions for relocation, optimal logistical routs and new markets, relocation opportunities etc. Thus, BMOs mentioned their informational services were on demand. The Chambers of Commerce and Industry (CCIs) issued a very high amount of force majeure certificates: Ukrainian

businesses requested the certificates to be able to prove their non-fulfilments in many contracts or obligations, as well as for court considerations. That was especially important for businesses that were left in occupied territories, located in war line zones, damaged or stopped their functioning. The hotline launched by a group of CCIs with UNDP BMO II support enabled provision of hundreds telephone consultations and simultaneously served as communication channel to attract new members to CCIs.

To achieve the outcomes and the impact, the UNDP BMO Phase II project activities were implemented in full and in a good quality. The qualitative appreciation of the BMOs with the project is generally high, as the project was found to be focused and supportive to their needs.

However, the professional training provided to the BMOs was clearly found to be essential in their capacity development, so it is taking most BMOs to a new level in which higher efficiency, effectiveness, strategic thinking and stronger technical knowledge combine towards improved business practices. Those will be effectively used after the war when the business activities will be restored.

The Small Grants Programme (SGP) was shown to provide added value for the grantees. Some BMOs appreciated learning about project design and project management skills that they obtained during the small grant programme in 2022. This allowed them to attract additional funding and expand their activities with international donor's support. The web platforms that were developed under the Small Grant Program have shown to be useful and used, but they need to be well coordinated in order to avoid potential overlaps.

Another aspect that needs to be highlighted is the incorporation of gender sensitivity in the project. As a project with a GEN2 marker, this indicates that the project was specifically designed to encompass and prioritise the needs of women-led businesses, something that was particularly important considering the low presence of women (29% of BMOs are women-led businesses), so the efforts to prioritise and support the women-led businesses are and remain an important component of the project approach and strategy.

That said, there should be more intensive communication efforts and information sharing with the different project stakeholders and in particular regarding the BMO's tangible benefits from participation in the project implementation and more participatory discussions with project partners so that the information shared avoids misunderstanding or negative attitudes. Not all BMOs are aware of the project cycle management approach and the project's expected results. Most have reported that they do not clearly understand the project plan and practice "reactive" behaviour in response to UNDP's requests, guidance and schedules. So a closer and more detailed information campaign may be necessary to ensure a wider and common understanding of the project.

9.4.3. To what extent is the project impact achieved or likely to be achieved?

As it is a midterm evaluation, the project impact expressed with the rise in "the share of the added value (by cost of production) of MSMEs in total added value" is difficult to assess. Data for 2022 will be reported in 2023 by the State Statistics Service of Ukraine. The second impact indicator "The number of jobs created and improved in enterprises with BMO membership" should be collected in 2023 through a UNDP survey of BMOs and MSMEs (was not planned in 2022).

The Ministry of Economy reported 24.6% inflation in October 2022 and expected a decline of the economy at the level of 30% by the end of 2022¹⁵. If the war continues during 2023 and the economy including MSME will continue subsiding, the project cannot achieve expected impact indicators. In fact, those indicators can be achieved in the long-term perspective in sustainable and growing economic environment.

Third impact-level indicator of UNDP BMO phase II project: “the number of submitted/adopted legislative pieces” was reported as 12 laws / 26 sub-laws versus a target of 3/11 by 2023. Proposed legislative changes concerned adoption of programs for assistance to SMEs in war period, including aid to relocated businesses, participation in development of the National Recovery Plan and regional programs for recovery and reconstruction and establishing regional platforms for public-private dialogue.

The UNDP BMO II project reported establishing three city and one regional public-private dialogue (PPD) platforms to institutionalize mechanisms for improvement of local regulations affecting MSMEs in 2021. The agreement was made with the State Regulatory Office, the project report says. Unfortunately, any respondent did not mention any platforms, besides city or regional councils’ meetings or personal communication with the economic departments within local governments.

While it was found that PPD is possible even during the war, and despite potential limitations on information management linked to the martial law and the curtailing of some individual rights, half of the BMOs interviewed do not consider it to be their key role neither during nor after wartime. When the CCIs and some higher capable BMOs mentioned active communication with the governments and invitations for the local councils’ meetings and needs assessments in 2022, the smaller organizations, preferably sectoral BMOs, did not pay attention to PPD as a potential area for development. Some BMOs consider themselves to be too small to present SMEs of their sector or regions; others do not think the government can resolve their issues. This may indicate that not enough attention was provided regarding the potential benefits of engaging in PPD and more could be done to support dialogue efforts. In part the low apparent interest and receptiveness from the governmental side may deter or cause low willingness of the BMOs to participate as they do not see the tangible benefits. However, a review of the partnership roles and strategy under the PPD could possibly increase the positive dynamics and lead to a more committed and constructive PPD.

The level of partnership with the MEU is not what it was expected to be, with little direct engagement and support in the BMO Phase II project. However, a good partnership with EEPO was developed and is sustained during the time of the project implementation, which also allowed to incorporate governmental institutions in the project and create the links with BMOs.

The qualitative appreciation of the BMOs with the project is generally high, as the project was found to be focused and supportive to their needs.

An indirect positive effect of the project is the important psychological support that it offered by allowing BMOs to focus on business as it gives a sense of normalcy in times of conflict and facilitates the mental equilibrium of people affected by the conflict. It is actually contributing to the resilience of the BMOs and their staff, and it is an important asset the project has brought in a complex country situation where insecurity creates mental instability because of estimated civilian and military casualties reaching into the tens of thousands and regular business activities disruptions in consequence to lost

¹⁵ <https://www.ukrinform.ua/rubric-economy/3599946-v-ukraini-na-kinec-roku-bezrobitta-stanovitime-30-minekonomiki.html>

production assets and labour force¹⁶, mass relocation of population, humanitarian and physical security threats, paralyzed work of local governments in first months of the invasion, and the indiscriminate shelling and bombing.

The project progress was also deemed to be positive from the different Project Board members interviewed, showing that despite the complex implementation context it was using a sound approach and leveraging adequate results. The UNDP showed adaptive management capacity in responding to the two major challenges (COVID-19, Russian Federation armed invasion in February 2022) and therefore was able to continue implementation while adapting to the circumstances. This generated an important mobilization effect during the first months after the full-scale war started, as it was not expected that many of CSOs and international donors would continue functioning during the war. So the continuation of the BMO Phase II project despite the challenges it faced was seen as an important positive contribution.

Overall, the project entry point and approach are specific and does not replicate other project's efforts, as far as the evaluation team was able to assess. This specificity is a major project strength and the most evident effect generated by the project is the BMOs' capacity development.

When analysing the expected impact of the project, which is mentioned as "increased growth and competitiveness of the Ukrainian SMEs contribution to economic development in Ukraine", the project has developed a strong basis to obtain these results through its support to the BMOs. However, it remains at a level where more BMOs should be involved and has not yet generated a critical mass that can have an impact at the national level. In order to obtain such an impact, the project needs to be scaled-up in a third phase to include a higher number of BMOs, and look for internal synergies, such as using the more advanced BMOs, or the CCs, as coaches or trainers for less advanced BMOs, using a training of trainers approach, so that the knowledge, skills, awareness and capacity can be gradually developed across all sectors to contribute to the sustainable economic development of Ukraine.

In general, BMOs have been negatively affected by the armed conflict. Most lost their staff due to decrease in incomes from membership fees and paid services, as well as some of the staff fled abroad. Those that originated from the occupied or close to warfare territories suffered more than in central or Western Ukraine. Relocated from the East of Ukraine offices continued work remotely with the staff dispersed across Ukraine or abroad. Some stayed in their regions (Kharkiv, Zaporizhzhia, Sumy, Chernihiv) to offer support to businesses that did not relocate or returned after the territories were released. Typical BMOs activities like training or consultancy were not in demand. Instead businesses were looking for information on new supply chains, import opportunities or legislative updates. Some well-developed BMOs revised their strategies to provide informational support to MSMEs including both members and newcomers, launched new service for relocated and affected businesses that have been searching for finance, logistical support.

In the current armed conflict scenario, it is not possible to consider that all BMOs will have increased growth and competitiveness, but those that have participated in the project are certainly more able to become competitive and increase their growth as the situation normalizes after the armed conflict comes to an end.

So the project has a relatively strong likelihood of achieving its impact, provided the war ends without more negative consequences on the current business environment, and the project is upscaled until it

¹⁶ UNHCR reported over 7.8 million Ukrainians fled the country in first 7 months of full-scale invasion, across the Europe, <https://data.unhcr.org/en/situations/ukraine>.

can create the critical mass of BMOs that will take the leadership and serve as model for the next generation of BMOs.

9.4.4. What are examples of good practice?

The project used a focussed and supportive approach which made BMOs interested in participating in the project implementation. The fact that seven BMOs had been through the Phase I of the project meant they also operated as pull-factors for the new BMOs. There were substantial efforts made to provide the necessary services to the BMOs and all interviewees indicated that the professional training was a major game-changer for the BMOs, as valuable knowledge and skills were transferred and the high level of training allowed less advanced BMOs to grow in their efficiency and competitiveness.

Another good practice was the commitment from the project staff to continue providing support even during an armed conflict, and this was highly appreciated by the BMOs themselves as it allowed to continue some activities with the appearance of normality, something which had a positive contribution on the psychological conditions of the project beneficiaries.

In the opinion of interviewed BMOs, UNDP had a good practice of motivating the BMOs to develop their strategies through the promise to support the best strategies implementation in year 3 of the project. BMOs would like to see more incentives for their active participation such as free trip to international exhibition, or stipends provided to those that meet all the project requirements.

Good practice was to bring BMOs work together on four selected projects under the Small Grant Program in 2022. Working in consortium initiated brainstorming and learning from each other about effective project management and service standards. All the consortiums (AgriFood platform, three CCIs' private sector coordination centres (for relocated businesses, export-oriented business and business recovery), web platform for export promotion, marketplace for MSMEs, donors, CSOs and governments) plan to continue their cooperation with exceptions for BMOs that did not demonstrate their interest.

The networking events and UNDP effort in facilitation of public-private dialogue at the regional level were positively perceived by BMO respondents. They would like to see more UNDP effort in concerted promotion of BMOs services and advocacy opportunities among MSMEs and governments, and engagement of more international donors into the networking to allow cross-cooperation for BMOs and the benefits for the MSMEs respectively.

The positive image of KMBS as a strong business education institution in Ukraine positively impacted the willingness of BMOs to participate in all training and remote consultancy sessions. Opportunity to obtain a KMBS certificate was a good motivation for BMO managers.

UNDP BMO phase II project established good working relationships with EEPO – the key government agency that promotes MSMEs in Ukraine and abroad – this was a positive result of the project implementation. The cleaned and verified database of 420 BMOs was placed online and informs potential partnerships of listed BMOs with international donors, international and local BMOs and MSMEs.

The evaluation found good UNDP phase II project practice to conduct regular analytical research and field studies to understand the MSME needs and priorities. That informed the project's decisions and strategies, as well as formed a better connection to the final beneficiaries - MSMEs. The analytical reports developed including SME Development Strategy 2030 worth wider distribution and public discussions with the government and donors' engagement.

9.4.5. What capacities have been developed as a result of the project?

The main capacities developed have been organisational and technical capacities by the BMOs in line with the learning process generated during the project implementation. The range of activities undertaken have contributed to BMO capacity development from a management perspective, with the preparation of the organisation's institutional strategy, the business plan, through new knowledge and skills that allowed BMOs to perform more efficiently and position themselves better in the market, from peer learning and exchanges that opened new perspectives, and through an active and responsive support to their organisational needs, including learning the grant management process with a UN agency.

From the BMO prospective, key capacities brought in through participation in the project included 1) good practice to discuss within BMOs and finally shape strategies and plans on their implementations, 2) organizational code of policies and procedures, 3) introduced standards for BMO services, 4) improved communication with MSMEs and members in particularly, 5) updated membership policies introduced multi-level memberships that allowed MSMEs access to different services depending on size of their membership fee. 2-3 reported improved their capacity in project design and project management. Those that participated in both phases I and II of the BMO project could strengthen their new managers in the teams with KMBS intensive program.

UNDP BMO phase II project's focus on conducting business promotion events and fairs within its "Confidence Building Campaign" at both regional and national level promoted dialogue between MSMEs, BMOs and government agencies. The events contributed to better awareness of the governments about needs of MSMEs and promoted developing SME Development Strategy 2030. Better coverage of the achievements of these activities would be very appropriate.

9.4.6. Did UNDP show adequate adaptive management capacity in line with the key challenges experienced during project implementation (e.g., COVID, war)?

Yes, the project showed good adaptive management in both situations. During the COVID-19 pandemic from March 2020 the project moved to web-based solutions and digitalisation to the extent possible its planned activities. Virtual platforms and communication were introduced as a means to mitigate the negative effects of the COVID-19 pandemic. In periods of the pandemic attenuation in 2021, the project delivered offline training sessions in KMBS and public events with participation from 40 to 300 participants. As respondents mentioned, UNDP strictly observed the anti-pandemic measurements that resulted with safe participation of BMOs and other participants.

For the armed conflict, as already mentioned, the commitment of the project to continue its activities was highly appreciated as many other interventions were expected to be cancelled or suspended. Several BMOs located in western part of Ukraine did not agree with the project management's decision to conduct a three-day final session for BMO strategies' presentations of the KMBS program and awarding in Kyiv. They considered this to be insecure to travel to the city that experienced regular shelling, despite the KMBS proposed a well-equipped bomb shelter. Conducting the event in western region, as was initially discussed, seemed to be a better strategy.

The project effectively adjusted to the changing political and administrative environment by using the opportunity to communicate directly to local governments in the pre-war period. Decentralisation reform awarded local authorities more freedom in decision making and budget allocations that created

an opportunity for creation of “islands for MSME development” in regions that had more proactive and business-oriented governments.

9.4.7. Has the project incorporated the UN programming principles in its implementation (gender, HRBA, LNOB, disability) and if so, have they leveraged specific results?

The project was designed with a particular focus on gender equality and support to women-led MSMEs, which remain a minority with 29% of MSMEs being led by women as members of the project supported BMOs (in accordance to the BMO II Project Results Framework). The principles of the Human Rights Based Approach and Leave No One Behind were applied to the extent possible in particular during the selection of the BMOs themselves. The criteria that were established for BMO selection enabled an equitable and rights-based mix of diverse organisations, including smaller and less experienced BMOs, across a range of sectors, of geographical locations including those directly exposed to the armed conflict, national and regional BMOs including the Chambers of Commerce.

The project is not a social protection intervention that aimed to curtail negative socioeconomic effects in the country, but a direct support to energizing the private sector through a more professional, efficient and effective BMO network in the country. Within the scope and the remit of the project, the UN programming principles were applied and are reflected in the diversity of the BMO selection, as well as in the indicators relating to women-led businesses with a reported increase in women-led business among the members of partner BMOs of 7%.

UNDP respected the HR principles during the project implementation. Respondents mentioned that UNDP demonstrated the best practices of business communication, respect and responsiveness to the beneficiaries’ groups.

The project actively encouraged its partnering BMOs to pay more attention to increase participation of women-led businesses and BMOs’ female staff in project events and training. The disaggregation of all person-related indicators by gender was required and obligatory. Interviews with BMOs showed a slight shift among some male participants in perception of professional skills and business talents of their female colleagues. However, the overall analysis showed superficial understanding of the principles of gender equality, roots and measures to eliminate gender inequality in Ukraine and in the Ukrainian business environment in particular.

The project supported a one-day conference led by its partnering BMO National Business and Professional Women and co-organized by 5 BMOs and the International Federation of Business and Professional Women in Chernihiv city on 7 December 2021. The event aimed at enhancing gender balance in public, professional and business relations. no specific results were reported by UNDP. Such events usually contribute to delayed in time changes in perceptions of women-led businesses and women participation among key audiences - the governments, civil society groups, business environment and the population in general.

9.5. Sustainability

9.5.1. How likely are the benefits from the project to continue after the end of its funding?

For individual BMOs that have already reached the stage of maturity, the benefits of the project can continue after the end of the funding. However, the multiple aspects that are supported by the project activities require further investments in order to be able to reach a point where the sustainability of the benefits are ensured. Because of the historical deficit in business management practices, it is too early to consider that the benefits can continue after the end of the project without further support. However, the evaluation revealed better business practices and advanced development of BMOs that have

participated in the BMO phase I project. Therefore an expansion and consolidation phase are required to reach a critical mass of BMOs that will be able to contribute over the project objectives over the longer term through sustainable economic growth.

Currently the post-war scenario is still undefined and armed conflict continues, threatening the prospects of the direct sustainability of the project if the conflict continues over a prolonged period. The armed conflict is now in its tenth month and there appear to be no prospects over the short term for negotiations to end the conflict. This means that for the foreseeable future the hypothesis is that the country will remain in a conflict situation, making new plans tributary to the armed conflict situation.

What is sustainable is the investment in capacity development of the BMOs, as it enables them to make more informed decisions and plans to improve their resilience, efficiency and economic survival. Being more informed and competitive, they will at least internally be able to continue their organisation improvement process. The on-going exercise of developing their individual organisation strategy is a step in the right direction. Also, some contacts and exchanges formed under the project between BMOs may continue beyond the end of the project. On a small scale, some of the project benefits may continue linked to the progress achieved to date, but at the larger level there remains a need to further support the capacity development process and emphasise the role of BMOs in protection of MSME needs and priorities in the government policies.

As mentioned before, the group of 27 supported BMOs is diverse by number of its members, sectors, and services provided. There are a third of mature organisations with sustainable management and reputations in the group. Their further development will continue after the project ends. Smaller, sector-specific regional BMOs may experience more difficult ways of transformation and may require merging or innovative approaches to grow. Their strategies do not seem very realistic. Such organisations may require continuous support from the UNDP BMO project and other donors to continue their evolution.

Sustainability of CCIs towards further transformation will strongly depend on leadership of the national and regional organisations. Not all CCIs in Ukraine have a forward looking business oriented management in place, which is difficult to change without updates to the CCI statutes and management style. CCIs are the only BMOs inherited from the soviet times along with their structure and some of the top managers, which appeared to be one of key obstacles for CCIs' flexibility in changing internal policies and procedures as well as in response to MSMEs' needs.

9.5.2. Are there indications for a need to scale-up or replicate some aspects of the project?

The project has a clear need to scale up to create a critical mass of efficient and performant BMOs that will revert in a more efficient and competitive MSME sector. While the number of direct BMO beneficiaries increased substantially from phase I (7) to phase II (27), there are literally hundreds of BMOs that need to be reached and therefore the project should certainly scale up in line with the level of donor funding available, the project management capacity of the UNDP, and the demand from BMOs themselves. The next phase should be based on a clearer and more direct form of communication about the benefits of the projects and the expected results to the BMOs.

It is impossible for the project to cover all of the BMOs in Ukraine, but there is evidence that some of the more advanced BMOs could take a lead role in the coaching, training and peer learning process in the next phase, using a training of trainers (ToT) approach to capacity development and using the existing hubs and networks developed under the project. The learning by doing methodology should

also remain a salient feature of the next phase, as BMOs reported to take advantage of having a hands-on approach and exchanges with BMO colleagues as a valuable learning experience.

It is not possible for the evaluation to set a target for the project expansion, but ideally the approach to use a cascading system for learning and training (ToT) may enable to reach indirectly a high number of BMOs. It may be that lead BMOs should be selected and be responsible for grants, while developing joint grants on innovative projects that require collaboration of several BMOs, working on a complementary and synergetic approach. Obviously focusing on value chain approaches will also contribute to facilitate collaboration amongst the BMOs and their partner organisations.

A possible synergy may be reached with other donor programs that focus their attention on SME development. Thus, co-funding from other donors may be attracted to enable a bigger number of BMOs to be reached with the UNDP BMO II's methodologies, or pinpoint regional sub-projects can be launched under the UNDP umbrella.

9.5.3. Is national ownership sufficiently developed to ensure sustainability? If not, how could it be enhanced?

The project was registered and supported by the Ministry of Economy of Ukraine. The Ministry publicly flagged the importance of development of MSMEs among its priorities in its public communication and the National Recovery Plan. However, there has been limited contact, support and interaction with the Ministry. A more direct partnership was established with the EEPO. While the PPD is an on-going process, the current armed conflict has somewhat shifted the national priorities and, while PPD remains an outstanding need in which greater participation from both the government and the BMOs is required, it is difficult to consolidate such as process when martial law is applied, as it poses restrictions on the information and data collection and management, and places the war effort at the top of the agenda of the government priorities. In this and while support to the private sector is among the government priorities according to its National Recovery Plan, there is room for improvement. It may be necessary to design a different strategy to create a win/win situation for the government and the BMOs in the third phase of the project to strengthen the PPD process. While it is on-going, it is not characterized by strong dynamics and partnerships. There is limited evidence that the government has been adapting the legislation to the needs of the BMOs and the private sector during the time of the project implementation, and as almost half of the BMOs interviewed declared, they do not see much point in investing efforts in this field as it does not seem to be a priority. Maybe again there is a need to roll-out a more visible strategy regarding PPD and the expected results it should be achieving to obtain greater buy-in from the public and private sector.

10. Conclusions

The project was well managed and implemented with a generally high level of satisfaction from the project stakeholders. Despite a complex operating environment characterized by the COVID-19 pandemic restrictions in place since March 2020, and with the full-scale armed invasion of the Russian Federation into Ukraine at the end of February 2022, the project management showed adaptive capacity and was able to maintain the support and the project activities, at a time when many other projects simply had to be suspended.

The fact that the project continued was seen as a beacon of hope for the BMOs and as a positive sign towards a return to normalcy, providing an unexpected by high positive psychological effect which actually helped BMOs to cope better with the current conflict situation.

Donor funding is gradually moving to large allocations for the much-needed recovery and infrastructure investments to offset the destruction from the war. While there is a need to also fund the rehabilitation and reconstruction efforts, the BMO Phase II project should remain focused and keep its value addition through the transformation capacity development efforts to business towards EU models of business in line with the country's aspiration for EU accession.

The project created a background for further sustainable BMOs development with the set up strategies, internal policies, standards for BMOs services, membership building, communication and advocacy.

Nonetheless close coordination of this project should take place with other infrastructure and reconstruction projects undertaken by UNDP as well as that of other donors in order to maximise the synergies within the business community, creating a multiplier effect for project beneficiaries.

11. Recommendations

For the next year (2023) and until the end of the project:

- 1) Keep the focus on the support to capacity development with the consultancy and funding implementation of BMOs' strategies.
- 2) Agree with the donor on a project extension until the end of 2023 or early 2024 (process is ongoing).
- 3) Maintain clearer communication for BMOs and stakeholders stating the expected results and benefits from the participation in the project (aligning BMOs expectations to project benefits) as well as project workplans and procedures. Support BMOs' communication strategies on role of BMOs in promoting interests of MSMEs. If possible, recruit a communications expert for both internal and external communications
- 4) Develop a more informative and inclusive participatory approach to decision-making and purchases that concern service delivery for BMOs e.g. training, consultancy, communication and promotion services. Optionally, the small CB grants may be introduced to enable BMOs select consultants or trainers for their needs independently.
- 5) Where possible, engage more experienced BMOs to act as trainers or coaches for case studies or workshops (increasing internal project synergies).
- 6) Increase the number of participants from each BMO for training and consultancy to facilitate the ownership for transformations within BMOs and the achieved results.
- 7) Consider providing Gender Equality training as well as on other normative UN programming principles (such as HRBA, LNOB, etc.) to deepen their understanding of and support ethical business standards.
- 8) Pursue an individual approach to support the implementation of the strategic plan based on BMOs' capacities, staff, membership, and sector. A unified approach is not always the best solution.

For the phase III of the project: (contingent upon receipt of future funding)

- 1) Scale up the project based on available donor funding, interest of BMOs to participate, and UNPD project management capacity (project team and staff)
- 2) Consider building BMO development hubs in the region, using the most successful BMOs as references or models
- 3) Site visits and/or exchange programmes can contribute to enhance the effectiveness of capacity building particularly with countries having some similarities with the situation of Ukraine
- 4) Continue to support and intensify BMO's networking as interaction and peer-to-peer learning and exchanges is highly appreciated by BMOs
- 5) There needs to be stronger interaction with other programmes for MSME development to ensure BMOs get opportunities to get additional support and spread their services to a wider range of businesses (including regional CCI, universal BMOs, sector-specific BMOs)
- 6) Avoid dominance of stronger BMOs (e.g. CCIs) over others both nationally and regionally/locally

- 7) Support a concerted wide-scale communication campaign on the role of BMOs in MSME development and support BMO's efforts to be aware of existing opportunities, trying to change the "prejudiced" perception among businesses and in order to attract new members
- 8) Recruit and incorporate a communications expert for both internal and external communications as part of the project team
- 9) Avoid funding directly reconstruction effort and maintain the project's added value as capacity development, but closely coordinate with reconstruction/recovery actors to ensure support to MSME and BMOs is synergetic across the projects and complementary
- 10) Consider introducing training modules on UN normative principles (including Gender Equality) as well as business ethics.

Annexes

Annex 1. List of conducted KIIs.

Stakeholders

| Stakeholder | Name | Title | KII date |
|--|---------------------|--|----------|
| 1. Entrepreneurship and Export Promotion Office, government agency | Andrii Remizov | Director a.i. | 05Dec |
| 2. Swiss Embassy | Viktor Shutkevych | National Programme Officer | 02Dec |
| 3. UNDP Regional Development Programme | Mustafa Sait-Ametov | Regional Development Programme Manager, UNDP Ukraine | 05Dec |
| 4. UNDP Economic Recovery and Restoration of Critical Infrastructure | Olga Logvin | Senior Business Development Specialist, UNDP Ukraine | 05Dec |
| 5. GIZ | Yevhen Kurulenko | Project Coordinator | 07Dec |
| 6. UNDP Ukraine | Maria Gutsman | Program Analyst, UNDP Ukraine | 23Dec |

UNDP BMO II Project

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|----------------------------------|---------------|-----------------|-------|
| 7. UNDP BMOII Project Management | Maksym Boroda | Project Manager | 02Dec |
|----------------------------------|---------------|-----------------|-------|

BMOs

| Stakeholder | KII date | BMO Location | Type of BMO | # of members | Level | KII date |
|---|---------------------|--------------|-------------|--------------|----------|----------|
| 1. Ukrainian Association of Visual Industry | Oleksandr Demchenko | Kyiv | Industry | 63 | National | 6Dec |

| | | | | | | |
|--|-------------------|----------------------------|-----------|-----|----------|-------|
| 2. Residential Property Managers and Operators Association, Civic Union | Khrystyna Tybinka | Lviv | Industry | 64 | National | 7Dec |
| 3. Donetsk Chamber of Commerce and Industry | Maksym Anufriev | Kramatorsk | CCI | 469 | Regional | 7Dec |
| 4. Ivano-Frankivsk Chamber of Commerce and Industry | Ihor Bartkiv | Ivano-Frankivsk; London | CCI | 306 | Regional | 9Dec |
| 5. 'Women in Business' Ukrainian Platform, CSO | Nadiia Lysetska | Vinnytsia | Universal | 205 | National | 30Nov |
| 6. Western Ukrainian Fashion Industry Cluster, Civic Union | Liubov Ustinova | Lviv | Industry | 25 | Regional | 30Nov |
| 7. Ukrainian Association of Woodworking Equipment | Eduard Liebediev | Yavoriv | Industry | 16 | National | 30Nov |
| 8. Zaporizhzhia Chamber of Commerce and Industry | Andrii Kuts | Zaporizhzhia | CCI | 518 | Regional | 1Dec |
| 9. Ukrainian Association of Furniture Manufacturers | Tetiana Tarasenko | Kyiv | Industry | 281 | National | 15Nov |
| 10. Union for Promotion of Rural Green Tourism Development in Ukraine, CSO | Iryna Okolovych | Kyiv | Industry | 185 | Regional | 29Nov |
| 11. Association of Milk Producers | Hanna Lavreniuk | Uman | Industry | 150 | National | 28Nov |

| | | | | | | |
|---|--------------------|------------|-----------|------|----------|--------|
| 12. Vzaimodiya-Plus, CSO | Larysa Samosionok | Kramatorsk | Universal | 560 | Regional | 23Nov |
| 13. Private Employers Association, Kharkiv regional CSO | Oleksandr Chumak | Kharkiv | Universal | 80 | Regional | 29Nov |
| 14. Organic Ukraine, Civic Union | Olena Korogod | Kyiv | Industry | 109 | National | 14Nov |
| 15. Association of Industrial Automation Enterprises of Ukraine | Oleksandr Yurchak | Kyiv | Industry | 51 | National | 22Nov |
| 16. Business Women Club MLT, CSO | Hanna Cherkashyna | Melitopol | Universal | 50 | Regional | 22 Nov |
| 17. Odesa Regional Chamber of Commerce and Industry | Anna Nesterenko | Odesa | CCI | 303 | Regional | 22Nov |
| 18. Sumy Chamber of Commerce and Industry | Yuliya Bondarenko | Sumy | CCI | 130 | Regional | 25Nov |
| 19. Ukrainian Chamber of Commerce and Industry | Nataliya Zabrudska | Kyiv | CCI | 7558 | National | 22Dec |
| 20. Karpatsky Smak, Civic Union | Halyna Batus | Lviv | Industry | 17 | Regional | 21Nov |
| 21. Kharkiv Chamber of Commerce and Industry | Olena Vasylieva | Kharkiv | CCI | 321 | Regional | 25Nov |

Annex 2. List of sources used by the evaluation team.

1. UNDP Evaluation Guidelines, <http://web.undp.org/evaluation/guideline/index.shtml>.
2. The revised UNDP evaluation policy, http://web.undp.org/evaluation/documents/policy/2019/DP_2019_29_E.pdf.
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4. The OECD DAC Network on Development Evaluation (EvalNet) criteria for evaluations, <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>
5. UNEG, 'Ethical Guidelines for Evaluation', June 2008, <http://www.uneval.org/search/index.jsp?q=ethical+guidelines>.
6. The Ukraine National Economic Strategy 2030 (available in Ukrainian), approved March 03, 2021, <https://www.kmu.gov.ua/npas/pro-zatverdzhennya-nacionalnoyi-eko-a179>, <https://www.kmu.gov.ua/en/news/denis-shmigal-uryad-zatverdiv-nacionalnu-ekonomichnu-strategiyu-do-2030-roku>,
7. Business. Diia: Map of business support infrastructure, <https://business.diia.gov.ua/en/business-map>.
8. Rapid Assessment of the War's Impact on Micro, Small and Medium Enterprises in Ukraine, October 20, 2022, <https://www.undp.org/ukraine/publications/rapid-assessment-wars-impact-micro-small-and-medium-enterprises-ukraine>.
9. Press Release: Global Economic Consequences Of The War In Ukraine, 16 Sep 2022, <https://cepr.org/about/news/press-release-global-economic-consequences-war-ukraine>.
10. Raconteur: 2022 in review – how business responded to the war in Ukraine, Sarah Vizard, 01 Dec 2022, <https://www.raconteur.net/global-business/2022-in-review-war-in-ukraine/>
11. Ukraine's National Recovery Plan, July 2022, https://uploads-ssl.webflow.com/621f88db25bf24758792dd8/62c166751fcf41105380a733_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint_ENG.pdf; <https://www.urc2022.com/urc2022-recovery-plan>.
12. IFC, Bank Alliance Partner to Expand Lending to Small Businesses in Ukraine, Accelerate Recovery, January 12, 2022, <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26782>.
13. CREATING MARKETS IN UKRAINE, Doubling Down on Reform: Building Ukraine's New Economy, COUNTRY PRIVATE SECTOR DIAGNOSTIC, January 2021, World Bank, <https://www.ifc.org/wps/wcm/connect/fbb356dd-8363-42c6-9d72-f609c4f9b9c0/CPSD-Ukraine.pdf?MOD=AJPERES&CVID=ns.UNH8>.
14. State Secretariat for Economic Affairs SECO, Economic Cooperation and Development, Swiss Cooperation Program Ukraine 2020 - 2023, https://www.seco-cooperation.admin.ch/secocoop/en/home/laender/ukraine.html#22_1475493705987_content_secocoop_en_home_laender_ukraine_jcr_content_par_tabs.
15. Foresight "Development of Micro-, Small and Medium-Sized Business in Ukraine by 2030", October - November 2021, <https://www.undp.org/ukraine/publications/foresight-development-micro-small-and-medium-sized-business-ukraine-2030>.
16. Press Release, Ukrainian businesses overcome wartime challenges through strength in unity, NOVEMBER 24, 2022, <https://www.undp.org/ukraine/press-releases/ukrainian-businesses-overcome-wartime-challenges-through-strength-unity>.

17. UNCP BMO II Project Page with related project documents, <https://www.undp.org/ukraine/projects/strengthening-msme-business-membership-organizations-ukraine-phase-ii>.
18. KMBS report on UNDP BMO II conference, <https://kmbs.ua/en/news/online-conference-09-11-undp>.
19. With EU and UNDP support, Ukrainian enterprises forced to relocate will benefit from new online business courses, JULY 8, 2022, <https://www.undp.org/ukraine/press-releases/eu-and-undp-support-ukrainian-enterprises-forced-relocate-will-benefit-new-online-business-courses>.

Project Documents

1. **Project Document folder**

1. [Project Document](#)
2. [LPAC Meeting Minutes 2020](#)
3. [Cost-Sharing Agreement between SECO and UNDP](#)
4. [Social and Environmental Screening](#)
5. [Project Quality Assurance](#)
6. [Logical Framework Status, October 2022](#)

2. **Annual Work Plan folder**

1. [1.BMO-2 AWP 2020](#)
2. [2.BMO-2_AWP_2021](#)
3. [3.BMO_2_AWP_2022](#)

3. **Project Annual Report folder**

1. [Project Report 2020](#)
2. [Project Report 2021-2022](#)

4. **Monitoring and Evaluation Plan folder**

1. [Monitoring_and_Evaluation_Plan](#)

5. **Notes from Meetings folder**

1. [LPAC Board Meeting Minutes 2020](#)
2. [Project Board Minutes 2020](#)
3. [Project Board Minutes 2021](#)
4. [Project Board Meeting Presentation 2021](#)

6. **Risk Register folder**

1. [Risk Register](#)

7. **Grant Agreements folder**

1. [Low-Value Grant Agreement with the Donetsk Chamber of Commerce and Industry](#)
2. [Low-Value Grant Agreement with Public Union "Organic Ukraine"](#)
3. [Low-Value Grant Agreement with Public Organization "League of Business and Professional Women"](#)

4. [Memorandum on Consortium Establishment \(Network of the Private Sector Coordination Centers \(based on the CCI system\)\)](#)
5. [Memorandum on Consortium Establishment \(Agri-Food Interaction Platform\)](#)
6. [Memorandum on Consortium Establishment \(Non-Food Items Private Sector Hub\)](#)
7. [Call for Proposals](#)
8. [Meeting Reports of CCI Consortium](#)
9. [Meeting Reports of Agrifood Consortium](#)
10. [Meeting Reports of NFI Consortium](#)
8. **Studies, Assessment and Research Conducted folder**
 1. **Assessments:**
 1. [Organizational Assessment of BMOs](#)
 2. [HR Evaluation of BMOs](#)
 3. [Legal Risk Assessment of BMOs](#)
 4. [Communications Assessment of BMOs](#)
 5. [IT Assessment of BMOs](#)
 2. **Studies and Research:**
 1. [Women and Men in Leadership Positions \(English version\)](#)
 2. [Women and Men in Leadership Positions \(Ukrainian version\)](#)
 3. [State of Development of BMOs in Ukraine \(Ukrainian version\)](#)
 4. [Foresight: Development of Micro-, Small and Medium-Sized Businesses in Ukraine by 2030 \(English version\)](#)
 5. [Foresight: Development of Micro-, Small and Medium-Sized Businesses in Ukraine by 2030 \(Ukraine version\)](#)
 6. [Rapid Assessment of War's Impact on MSMEs in Ukraine \(English version\)](#)
 7. [Rapid Assessment of War's Impact on MSMEs in Ukraine \(Ukrainian version\)](#)
 8. [Outlook Study on Advancement of BMOs and Business Development Services \(English version\)](#)
 9. [Outlook Study on Advancement of BMOs and Business Development Services \(Ukrainian version\)](#)
9. **BMO Survey folder**
 1. [General BMO and their MSME-members Survey Results 2021](#)
 2. [Individual Reports based on Survey Results for 27 BMOs](#)
 3. [BMO Survey Questionnaires 2021](#)
 4. [BMO Members Survey Raw Data 2021](#)
 5. [BMO Survey Questionnaires 2022](#)
10. **Other Materials folder**
 1. [Memoranda between UNDP and partner BMOs](#)
 2. [Output verification visits](#)
 3. [Organizational Development Plans for BMOs](#)
 4. [Group Purchasing Organizations](#)
 5. [Diia.Business Platform Augmentation](#)

6. [BMO Leadership Programme](#)
7. [BMO Events](#)
8. [Manual on Procurement for BMOs](#)
9. [Regulations on Membership](#)
10. [Fundraising Consulting for BMOs](#)

11. [BMO Selection folder](#)

1. [Minutes of the committee meeting of the final stage of the BMO selection, English version](#)
2. [Minutes of the committee meeting of the final stage of the BMO selection, Ukrainian version](#)
3. [BMO Selection Methodological Note](#)
4. [BMO Selection Criteria](#)

Annex 3. Questionnaires and Guidelines for KIIs.

Guide for Key Informant Interviews (KIIs) / FGDs with Business Membership Organizations (BMOs)

This interview aims to collect feedback from the local Business Membership Organizations (BMOs) that took part in UNDP project “Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023)”.

Your participation is fully voluntary. That means you may refuse to answer questions if you feel uncomfortable or unwilling to answer. You can also stop the interview in any moment.

All interviews’ notes will be coded, any responses cannot be attributed to respondents’ names.

If quotes from the interview to be used in an evaluation report, the interviewee will ask the respondent’s permission by emailing the quote for approval.

1. Please briefly describe your experience with UNDP project “Strengthening BMO -II” in period 2019-2022.
2. What are the most noticeable achievements / results of your BMO due to cooperation with the project? What your BMO does differently due to participation in the BMO-II project? Please provide 1-3 examples.
3. What is missing in the BMO-II project to meet your BMO needs?
4. What are the needs of Ukrainian MSME in your industry today? Please list 2-3 of the most acute needs.
5. Do you think the BMO-II project makes any impact on business environment in Ukraine? (Probe: does the project promote better MSME’s access to BDS through BMOs). Please describe.
6. What is your opinion about the BMO-II project’s
 - approach to selecting participants?
 - quality of training and consultancy?
 - selecting trainers and consultants for BMOs?
 - assistance in advocacy and promoting BMOs to build public-private dialogue?
 - adaptivity during the Covid-19 period?
 - response to emerging needs since the full-scale invasion in February 2022?
7. How useful was the small grant program in 2022? What were the results? Please elaborate.
8. Please describe what kind of advocacy / PPD were conducted during 2019-2022 with the BMO-II project support? What were the results?
9. In what way your cooperation with the BMO-II project promoted Gender equality and Women Empowerment (GEWE)?
10. Do you think the BMO-II project was implemented with consideration of the Human Rights Based Approach (HRBA)?
11. Please rate by 5-score system (1- the lowest, 5 – the highest) the BMO-II project’s:
 - Relevance to your needs (probe: meeting your expectations)
 - Effectiveness of the BMO-II project (probe: how valuable results are)

- Efficiency of the BMO-II project in developing institutional capacities of your BMO (how efficient were the resources were allocated)
- Sustainability of results achieved with the BMO-II project
- 12. If the program continues to develop other BMOs, what would you like to add / eliminate to improve the results?

Guide for interview with UNDP, SECO, Entrepreneurship and Export Promotion Office (EEPO)

1. Is the project still addressing national development priorities, UNDP and SECO priorities before the onset of the full-scale war?
2. To what extent is the project relevant to address the newly emerging needs and priorities after the full-scale invasion breakout? If so, how can it maintain its future relevance?
3. How well was the project designed?
4. Has it been efficiently managed?
5. Is the project bringing value for money?
6. What are the key results of the project? How effective was the Small Grants Program (SGP) in the country context?
7. To what extent are the components achieved?
 - Improved organizational capacity of BMOs,
 - Better MSME's access to BDS through BMOs,
 - Private sector and government engaged in effective PPD)
8. Did UNDP show adequate adaptive management capacity in line with the key challenges experienced during project implementation (e.g., COVID, war)?
9. Has the project incorporated the UN programming principles in its implementation (gender, HRBA, LNOB, disability) and if so, have they leveraged specific results?
10. How likely are the benefits from the project to continue after the end of its funding?
11. Is there evidence of a concerted approach within SECO, UNDP, and with other programmes and donors?
12. Is national ownership sufficiently developed to ensure sustainability? If not, how could it be enhanced?
13. Are there indications for a need to scale-up or replicate some aspects of the project?

Annex 4. Evaluation Matrix

Table 1. UNDP BMO II project progress evaluation. Key evaluation questions and evaluation framework.

| KEY EVALUATION QUESTIONS | INQUIRY LINES | ISSUE | DATA SOURCE | METHODS |
|---|----------------------|---------------------|--|---|
| 1. Relevance | | | | |
| <p>1.1. Was the project addressing national development priorities, UNDP and SECO priorities before the onset of the full-scale war?</p> <p>To what extent is the project relevant to address the newly emerging needs and priorities after the full-scale invasion breakout?</p> <p>If so, how can it maintain its future relevance?</p> | Appreciative inquiry | Continued relevance | Project documentation. UNDP Project stakeholders: EEPO, SECO, BMOs, PPD partners | Documentary review, interviews (KII) with evaluation stakeholders II coded notes and primary data collection on respondent's perspectives |
| 2. Coherence | | | | |
| <p>2.1. Is there evidence of a concerted approach within SECO, UNDP, and with other programmes and donors?</p> | Appreciative inquiry | Coordination | Project documentation. UNDP Project stakeholders: EEPO, SECO, BMOs, PPD partners | Documentary review, interviews with key informants including other donors/programmes KII coded notes and primary data collection on |

| | | | | |
|---|----------------------|-----------------------|---|--|
| | | | | respondent's perspectives |
| 3. Efficiency | | | | |
| 3.1. Is the project bringing value for money? | Appreciative inquiry | Value for money | Budget analysis, KII with UNDP staff and counterparts | Financial reports, audits, interview notes |
| 3.2. Has it been efficiently managed? | Appreciative inquiry | Management efficiency | Workplan, budget, PB minutes and, financial analysis, presentations for Project Board | Workplan analysis, KII with UNDP staff and counterparts |
| 3.3. How well was the project designed? | assessment | PCM and RBM value | UNDP and SECO; project documents | Documentary analysis and KII with Analysis of project documents, RBM analysis |
| 4. Effectiveness | | | | |
| 4.1. What are the key results of the project? How effective was the SGP in the country context? | Appreciative inquiry | Key results | Project documentary; BMOs; UNDP; Data from M&E database | Project documents, KII, FGD - triangulated; Documentary analysis and respondents' perspectives including |

| | | | | |
|---|-----------------------|---------------------|--|--|
| | | | | feedback from KII/FGD |
| 4.2. To what extent are the outcomes achieved? (MSME sector representativeness through professional BMOs has increased, MSMEs increasingly benefit from BDS provided by BMOs to enhance their competitiveness, Representative and effective PPD contributes to improvement of business environment for SMEs) | Contribution analysis | Outcome achievement | Project documents; Project stakeholders – BMOs, SECO, EEPO, PPD partners | Documentary analysis and respondents' perspectives including feedback from KII /GD |
| 4.3. To what extent is the project impact achieved or likely to be achieved? (Increased growth and competitiveness of the Ukrainian SMEs contribute to economic development in Ukraine) | Contribution analysis | Impact | Project documents, KII/FGD respondents - | Documentary analysis, KII, FGDs - triangulated |

| | | | | |
|---|---|----------------------------------|--|--|
| 4.4. What are examples of good practices (e.g. of BMOs' operations, in achieving project outputs/results, others)? | Appreciative inquiry | Good practice | Project data and reports; project consultants' documentation, interview notes, | Documentary analysis and respondents' perspectives including feedback from KII/FGD |
| 4.5. What capacities have been developed as a result of the project? | Appreciative inquiry | Capacity development | Project documents; BMOs, UNDP - KII and FGD notes | Documentary analysis and respondents' perspectives including feedback from KII/FGD |
| 4.6. Did UNDP show adequate adaptive management capacity in line with the key challenges experienced during project implementation (e.g., COVID, war)? | Risk management strategy | Improvement and learning | Project documents; UNDP, SECO, BMOs - KII and FGD notes, PB minutes – gap analysis | Documentary analysis and respondents' perspectives including feedback from KII/FGD |
| 4.7. Has the project incorporated the UN programming principles in its implementation (gender, HRBA, LNOB, disability) and if so, have they leveraged specific results? | Compliance with UN normative principles | Inclusion and non-discrimination | Project documents; UNDP, SECO - KII notes – contribution analysis | Documentary analysis and respondents' perspectives including feedback from KII |
| 5. Sustainability | | | | |

| | | | | |
|---|----------------------|---------------------------------|---|---|
| 5.1. How likely are the benefits from the project to continue after the end of its funding? | Appreciative inquiry | Project sustainability | Documentation; BMOs, UNDP - KII/FGD notes, contribution analysis | Documentary analysis, KII and FGD |
| 5.2. Are there indications for a need to scale-up or replicate some aspects of the project? | Appreciative inquiry | Institutional effect | Project documents and interview notes, contribution analysis | Documentary analysis, KII and FGD |
| 5.3. Is national ownership sufficiently developed to ensure sustainability? If not, how could it be enhanced? | Appreciative inquiry | Ownership, commitment, learning | Project documents; BMOs, UNDP - KII/FGDs notes, contribution analysis | Documentary analysis, KII with project stakeholders particularly PPD partners |

Annex 5. ToR, National Consultant

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UNITED NATIONS DEVELOPMENT PROGRAMME

TERMS OF REFERENCE

Decentralized Progress Evaluation of UNDP Project:

Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023)

Project ID: 00109217

SOURCE: https://jobs.undp.org/cj_view_job.cfm?cur_lang=en&cur_job_id=109329

National Consultant to conduct a decentralized Project Evaluation

| | |
|---------------------------------------|---|
| Location : | Home-based, UKRAINE |
| Application Deadline : | 10-Oct-22 (Midnight New York, USA) |
| Type of Contract : | Individual Contract |
| Post Level : | National Consultant |
| Languages Required : | English |
| Duration of Initial Contract : | November - December |

UNDP is committed to achieving workforce diversity in terms of gender, nationality and culture. Individuals from minority groups, indigenous groups and persons with disabilities are equally encouraged to apply. All applications will be treated with the strictest confidence.

UNDP does not tolerate sexual exploitation and abuse, any kind of harassment, including sexual harassment, and discrimination. All selected candidates will, therefore, undergo rigorous reference and background checks.

Background

Micro-, small and medium-sized enterprises (MSMEs) have a major role to play both in enhancing Ukraine's economic competitiveness and restoring sustainable growth since they largely dominate Ukraine's economy in terms of a number of entities, employment and value added. According to the State Statistics Service of Ukraine, in 2018, the country had only 446 large enterprises and 1,839,147 MSMEs, which constituted over 99.9 percent of all operating entrepreneurship. In 2020, the number of MSMEs increased to 1,973,065 with the share of about 99 percent of micro- and small enterprises among them.

In 2018, the MSME sector in Ukraine accounted for more than 81 percent of all employment creating 77.4 percent of jobs. The share of value added increased from 64.3 percent in 2018 to 70.2 percent in 2020 meaning that MSMEs must have a voice in shaping the business environment in Ukraine^[1].

Yet MSMEs are those that are mostly affected by incomplete reforms and fluid frameworks. In the context of the “Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023)” Project[2], the United Nations Development Programme (UNDP) is intervening for 48 months to design and deliver tailored capacity development support to selected BMOs representing different macroregions and sectors of Ukraine to help strengthen their institutional/organizational/financial capacities to represent interests of the private sector and facilitate a more active, responsive, professional and policy-oriented dialogue between public and private sectors. The Project is also addressing important cross-cutting challenges for economic development in Ukraine such as women’s economic empowerment and promoting sustainable practices among MSMEs.

On 24 February 2022 Russia launched a full scale and unprecedented war against Ukraine, causing disruption in business activity, damage to people, cities and infrastructure, and having a devastating impact on Ukraine’s economy. Results of the surveys conducted among Ukrainian MSMEs during spring 2022 show that about 50 percent of enterprises operated at only 10-60 percent capacity of the pre-war level as of mid-April 2022. They also confirm that MSMEs are more susceptible to the shocks caused by the war than large enterprises (only 14 percent of MSMEs operated at full capacity versus 41 percent of large enterprises as of mid-April 2022)[3].

The Project is viewed as a continuation of Phase I implemented by UNDP in Ukraine in 2015-2018, incorporating relevant lessons learnt and introducing adjustments that will enhance the overall positive influence on the MSME sector. The Project is being implemented by connecting three components targeting improvement of organizational capacity of BMOs, better MSMEs’ access to BDS through BMOs and engagement in an effective public-private dialogue between the private sector and government side.

The Project aims to expand BMO coverage, thus increasing the number of professional BMOs ready to engage in the dialogue and provide demanded BDS. The work with a wider circle of BMOs is based on the most efficient methods of organizational transformation identified during the Project’s Phase I. Direct target group of the Project includes 20 newly selected BMOs representing different types of organizations as well as seven (7) BMOs from Phase I. Due to the merge of two (2) sectoral partner BMOs in September 2021, namely the Ukrainian Door Association and Ukrainian Association of Furniture Manufacturers, UNDP selected an industry-specific BMO from the reserve list to join the Project, thus, supporting 28 BMOs in total over the period of its implementation.

| # | Target group / Partner BMOs | City | BMO webpage |
|---|--|-----------|---|
| 1 | Ukrainian Association of Furniture Manufacturers | Kyiv | http://uafm.com.ua |
| 2 | Association of Milk Producers | Uman | http://avm-ua.org/uk |
| 3 | Association of Industrial Automation Enterprises of Ukraine | Kyiv | https://appau.org.ua |
| 4 | Vinnitsia Regional Organization "Union of Entrepreneurs "Stina", CSO | Vinnitsia | http://www.stina.org.ua |

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|----|--|-----------------|---|
| 5 | Union for Promotion of Rural Green Tourism Development in Ukraine, CSO | Kyiv | http://www.greentour.com.ua |
| 6 | Vzaimodiya-Plus, CSO | Kramatorsk | https://vz-plus.org |
| 7 | Business Women Club MLT, CSO | Melitopol | https://bw-melitopol.club |
| 8 | Business Community Club, CSO | Lviv | http://www.bc-club.org.ua |
| 9 | 'Women in Business' Ukrainian Platform, CSO | Vinnytsia | http://winb.com.ua |
| 10 | Residential Property Managers and Operators Association, Civic Union | Lviv | https://amugn.org.ua |
| 11 | Karpatsky Smak, Civic Union | Lviv | http://tuca.com.ua |
| 12 | Organic Ukraine, Civic Union | Kyiv | http://organicukraine.org.ua |
| 13 | Poltava Business Association, Civic Union | Poltava | https://www.pab.pl.ua |
| 14 | Interregional Union of Poultry Breeders and Fodder Producers of Ukraine, Civic Union | Kharkiv | http://ptahokorm-union.com |
| 15 | Western Ukrainian Fashion Industry Cluster, Civic Union | Lviv | http://wufic.com.ua |
| 16 | Donetsk Chamber of Commerce and Industry | Kramatorsk | https://donetskcci.com |
| 17 | Zaporizhzhia Chamber of Commerce and Industry | Zaporizhzhia | http://www.cci.zp.ua |
| 18 | Ivano-Frankivsk Chamber of Commerce and Industry | Ivano-Frankivsk | http://www.cci.if.ua |
| 19 | League of Business and Professional Women, CSO | Chernihiv | http://bpwua.org |

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| 20 | Odesa Regional Chamber of Commerce and Industry | Odesa | https://orcci.odessa.ua |
| 21 | Sumy Chamber of Commerce and Industry | Sumy | http://cci.sumy.ua |
| 22 | Ukrainian Chamber of Commerce and Industry | Kyiv | ?https://ucci.org.ua |
| 23 | Ukrainian Association of Visual Industry | Kyiv | http://uavi.com.ua |
| 24 | Ukrainian Association of Textile Industry Enterprises (Ukrlegprom) | Kyiv | http://www.ukrlegprom.org |
| 25 | Ukrainian Door Association | Kyiv | |
| 26 | Ukrainian Association of Woodworking Equipment | Yavoriv | https://uado.org.ua |
| 27 | Private Employers Association, Kharkiv regional CSO | Kharkiv | https://apr.org.ua |
| 28 | Kharkiv Chamber of Commerce and Industry | Kharkiv | http://kcci.kharkov.ua |

The main Project stakeholders are (including but not limited to):

- BMOs and business support organisations;
- Micro-, small and medium-sized enterprises as well as the private sector as a whole;
- Civil society (CSOs/NGOs, community associations and other);
- Government of Ukraine (Ministry of Economy, EEPO, Ministry of Digital Transformation etc.);
- Relevant Parliamentary Committees and their members;
- Vulnerable groups (women and other);
- Academia, research institutions, and the expert community;
- Donors and international development partners of Ukraine;
- Media.

| Project/Outcome Information | |
|------------------------------------|---|
| Project/Outcome title | Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023) |

| | | |
|--|--|--------------------|
| Atlas ID | Atlas Award ID: 00110134, Project ID: 00109217 | |
| Corporate outcome and output | <p>Contributing Outcome (UNDAF/CPD, RPD or GPD): UNDAF Outcome 4.1. By 2022, all women and men, especially young people, equally benefit from an enabling environment that includes labour market, access to decent jobs and economic opportunities</p> <p>Indicative Output(s) with gender marker: CPD Output 2.2. Public institutions and private entities effectively cooperate to improve the business environment. GEN2</p> | |
| Country | Ukraine | |
| Region | Eastern Europe | |
| Date Cost-sharing Agreement signed | 18 November 2019 | |
| PAC Meeting date | 18 May 2020 | |
| Project dates | Start | Planned end |
| | 1 November 2019 | 31 October 2023 |
| Project budget | US\$2,625,000.00 (from which US\$2,525,000.00 provided by SECO, US\$100,000.00 by UNDP) | |
| Project expenditure at the time of evaluation | US\$1,055,470 (as of January 2022) | |
| Funding source | Government of Switzerland, UNDP | |
| Implementing party | UNDP in Ukraine | |

Human-rights based approach

This Project is being implemented following a rights-based approach encompassing all human rights. The five (5) working principles below are applied at all stages of Project implementation, namely (1) legality, universality and indivisibility of human rights; (2) participation and access to the decision-making process; (3) non-discrimination and equal access; (4) accountability and access to the rule of law; (5) transparency and access to information.

Gender equality

The cross-cutting topics of gender and sustainability are addressed through all three (3) outputs of the Project: organizational development, provision of BDS and public-private dialogue. The Project strives to ensure that women and men are equally represented in all activities. The UNDP applies an equal opportunities approach in hiring and procurement practices and strives to employ a workforce that reflects diversity and gender balance.

Gender balance is measured through the gathering of sex-disaggregated data at activity and at results levels. The Project targets three (3) BMOs representing women-entrepreneurs and provides them with a broad capacity development assistance, as well as incorporates proper organizational policies and gender lenses in all other BMOs, thus, enabling them to address the needs of women-owned and women-led enterprises and contribute to women's economic empowerment.

More detailed background and context information, logical framework and theory of change, monitoring plans, specific targets and indicators are available in the Project Document^[4]. The results achieved since the beginning of the Project as per the logical framework are reflected in the Annexes. The Mid-term evaluation of the Project's Phase I was conducted in 2017, results of which are also available in the Annexes.

^[1] State Statistics Service of Ukraine. (2021). *Activity of large, medium, small and micro-entrepreneurship entities. 2020*. Retrieved from http://www.ukrstat.gov.ua/druk/publicat/kat_u/2021/zb/12/Dsvsмм_20.pdf

^[2] Hereinafter the Project.

^[3] UNDP. (2022). *Rapid Assessment of the War's Impact on Micro, Small and Medium Enterprises in Ukraine*.

^[4] https://info.undp.org/docs/pdc/Documents/UKR/Project%20Document_BMOII_2020-2023_06052020_final.pdf

Duties and Responsibilities

In line with Article V. of the Cost-Sharing Agreement with the Government of Switzerland, represented by the Swiss State Secretariat for Economic Affairs (SECO), signed on 18 November 2019, Project Document and Workplan, UNDP seeks to conduct forward-looking Project Evaluation (PE). The nature of PE is largely a management tool to provide Project team and stakeholders with an account of results against the initial plans, Project Document and Cost-sharing Agreement, provide recommendations and guide further SECO's and UNDP's interventions.

The main objective of the assignment is to conduct the forward-looking progress evaluation of the Project "Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023)". The purpose of the evaluation is three-fold and aims (1) to analyse the implementation of the Project in 2019-2022, its relevance, effectiveness, efficiency, sustainability and coherence, particularly in consideration of the full-scale invasion of Ukraine by the Russian Federation; (2) to draw the lessons learnt, including viable suggestions on operational directions, which could be sharpened and further enhanced in the follow-up Project phase; (3) to provide recommendations and inform the development of further SECO's and UNDP's interventions accounting for the ongoing war and its

impact on partner BMOs and MSMEs as well as for the need of further UNDP's assistance. This will not only support accountability, inform decision-making and allow UNDP and the Project Board to better manage for development results but also to pave the way towards the development of the follow-up phase of SECO's and UNDP's intervention. The scope of the PE will cover activities undertaken by the Project from its start until the end of October 2022. Given the forward-looking nature of the Evaluation, the National Consultant will be supporting the International Consultant, conducting evaluation, to:

1. assess Project progress towards the achievement of the objectives, expected outputs and outcomes as specified in the Project Document following a number of parameters set under evaluation questions in the sections below; compare planned outputs of the Project to actual outputs; evaluate the relevance of the objectives, expected outputs and outcomes set accounting for the impact of ongoing war; assess early signs of Project success or failure with the goal of identifying the necessary changes to be made in order to calibrate Project activities towards meeting emerging needs of partner BMOs and MSMEs they are representing by the end of the Project; review the Project strategy and its risks to sustainability;
2. review progress indicators and targets set in a logical framework in terms of their relevance and feasibility in accounting for the country context and provide feedback on achieving the targets;
3. draw the lessons learned that can both improve the sustainability of benefits from the Project achieved before the onset of full-scale war and tailor UNDP's response to the needs and priorities of Project beneficiaries arising due to the war;
4. provide clear recommendations for adaptive management to improve the Project over the remaining part of its lifetime, guide further SECO's and UNDP's interventions and inform the development of the Project's follow-up phase upon consulting with Project beneficiaries.

This PE will assess Project performance against the review criteria, as outlined in the UNDP Evaluation Guidelines, based on OECD-DAC evaluation criteria: **relevance, effectiveness, efficiency, sustainability, and coherence**. The National Consultant should also provide support to the International Consultant in addressing how the Project applied the human rights-based approach and mainstream gender in development efforts. The evaluation will be carried out (home-based) between 1 November 2022 and 30 December 2022. The PE should be conducted in accordance with the guidance, rules and procedures established by UNDP and as reflected in the UNDP Evaluation Policy.

EVALUATION CRITERIA AND QUESTIONS

A.Relevance

Country context: How relevant is the Project to the interventions target groups, including Government's needs and priorities and the current evolving country context?

Target groups: To what extent is the Project relevant to address the needs of the MSMEs and BMOs as representatives of MSME sector interests, notably the newly emerging priorities in the crisis settings? What needs and priorities is the Project unable to tackle, if any? To what extent is the Project tackling the vulnerable groups (women and other as per Project Document) and gender issues in entrepreneurship development? To what extent do the Project's interventions align with the needs of 27 targeted BMOs as revealed by organizational capacity assessment results?

Does the Project remain relevant considering the changing environment in the face of the ongoing war waged by the Russian Federation against Ukraine on 24 February 2022 and following it economic projections, while taking into consideration the risks/challenges mitigation strategy? Do the Project objectives, impact, outcome and output indicators remain pertinent in the current context? What can be done additionally to better capture the needs of the target groups relevant to the focus of the Project? Suggest Project adaptation strategies to the crisis settings and potential scale-up directions focusing on the war response and recovery.

Does the Project design incorporate the lessons learned from Phase I? Is there a need to reformulate the Project design and the Project results framework given changes in the country context, including those caused by the full-scale Russian invasion of Ukraine and its effect on the operational context? What measures can be taken to improve the relevance of the Project?

How the Project goals and objectives could be reviewed, adjusted and scaled up to frame the development of the potential follow-up Project phase to support BMOs and the MSME sector targeting their newly emerging needs in consideration of the ongoing war and post-war recovery?

To what extent did UNDP adopt gender-sensitive, human rights-based and conflict-sensitive approaches?

B. Coherence

To what extent was the Project aligned with the policies and strategies of the Government, the UN 2030 Agenda for Sustainable Development as well as the UNDP Country Programme Document / UN Partnership Framework? Is the Project in line with the Ukraine's Recovery and Development Plan^[1] and UNDP Resilience Building and Recovery Programme for Ukraine^[2] developed after the onset of the full-scale war?

To what extent is the Project contributing to the SDGs, the UNDP Strategic Plan, the Country Programme Document, UNDP Resilience Building and Recovery Programme for Ukraine outcomes and outputs, design and implementation of the national MSME development strategy?

Have there been sufficient cooperation and exchange of information between the partners of the Project? How do they correspond to each other and contribute to the achievement of the UN 2030 Agenda for Sustainable Development?

Is the Project building upon/seeking synergies with existing programmes, projects and strategies in order to maximize impact, efficiently allocate resources and avoid duplications?

C. Effectiveness

Assess the overall performance of the Project with reference to its respective Project document / cost-sharing agreement, strategy, objectives (or lack of thereof) and indicators, and identify key issues and constraints that affected the achievement of Project objectives including per individual Project components, accounting for the crisis settings. Were the planned objectives and outcomes achieved according to the results framework? Are the set targets feasible in the current country context? To what extent have the results at the outcome and output levels generated results for gender equality, empowerment of women entrepreneurs and promoting sustainable practices? What are the results achieved beyond the logical framework? How can the Project build on or expand the achievements, particularly focusing on the war response and recovery of the MSMEs sector?

How effective was the adjustment and organization of the Small Grants Programme in the current country context? To what extent were the activities envisaged under the three (3)

solutions proposed by the BMO consortia effective in addressing the emerging needs of the MSMEs against the backdrop of the war?

Was the cooperation with Project beneficiaries and key Project partners, including but not limited to the Ministry of Economy, Ministry of Digital Transformation and EEPO, successfully achieved and contributed to the achievement of the Project's goals? How the role of the State partners in the project could be enhanced?

How have stakeholders been involved in Project implementation? Has the Project sufficiently addressed the peculiarities of different types of BMOs (universal, CCI, industry associations)? How effective has the Project been in establishing ownership?

What is the value added of integrating in the project BMOs that benefit from other Swiss-funded projects? How helpful it was to create synergies within the Swiss portfolio?

How effective is the Project in creating better enabling environment regionally? What measures could be taken for improvement?

D.Efficiency

Is the Project cost-effective? Was the Project using the most cost-effective options? Have resources (funds, human resources, time, expertise, etc.) been allocated strategically to achieve the relevant outputs and outcomes and to address inequalities and gender issues? Was the use of resources allocated to BMO consortia within the Immediate Response Small Grants Programme efficient in achieving the targets set in the BMO project proposals?

Are the Project's activities in line with the schedule of activities as defined by the Project team and annual work plans? Are the disbursements and Project expenditures in line with budgets? Do the adjustments in Project's activities and budget revisions duly reflect the changes in operational circumstances and the programmatic environment?

Is the Project management, coordination and monitoring efficient and appropriate? Is the monitoring considering gender equality and women empowerment issues, as well as social inclusion and human rights, environmental protection and climate change?

Are the criteria and governance aspects related to the selection of partner BMOs appropriate?

E.Sustainability

Are the measures applied by the Project ensure that Project results (impact, if any, and outcomes) likely to continue after the Project ends? Define the most promising areas requiring further support and scaling-up in the course of future interventions, considering the current evolving country context.

Is there sufficient public/stakeholder awareness in support of the Project's long-term objectives?

What are the social or political risks that may jeopardize the sustainability of Project results? Define the possible risks/challenges mitigating approaches.

Are the BMOs' activities or initiatives supported by the Project likely to continue, be scaled up, replicated and increasingly contribute to the inclusive gender-responsive socio-economic development at the national and/or local level after the Project ends?

What Project results could be replicated and scaled up to address newly emerging needs of the BMOs and MSMEs in Ukraine?

Considering Ukraine as the pilot region for the Project implementation, do the methods and approaches used in its execution have a perspective to be scaled up and/or replicated in the other regions, in particular Western Balkans and Central Asia? Define which of the activities,

platforms, networks, partnerships established, supported or facilitated by the Project have the highest potential for further scaling up and/or replication.

To what extent were capacity development initiatives for partner organizations adequate to ensure sustainable improvements for women, men and vulnerable groups, and promote responsible practices among the MSMEs? What can additionally be done to improve the sustainability of the Project?

Has the Project contributed or is likely to contribute to long-term social and economic improvements for MSMEs sector, community of BMOs as a whole and/or partner BMOs of the Project, considering the current evolving country context? Has the Project contributed to improvement of the business environment before the onset of full-scale war and providing immediate response after the war breakout?

Has the Project contributed to gender equality, women's empowerment and protection of human rights, social inclusion and environmental protection?

What actions can be taken to improve promotion of sustainable practices among BMOs and MSMEs in the context of adjustments of business in crisis settings?

What additional actions could be taken to present the added value in BMO membership for MSMEs considering the ongoing war context?

Identify possible priority areas of engagement, offer recommendations for the remaining part of the Project and further SECO and UNDP's interventions for MSMEs' support and private sector development, taking into account emerging needs and priorities of the Project beneficiaries that cannot be tackled during the current Project phase. Findings, conclusions and recommendations should reflect gender equality and women empowerment, social inclusion, and environmental protection.

The final list of evaluation questions and tools to be proposed by the National Consultant in coordination with the International Consultant and agreed with UNDP in an Inception report. All evaluation questions should mainstream gender and will be screened by UNDP's Gender Specialist.

EVALUATION APPROACH AND METHODOLOGY

In close cooperation and under the guidance of the International Consultant, conducting evaluation, the National Consultant will be required to use different methods to ensure that data gathering, and analysis deliver evidence-based qualitative and quantitative information, based on diverse sources including project reports, survey results, individual meetings etc. This approach will not only enable the forward-looking Project Evaluation to assess causality through qualitative and quantitative means but also provide reasons for why certain results were achieved or not and to triangulate information for higher reliability of findings. The concrete mixed methodological approach will be detailed in the Inception report and stated in the Final report. All data provided in the report should be disaggregated by sex and other social variables, where possible. Furthermore, the evaluation methods and sampling frame should address the diversity of stakeholders affected by the Project. Ethical standards are required throughout the evaluation and all stakeholder groups are to be treated with integrity and respect for confidentiality.

The National Consultant is expected to follow a participatory and consultative approach ensuring close engagement with BMOs, government counterparts, international partner organisations, Swiss Embassy in Ukraine (SE), UNDP Country Office (CO) and Project team at all stages of the evaluation

planning and implementation. The evaluation will assess the extent to which the Project was successfully mainstreamed with UNDP Strategic Plan given the current country context.

The evaluation of Project performance will be carried out against the expectations set out in the Project Results Framework, which provides performance and impact indicators for Project implementation along with their corresponding means of verification. All indicators in the Results Framework need to be assessed individually, with final achievements noted. An assessment of the Project M&E design, implementation and overall quality should be undertaken. The evaluation will assess the key financial aspects of the Project, including Project budget revisions. Project cost and funding data will be required from the Project, including annual expenditures. Variances between planned and actual expenditures will need to be assessed and explained. The evaluation also should include the value of money aspect – the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase.

The conclusions related to the implementation of the Project from its start until the end of October 2022 should be comprehensive and balanced, and highlight the strengths, weaknesses, challenges and outcomes of the Project. They should be well substantiated by the evidence and logically linked to the progress evaluation findings. They should respond to key evaluation questions and provide insights into the identification of and/or solutions to important problems or issues pertinent to Project beneficiaries, UNDP and SECO.

The recommendations for adaptive management to improve the Project over the remaining part of its lifetime and guide further SECO's and UNDP's interventions in the area of the private sector development with the focus on war response, recovery and resilience building, should identify how best practices and achievements of the Project can be scaled up or proliferated to better respond to the emerging needs and priorities of MSME sector in Ukraine, as well as to adapt/strengthen the theory of change of the Project, based on interviews with Project partners and beneficiaries and desk analysis (*please see below*). The recommendations need to be supported by an evidential basis, be credible, practical, action-oriented, and define who is responsible for the action to have potential to be used in decision-making. It is expected that in cooperation with and under the oversight of the International Consultant, conducting evaluation, the National Consultant will produce up to 5-7 recommendations addressing execution of the remaining part of the current Project phase and framing the development of the potential Project follow-up phase.

The National Consultant should contribute to a proposed design, methodology of evaluation (methods, approaches to be used, with particular focus on addressing gender-specific issues and inclusion of relevant SDGs, evaluation criterion for assessment of each component to be proposed), detailed work plan and report structure to UNDP prior to the start of fieldwork; these documents and the list of businesses and other stakeholders to meet should be agreed with UNDP. The evaluation products should take into account gender and human rights issues. While proposing the methodology, the National Consultant should be guided by UNDP approach to Project evaluations^[3].

The methodology will be based on the following:

1. Desk review of the documents listed below (including but not limited to):
 1. The original Project documents, progress reports, annual work plans, M&E frameworks and financial documents (such as the cost-sharing agreement with SECO, CDR reports);
 2. Notes from meetings involved in the Project (such as board meeting minutes);

3. Other Project-related material produced by the Project (such as datasets, publications, audio-visual materials and consultancies reports).
2. Interviews with key partners and stakeholders, which can be divided into the following groups:
 - the relevant UNDP Country Office and the Project's management and staff;
 - representatives of the SE;
 - partner BMOs;
 - relevant national and local government institutions;
 - international development actors active in the field of intervention

The interviews are aimed to examine how the partners and stakeholders assess the Project, their concerns and feedback. The Consultant will need to collect and analyse needs and suggestions and provide recommendations/vision on how future SECO's and UNDP's interventions could address those. Debriefing session will be also arranged for discussing the evaluation findings, results and recommendations.

Since the evaluation is to be carried out virtually, consideration should be taken for stakeholder availability, ability or willingness to be interviewed remotely. In addition, their accessibility to the internet/computer may be an issue as many government and national counterparts may be working from home. Given the remote nature of the assignment, field and observational visits will not be applicable and group discussion and/or focus group discussions might be difficult to organize online. These limitations must be reflected in the evaluation report. Data collection will be carried out in a form of remote interviews, telephone or online (Skype, Zoom etc.).

[1] <https://recovery.gov.ua/>

[2] <https://www.undp.org/sites/g/files/zskgke326/files/2022-04/Ukraine-offer.pdf>

[3] http://web.undp.org/evaluation/guideline/documents/PDF/UNDP_Evaluation_Guidelines.pdf

EVALUATION PRODUCTS (KEY DELIVERABLES)

In cooperation with and under the guidance of the International Consultant, the National Consultant should provide the following deliverables:

| Deliverable # | Task description | Days and timing | Payment breakdown |
|----------------|---|----------------------------|-------------------|
| Deliverable #1 | <p>Conduct desk research of Project's core documentation (cost-sharing agreements, Project documents, annual work plans and available progress reports, board meeting minutes, evaluation reports from the Phase I, etc.). The set of documents to be reviewed will be prepared by UNDP.</p> <p>Develop an evaluation methodology and strategy to collect the required data, plans and forms for the interview with partners and counterparts.</p> <p>Output: The Inception report (with detailed description of the methodology and evaluation matrix) is produced; annotated structure of the report is developed; a toolkit for gathering data is designed. All documents are submitted to UNDP for final approval. Inception report is expected to be up to 10 pages without annexes, single spacing, Myriad Pro font, size 11, which includes, but is not limited to, the following components:</p> | 3 days, by 5 November 2022 | 10% |

| | | | |
|----------------|--|--------------------------------------|-----|
| | <ul style="list-style-type: none"> • Background and context; • Evaluation objective, purpose and scope; • Evaluation criteria and questions; • Cross-cutting issues; • Evaluation approach and methodology; • Evaluation matrix; • Schedule of key milestones; • Resource requirements; • Outline of the final report. | | |
| Deliverable #2 | <p>Conduct necessary consultations and interviews with the Project staff and Project partners. Examine how stakeholders assess the Project and what their concerns and suggestions are. Clarify issues that emerge from the preliminary analysis of the Project and require hard and soft data to substantiate their reasoning. Discuss the existing needs in the field of the private sector development and how further SECO's and UNDP's interventions, including potential Project follow-up phase, can address them. Collect and analyse feedback from the partners.</p> <p>Initial findings discussed in a wrap-up session with Project team and UNDP CO (online via video conference).</p> | 9 days, by 25 November 2022 | 10% |
| Deliverable #3 | <p>Produce a draft report of the evaluation covering all items detailed in the paragraph #2 of the present ToR with definition of the lessons learned and recommendations for the remaining part of the Project as well as the potential Project follow-up phase.</p> <p>Output: draft of the report produced and submitted for UNDP comments (<i>UNDP review will take up to 10 days</i>).</p> | 4 days, by 1 December 2022 | 40% |
| Deliverable #4 | <p>Collect, review and incorporate comments from UNDP into the final version of the evaluation report.</p> <p>Output: Final evaluation report containing all required annexes indicated in the paragraph #3 of the present ToR, submitted to UNDP, SECO/SE for final review and approval.</p> <p>Final findings discussed in the debriefing session with UNDP CO and SECO/SE.</p> <p>The key product expected is a comprehensive evaluation report (up to 40 pages without annexes, single spacing, Myriad Pro font, size 11), which includes, but is not limited to, the following components:</p> <ul style="list-style-type: none"> • Title and opening pages; • Project and evaluation information details; • Table of contents; • List of acronyms and abbreviations; • Executive summary (up to 4 pages); • Introduction; • Description of the intervention; | 3 days, by 15 December 2022 | 40% |

| | | | |
|----------------|--|-------------------------------------|--|
| | <ul style="list-style-type: none"> • Evaluation of scope and objectives; • Evaluation approach and methods; • Data analysis; • Findings; • Conclusions; • Recommendations; • Lessons learned; • Report Annexes: ToR, methodology related documentation, list of individuals or groups interviewed/consulted, documents reviewed, summary tables of findings, signed Code of Conduct, etc. <p>The detailed structure of the final report should be agreed with UNDP and reflect all key aspects in focus.</p> | | |
| Deliverable #5 | <p>Prepare a detailed PowerPoint presentation of the evaluation study (in English) and present the results during the meeting between UNDP, SECO/SE (<i>virtual meeting</i>).</p> <p>Consultations regarding UNDP expectations from the presentation will be held with the Contractor prior to the event.</p> <p>Output: PowerPoint presentation prepared and delivered during the joint meeting of interested parties (to cover major findings and lessons learned from the evaluation as defined in section 3 of this ToR with diagrams/pictures, where applicable).</p> | 1 day, By 30 December 2022 | |

Payment will be based upon satisfactory completion of deliverables upon review and acceptance by UNDP. 100% of the total amount shall be paid upon completion of the Deliverables 1-5.

IMPLEMENTATION ARRANGEMENTS

A team of two (2) independent consultants will conduct the evaluation: one (1) international team leader (with experience and practice of participation in projects and evaluations in other regions of the world) and one (1) national expert, which will work in close cooperation with and under the guidance of the international consultant.

In cooperation with the International Consultant, the National Consultant will interact with UNDP Project and CO Staff to receive any clarifications and guidance that may be needed. UNDP Project and CO Staff will provide the Consultant with administrative, logistical support, as well as required data and documentation. UNDP Programme Analyst will also connect the Consultant with the wider programme unit, senior management and key evaluation stakeholders, review and approve inception reports including evaluation questions and methodologies, review and comment on draft evaluation reports, circulate draft and final evaluation reports, collect and consolidate comments on draft evaluation reports and share with the Consultant for finalization of the evaluation report. The satisfactory completion of each of the deliverables shall be subject to the endorsement of the UNDP Evaluation Manager.

The Consultant will inform UNDP of any problems, issues or delays arising during the implementation of the assignment and take necessary steps to address them.

The key product expected is a comprehensive evaluation report (with parameters indicated above). The report must be as free as possible of technical jargon in order to ensure accessibility to its wide and diverse audience. The report should be in line with UNDP's principles of gender-responsive communication and should be prepared in English.

All reports and results are to be submitted to the UNDP in electronic form (*.docx, *.xlsx, *.pptx, and *.pdf or other formats accepted by UNDP).

Ethics

This evaluation will be conducted in accordance with the principles outlined in the UNEG 'Ethical Guidelines for Evaluation'[1]. The Consultant must safeguard the rights and confidentiality of information providers, interviewees and stakeholders through measures to ensure compliance with legal and other relevant codes governing collection of data and reporting on data. The Consultant should respect differences and accord equal spaces and dignity regardless of interviewees' gender, race, sexual preference, ethnicity, ability, or other markers of identity. The Consultant must also ensure security of collected information before and after the evaluation and protocols to ensure anonymity and confidentiality of sources of information where that is expected. The information knowledge and data gathered in the evaluation process must also be solely used for the evaluation and not for other uses with the express authorization of UNDP and partners.

Copyright

All information and products produced by the Consultant under this assignment will remain property of UNDP Ukraine.

[1] UNEG, 'Ethical Guidelines for Evaluation', June 2008. Available at <http://www.uneval.org/search/index.jsp?q=ethical+guidelines>.

Competencies

Corporate competencies

- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability
- Highest standards of integrity, discretion, and loyalty

Professionalism

- Knowledge of project development and planning
- Excellent coordination, organization and planning skills, with the ability to work under pressure
- Focus on impact and results
- Efficient in meeting commitments, observing deadlines and achieving results
- Demonstrates thoroughness and looks for ways to improve
- Promote quality and applies feedback to improve performance
- Monitors own work to ensure quality

Planning & Organizing

- Organises and accurately completes multiple tasks by establishing priorities while taking into consideration special assignments, frequent interruptions, deadlines, available resources and multiple reporting relationships.

Plans, coordinates and organises workload while remaining aware of changing priorities and competing deadlines.

Establishes, builds and maintains effective working relationships with staff and clients to facilitate the provision of support

Teamwork

Solicits input by genuinely valuing others' ideas and expertise

Facilitates the development of individual and multi-cultural/team competencies

Required Skills and Experience

EXPERIENCE AND QUALIFICATIONS REQUIREMENTS

Education: University degree in Economics, Management, Mathematics, Social Sciences, Public Administration, Business Administration or other relevant areas;

Relevant professional experience: At least three (3) years of work experience in the area of economic development, poverty reduction, private sector development, MSMEs and/or business support of business membership organizations. Experience in participatory approaches, planning, monitoring, evaluation and learning would be an asset;

Experience in evaluation: At least two (2) accomplished complex evaluations of Projects where the candidate was the author or co-author (reference to or copies of previously prepared programme/project evaluation reports to be provided);

Proven knowledge of monitoring and evaluation methodologies, summary of a proposed evaluation methodology is to be provided (up to 2 pages);

Languages proficiency: Excellent knowledge of Ukrainian and/or Russian as well as fluency in spoken English and good command of written English;

DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS

| Required | |
|----------|--|
| 1 | Letter of interest/proposal, providing brief methodology on how the work will be conducted and/or approached as well as stating independence from any organization that has been involved in designing, executing or advising any aspect of the Project that is the subject of evaluation (up to 2 pages); |
| 2 | P11 form, including information about past experience in similar projects/assignments and contact details for referees. |
| 3 | Samples of at least two (2) previously prepared programme/project evaluation reports |
| 4 | Financial proposal (according to defined deliverables); |

| | |
|---|---|
| 5 | Duly accomplished Letter of Confirmation of Interest and Availability using the template provided by UNDP |
|---|---|

FINANCIAL PROPOSAL

Lump sum contract

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in instalments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the ToR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount (including a number of anticipated working days).

Travel costs are not applicable. In the case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses, should be agreed upon, between UNDP and Consultant prior to travel and will be reimbursed. BSAFE course must be successfully completed before the commencement of travel. Individual Consultant is responsible for ensuring they have vaccinations/inoculations when travelling to certain countries, as designated by the UN Medical Director. A Consultant is required to comply with the UN security directives set forth under <https://dss.un.org/dssweb/>

EVALUATION CRITERIA

| # | Assessment of Candidate's qualifications, experience and competences | Maximum score |
|---|---|---------------|
| 1 | University degree or equivalent in Economics, Management, Mathematics, Social Sciences, Public Administration, Business Administration or other relevant area: <i>[Bachelor's Degree – 7 points; Master's Degree or higher – 10 points]</i> | 10 |
| 2 | Work experience in the area economic development, poverty reduction, private sector development, MSMEs and/or business support of business membership organizations development including participatory planning, monitoring and evaluation: <i>[3-4 years – 7 points; 5-6 years – 9 points; 7 years and more – 10 points]</i> | 10 |
| 3 | Experience in participatory approaches, planning, monitoring, evaluation and learning: <i>[no experience – 0 points; availability of experience – 5 points]</i> | 5 |
| 4 | Proven knowledge of monitoring and evaluation methodologies (summary of a proposed evaluation methodology is to be provided): | 20 |

| | | |
|---|---|----|
| | <p><i>[- acceptable quality and relevance of the methodology (methodology is based on the information, provided in TOR) - 16 points;</i></p> <p><i>- intermediate level of quality and relevance (methodology is based on previous successful experience with the following examples of its use for such tasks) - 18 points;</i></p> <p><i>- highly relevant methodology (methodology is based on previous successful experience with the following examples of its use for such tasks, adapted to the needs of the target audience and ToR) – 20 points]</i></p> | |
| 5 | <p>Number of accomplished complex evaluations of Projects where the Candidate was the author or co-author especially in economic development, private sector development fields, understanding of gender aspects (reference to previously prepared programme/project evaluation reports to be provided):</p> <p><i>[2 highly relevant evaluation projects – 16 points;</i></p> <p><i>3 highly relevant evaluation projects – 18 points;</i></p> <p><i>4 and more highly relevant evaluation projects – 20 points]</i></p> | 20 |
| 6 | <p>Language proficiency, excellent written and oral communication skills with demonstrable experience in analytical reports writing (at least two (2) program/project evaluation reports prepared):</p> <p><i>[Fluent Ukrainian and/or Russian and working knowledge of English – 3 points;</i></p> <p><i>Fluent Ukrainian and/or Russian and fluent English – 5 points]</i></p> | 5 |

EVALUATION METHOD:

Cumulative analysis

Contract award shall be made to the incumbent whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and
- b) having received the cumulative highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

* Technical Criteria weight: 70%

* Financial Criteria weight: 30%

Only candidates obtaining a minimum 70% from the maximum available technical score (49 points) would be considered for the Financial Evaluation

The maximum number of points assigned to the financial proposal is allocated to the lowest price proposal and will be equal to 30. All other price proposals will be evaluated and assigned points, as per below formula:

30 points [max points available for financial part] x [lowest of all evaluated offered prices among responsive offers] / [evaluated price].

The proposal obtaining the overall cumulatively highest score after adding the score of the technical proposal and the financial proposal will be considered as the most compliant offer and will be awarded a contract.

Annex 6. ToR, International Consultant

UNITED NATIONS DEVELOPMENT PROGRAMME

TERMS OF REFERENCE,

DocuSign Envelope ID: 6F8935BB-F751-459D-9306-C0085221EB7A

**Decentralized Progress Evaluation of UNDP Project:
Strengthening MSME Business Membership Organizations in
Ukraine: Phase II (2019-2023)**

Project ID: 00109217

NOVEMBER-DECEMBER 2022

1. PROJECT BACKGROUND AND OVERVIEW

1.1. Abbreviations and terms

| Abbreviation | Description |
|---------------------|---|
| BDS | Business Development Services |
| BMO | Business Membership Organization |
| CIPE | Center for International Private Enterprise |
| CPD | Country Programme Document |
| CSO | Civil society organization |
| DAC | Development Assistance Committee |
| EBRD | European Bank for Reconstruction and Development's |
| EEPO | Entrepreneurship and Export Promotion Office of Ukraine |
| GPD | Global Programme Document |
| GPO | Group purchasing organisation |
| M&E | Monitoring and evaluation |
| MSME | Micro-, small and medium-sized enterprises |
| NGO | Non-governmental organization |
| OECD | Organisation for Economic Co-operation and Development |
| PPD | Public-private dialogue |
| PE | Project Evaluation |
| RPD | Regional Programme Document |
| SDGs | Sustainable Development Goals |
| SE | Swiss Embassy |
| SECO | Swiss State Secretariat for Economic Affairs |
| SME | Small and medium-sized enterprises |
| ToR | Terms of Reference |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| USAID | United States Agency for International Development |
| CIS | Commonwealth of Independent States |

1.2. Project Factsheet

| | |
|--|---|
| Project name | Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023) |
| Project ID | 00109217 |
| Post title | International Consultant to conduct a decentralized Project Evaluation |
| Country / Duty Station | Home-based |
| Expected places of travel | Home-based |
| Duration of Initial Contract | November-December 2022 |
| Assignment Quality Assurer | Lesia Shyshko, Team Leader, Strategic Planning, Partnerships and RBM Unit |
| Assignment Coordinator | Maria Gutsman, Programme Analyst, IDRPB |
| Expected Duration of Assignment | 20 working days within the timeframe 1 November – 30 December 2022 |
| Payment arrangements | Lump Sum (payments are linked to deliverables) |
| Administrative arrangements | All working arrangements to be provided by the Consultant. The Consultant will receive all required information from UNDP, including Project documents (electronic or paper format), analytical papers and other relevant documents |
| Selection method | Cumulative analysis |

1.3. Project Background and Context

Micro-, small and medium-sized enterprises (MSMEs) have a major role to play both in enhancing Ukraine's economic competitiveness and restoring sustainable growth since they largely dominate Ukraine's economy in terms of a number of entities, employment and value added. According to the State Statistics Service of Ukraine, in 2018, the country had only 446 large enterprises and 1,839,147 MSMEs, which constituted over 99.9 percent of all operating entrepreneurship. In 2020, the number of MSMEs increased to 1,973,065 with the share of about 99 percent of micro- and small enterprises among them.

In 2018, the MSME sector in Ukraine accounted for more than 81 percent of all employment creating 77.4 percent of jobs. The share of value added increased from 64.3 percent in 2018 to 70.2 percent in 2020 meaning that MSMEs must have a voice in shaping the business environment in Ukraine¹.

¹ State Statistics Service of Ukraine. (2021). *Activity of large, medium, small and micro-entrepreneurship entities. 2020*. Retrieved from http://www.ukrstat.gov.ua/druk/publicat/kat_u/2021/zb/12/Dsvsimm_20.pdf

Yet MSMEs are those that are mostly affected by incomplete reforms and fluid frameworks. In the context of the “Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023)” Project², the United Nations Development Programme (UNDP) is intervening for 48 months to design and deliver tailored capacity development support to selected BMOs representing different macroregions and sectors of Ukraine to help strengthen their institutional/organizational/financial capacities to represent interests of the private sector and facilitate a more active, responsive, professional and policy-oriented dialogue between public and private sectors. The Project is also addressing important cross-cutting challenges for economic development in Ukraine such as women’s economic empowerment and promoting sustainable practices among MSMEs.

On 24 February 2022 Russia launched a full-scale and unprecedented war against Ukraine, causing disruption in business activity, damage to people, cities and infrastructure, and having a devastating impact on Ukraine’s economy. Results of the surveys conducted among Ukrainian MSMEs during spring 2022 show that about 50 percent of enterprises operated at only 10-60 percent capacity of the pre-war level as of mid-April 2022. They also confirm that MSMEs are more susceptible to the shocks caused by the war than large enterprises (only 14 percent of MSMEs operated at full capacity versus 41 percent of large enterprises as of mid-April 2022)³.

The Project is viewed as a continuation of Phase I implemented by UNDP in Ukraine in 2015-2018, incorporating relevant lessons learnt and introducing adjustments that will enhance the overall positive influence on the MSME sector. The Project is being implemented by connecting three components targeting improvement of organizational capacity of BMOs, better MSMEs’ access to BDS through BMOs and engagement in an effective public-private dialogue between the private sector and government side.

The Project aims to expand BMO coverage, thus increasing the number of professional BMOs ready to engage in the dialogue and provide demanded BDS. The work with a wider circle of BMOs is based on the most efficient methods of organizational transformation identified during the Project’s Phase I. Direct target group of the Project includes 20 newly selected BMOs representing different types of organizations as well as seven (7) BMOs from Phase I. Due to the merge of two (2) sectoral partner BMOs in September 2021, namely the Ukrainian Door Association and Ukrainian Association of Furniture Manufacturers, UNDP selected an industry-specific BMO from the reserve list to join the Project, thus, supporting 28 BMOs in total over the period of its implementation.

| # | Target group / Partner BMOs | City | BMO webpage |
|---|--|------|---|
| 1 | Ukrainian Association of Furniture Manufacturers | Kyiv | http://uafm.com.ua |
| 2 | Association of Milk Producers | Uman | http://avm-ua.org/uk |

² Hereinafter the Project.

³ UNDP. (2022). *Rapid Assessment of the War’s Impact on Micro, Small and Medium Enterprises in Ukraine*.

| | | | |
|----|--|-----------------|---|
| 3 | Association of Industrial Automation Enterprises of Ukraine | Kyiv | https://appau.org.ua |
| 4 | Vinnitsia Regional Organization "Union of Entrepreneurs "Stina", CSO | Vinnitsia | http://www.stina.org.ua |
| 5 | Union for Promotion of Rural Green Tourism Development in Ukraine, CSO | Kyiv | http://www.greentour.com.ua |
| 6 | Vzaimodiya-Plus, CSO | Kramatorsk | https://vz-plus.org |
| 7 | Business Women Club MLT, CSO | Melitopol | https://bw-melitopol.club |
| 8 | Business Community Club, CSO | Lviv | http://www.bc-club.org.ua |
| 9 | 'Women in Business' Ukrainian Platform, CSO | Vinnitsia | http://winb.com.ua |
| 10 | Residential Property Managers and Operators Association, Civic Union | Lviv | https://amugn.org.ua |
| 11 | Karpatsky Smak, Civic Union | Lviv | http://tuca.com.ua |
| 12 | Organic Ukraine, Civic Union | Kyiv | http://organicukraine.org.ua |
| 13 | Poltava Business Association, Civic Union | Poltava | https://www.pab.pl.ua |
| 14 | Interregional Union of Poultry Breeders and Fodder Producers of Ukraine, Civic Union | Kharkiv | http://ptahokorm-union.com |
| 15 | Western Ukrainian Fashion Industry Cluster, Civic Union | Lviv | http://wufic.com.ua |
| 16 | Donetsk Chamber of Commerce and Industry | Kramatorsk | https://donetskcci.com |
| 17 | Zaporizhzhia Chamber of Commerce and Industry | Zaporizhzhia | http://www.cci.zp.ua |
| 18 | Ivano-Frankivsk Chamber of Commerce and Industry | Ivano-Frankivsk | http://www.cci.if.ua |
| 19 | League of Business and Professional Women, CSO | Chernihiv | http://bpwua.org |
| 20 | Odesa Regional Chamber of Commerce and Industry | Odesa | https://orcci.odessa.ua |
| 21 | Sumy Chamber of Commerce and Industry | Sumy | http://cci.sumy.ua |
| 22 | Ukrainian Chamber of Commerce and Industry | Kyiv | https://ucci.org.ua |
| 23 | Ukrainian Association of Visual Industry | Kyiv | http://uavi.com.ua |
| 24 | Ukrainian Association of Textile Industry Enterprises (Ukrlegprom) | Kyiv | http://www.ukrlegprom.org |
| 25 | Ukrainian Door Association | Kyiv | |
| 26 | Ukrainian Association of Woodworking Equipment | Yavoriv | https://uado.org.ua |
| 27 | Private Employers Association, Kharkiv regional CSO | Kharkiv | https://apr.org.ua |
| 28 | Kharkiv Chamber of Commerce and Industry | Kharkiv | http://kcci.kharkov.ua |

The main Project stakeholders are (including but not limited to):

- BMOs and business support organisations;

- Micro-, small and medium-sized enterprises as well as the private sector as a whole;
- Civil society (CSOs/NGOs, community associations and other);
- Government of Ukraine (Ministry of Economy, EEPO, Ministry of Digital Transformation etc.);
- Relevant Parliamentary Committees and their members;
- Vulnerable groups (women and other);
- Academia, research institutions, and the expert community;
- Donors and international development partners of Ukraine;
- Media.

| Project/Outcome Information | |
|--|--|
| Project/Outcome title | Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023) |
| Atlas ID | Atlas Award ID: 00110134, Project ID: 00109217 |
| Corporate outcome and output | Contributing Outcome (UNDAF/CPD, RPD or GPD): UNDAF Outcome 4.1. By 2022, all women and men, especially young people, equally benefit from an enabling environment that includes labour market, access to decent jobs and economic opportunities Indicative Output(s) with gender marker: CPD Output 2.2. Public institutions and private entities effectively cooperate to improve the business environment. GEN2 |
| Country | Ukraine |
| Region | Eastern Europe |
| Date Cost-sharing Agreement signed | 18 November 2019 |
| PAC Meeting date | 18 May 2020 |
| Project dates | Start 1 November 2019 Planned end 31 October 2023 |
| Project budget | US\$2,625,000.00 (from which US\$2,525,000.00 provided by SECO, US\$100,000.00 by UNDP) |
| Project expenditure at the time of evaluation | US\$1,055,470 (as of January 2022) |
| Funding source | Government of Switzerland, UNDP |
| Implementing party | UNDP in Ukraine |

Human-rights based approach

This Project is being implemented following a rights-based approach encompassing all human rights. The five (5) working principles below are applied at all stages of Project

implementation, namely (1) legality, universality and indivisibility of human rights; (2) participation and access to the decision-making process; (3) non-discrimination and equal access; (4) accountability and access to the rule of law; (5) transparency and access to information.

Gender equality

The cross-cutting topics of gender and sustainability are addressed through all three (3) outputs of the Project: organizational development, provision of BDS and public-private dialogue. The Project strives to ensure that women and men are equally represented in all activities. The UNDP applies an equal opportunities approach in hiring and procurement practices and strives to employ a workforce that reflects diversity and gender balance.

Gender balance is measured through the gathering of sex-disaggregated data at activity and at results levels. The Project targets three (3) BMOs representing women-entrepreneurs and provides them with a broad capacity development assistance, as well as incorporates proper organizational policies and gender lenses in all other BMOs, thus, enabling them to address the needs of women-owned and women-led enterprises and contribute to women's economic empowerment.

More detailed background and context information, logical framework and theory of change, monitoring plans, specific targets and indicators are available in the Project Document⁴. The results achieved since the beginning of the Project as per the logical framework are reflected in the Annexes. The Mid-term evaluation of the Project's Phase I was conducted in 2017, results of which are also available in the Annexes.

2. PURPOSE, SCOPE AND OBJECTIVES OF THE ASSIGNMENT

In line with Article V. of the Cost-Sharing Agreement with the Government of Switzerland, represented by the Swiss State Secretariat for Economic Affairs (SECO), signed on 18 November 2019, Project Document and Workplan, UNDP seeks to conduct forward- looking Project Evaluation (PE). The nature of PE is largely a management tool to provide Project team and stakeholders with an account of results against the initial plans, Project Document and Cost-sharing Agreement, provide recommendations and guide further SECO's and UNDP's interventions.

The main objective of the assignment is to conduct the forward-looking progress evaluation of the Project "Strengthening MSME Business Membership Organizations in Ukraine: Phase II (2019-2023)". The purpose of the evaluation is three-fold and aims (1) to analyse the implementation of the Project in 2019-2022, its relevance, effectiveness, efficiency, sustainability and coherence, particularly in consideration of the full-scale invasion of Ukraine by the Russian Federation; (2) to draw the lessons learnt, including viable suggestions on operational directions, which could be sharpened and further

⁴ https://info.undp.org/docs/pdc/Documents/UKR/Project%20Document_BMOII_2020-2023_06052020_final.pdf

enhanced in the follow-up Project phase; (3) to provide recommendations and inform the development of further SECO's and UNDP's interventions accounting for the ongoing war and its impact on partner BMOs and MSMEs as well as for the need of further UNDP's assistance. This will not only support accountability, inform decision-making and allow UNDP and the Project Board to better manage for development results but also to pave the way towards the development of the follow-up phase of SECO's and UNDP's intervention. The scope of the PE will cover activities undertaken by the Project from its start until the end of October 2022. Given the forward-looking nature of the Evaluation, the Evaluator will:

- a) assess Project progress towards the achievement of the objectives, expected outputs and outcomes as specified in the Project Document following a number of parameters set under evaluation questions in the sections below; compare planned outputs of the Project to actual outputs; evaluate the relevance of the objectives, expected outputs and outcomes set accounting for the impact of ongoing war; assess early signs of Project success or failure with the goal of identifying the necessary changes to be made in order to calibrate Project activities towards meeting emerging needs of partner BMOs and MSMEs they are representing by the end of the Project; review the Project strategy and its risks to sustainability;
- b) review progress indicators and targets set in a logical framework in terms of their relevance and feasibility in accounting for the country context and provide feedback on achieving the targets;
- c) draw the lessons learned that can both improve the sustainability of benefits from the Project achieved before the onset of full-scale war and tailor UNDP's response to the needs and priorities of Project beneficiaries arising due to the war;
- d) provide clear recommendations for adaptive management to improve the Project over the remaining part of its lifetime, guide further SECO's and UNDP's interventions and inform the development of the Project's follow-up phase upon consulting with Project beneficiaries.

This PE will assess Project performance against the review criteria, as outlined in the UNDP Evaluation Guidelines, based on OECD-DAC evaluation criteria: **relevance, effectiveness, efficiency, sustainability, and coherence**. The Evaluator should also address how the Project applied the human rights-based approach and mainstream gender in development efforts. The evaluation will be carried out (home-based) between 1 November 2022 and 30 December 2022. The PE should be conducted in accordance with the guidance, rules and procedures established by UNDP and as reflected in the UNDP Evaluation Policy.

3. EVALUATION CRITERIA AND QUESTIONS

A. Relevance

- Country context: How relevant is the Project to the interventions target groups, including Government's needs and priorities and the current evolving country context?
- Target groups: To what extent is the Project relevant to address the needs of the MSMEs and BMOs as representatives of MSME sector interests, notably the newly

emerging priorities in the crisis settings? What needs and priorities is the Project unable to tackle, if any? To what extent is the Project tackling the vulnerable groups (women and other as per Project Document) and gender issues in entrepreneurship development? To what extent do the Project's interventions align with the needs of 27 targeted BMOs as revealed by organizational capacity assessment results?

- Does the Project remain relevant considering the changing environment in the face of the ongoing war waged by the Russian Federation against Ukraine on 24 February 2022 and following its economic projections, while taking into consideration the risks/challenges mitigation strategy? Do the Project objectives, impact, outcome and output indicators remain pertinent in the current context? What can be done additionally to better capture the needs of the target groups relevant to the focus of the Project? Suggest Project adaptation strategies to the crisis settings and potential scale-up directions focusing on the war response and recovery.
- Does the Project design incorporate the lessons learned from Phase I? Is there a need to reformulate the Project design and the Project results framework given changes in the country context, including those caused by the full-scale Russian invasion of Ukraine and its effect on the operational context? What measures can be taken to improve the relevance of the Project?
- How the Project goals and objectives could be reviewed, adjusted and scaled up to frame the development of the potential follow-up Project phase to support BMOs and the MSME sector targeting their newly emerging needs in consideration of the ongoing war and post-war recovery?
- To what extent did UNDP adopt gender-sensitive, human rights-based and conflict-sensitive approaches?

B. Coherence

- To what extent was the Project aligned with the policies and strategies of the Government, the UN 2030 Agenda for Sustainable Development as well as the UNDP Country Programme Document / UN Partnership Framework? Is the Project in line with the Ukraine's Recovery and Development Plan⁵ and UNDP Resilience Building and Recovery Programme for Ukraine⁶ developed after the onset of the full-scale war?
- To what extent is the Project contributing to the SDGs, the UNDP Strategic Plan, the Country Programme Document, UNDP Resilience Building and Recovery Programme for Ukraine outcomes and outputs, design and implementation of the national MSME development strategy?

⁵ <https://recovery.gov.ua/>

⁶ <https://www.undp.org/sites/g/files/zskgke326/files/2022-04/Ukraine-offer.pdf>

- Have there been sufficient cooperation and exchange of information between the partners of the Project? How do they correspond to each other and contribute to the achievement of the UN 2030 Agenda for Sustainable Development?
- Is the Project building upon/seeking synergies with existing programmes, projects and strategies in order to maximize impact, efficiently allocate resources and avoid duplications?

C. Effectiveness

- Assess the overall performance of the Project with reference to its respective Project document / cost-sharing agreement, strategy, objectives and indicators, and identify key issues and constraints that affected the achievement of Project objectives (or lack of thereof) including per individual Project components, accounting for the crisis settings. Were the planned objectives and outcomes achieved according to the results framework? Are the set targets feasible in the current country context? To what extent have the results at the outcome and output levels generated results for gender equality, empowerment of women entrepreneurs and promoting sustainable practices? What are the results achieved beyond the logical framework? How can the Project build on or expand the achievements, particularly focusing on the war response and recovery of the MSMEs sector?
- How effective was the adjustment and organization of the Small Grants Programme in the current country context? To what extent were the activities envisaged under the three (3) solutions proposed by the BMO consortia effective in addressing the emerging needs of the MSMEs against the backdrop of the war?
- Was the cooperation with Project beneficiaries and key Project partners, including but not limited to the Ministry of Economy, Ministry of Digital Transformation and EEPO, successfully achieved and contributed to the achievement of the Project's goals? How the role of the State partners in the project could be enhanced?
- How have stakeholders been involved in Project implementation? Has the Project sufficiently addressed the peculiarities of different types of BMOs (universal, CCI, industry associations)? How effective has the Project been in establishing ownership?
- What is the value added of integrating in the project BMOs that benefit from other Swiss-funded projects? How helpful it was to create synergies within the Swiss portfolio?
- How effective is the Project in creating better enabling environment regionally? What measures could be taken for improvement?

D. Efficiency

- Is the Project cost-effective? Was the Project using the most cost-effective options? Have resources (funds, human resources, time, expertise, etc.) been allocated strategically to achieve the relevant outputs and outcomes and to

address inequalities and gender issues? Was the use of resources allocated to BMO consortia within the Immediate Response Small Grants Programme efficient in achieving the targets set in the BMO project proposals?

- Are the Project's activities in line with the schedule of activities as defined by the Project team and annual work plans? Are the disbursements and Project expenditures in line with budgets? Do the adjustments in Project's activities and budget revisions duly reflect the changes in operational circumstances and the programmatic environment?
- Is the Project management, coordination and monitoring efficient and appropriate? Is the monitoring considering gender equality and women empowerment issues, as well as social inclusion and human rights, environmental protection and climate change?
- Are the criteria and governance aspects related to the selection of partner BMOs appropriate?

E. Sustainability

- Are the measures applied by the Project ensure that Project results (impact, if any, and outcomes) likely to continue after the Project ends? Define the most promising areas requiring further support and scaling-up in the course of future interventions, considering the current evolving country context.
- Is there sufficient public/stakeholder awareness in support of the Project's long-term objectives?
- What are the social or political risks that may jeopardize the sustainability of Project results? Define the possible risks/challenges mitigating approaches.
- Are the BMOs' activities or initiatives supported by the Project likely to continue, be scaled up, replicated and increasingly contribute to the inclusive gender- responsive socio-economic development at the national and/or local level after the Project ends?
- What Project results could be replicated and scaled up to address newly emerging needs of the BMOs and MSMEs in Ukraine?
- Considering Ukraine as the pilot region for the Project implementation, do the methods and approaches used in its execution have a perspective to be scaled up and/or replicated in the other regions, in particular Western Balkans and Central Asia? Define which of the activities, platforms, networks, partnerships established, supported or facilitated by the Project have the highest potential for further scaling up and/or replication.
- To what extent were capacity development initiatives for partner organizations adequate to ensure sustainable improvements for women, men and vulnerable groups, and promote responsible practices among the MSMEs? What can additionally be done to improve the sustainability of the Project?

- Has the Project contributed or is likely to contribute to long-term social and economic improvements for MSMEs sector, community of BMOs as a whole and/or partner BMOs of the Project, considering the current evolving country context? Has the Project contributed to improvement of the business environment before the onset of full-scale war and providing immediate response after the war breakout?
- Has the Project contributed to gender equality, women's empowerment and protection of human rights, social inclusion and environmental protection?
- What actions can be taken to improve promotion of sustainable practices among BMOs and MSMEs in the context of adjustments of business in crisis settings?
- What additional actions could be taken to present the added value in BMO membership for MSMEs considering the ongoing war context?
- Identify possible priority areas of engagement, offer recommendations for the remaining part of the Project and further SECO and UNDP's interventions for MSMEs' support and private sector development, taking into account emerging needs and priorities of the Project beneficiaries that cannot be tackled during the current Project phase. Findings, conclusions and recommendations should reflect gender equality and women empowerment, social inclusion, and environmental protection.

The final list of evaluation questions and tools to be proposed by the Evaluator and agreed with UNDP in an Inception report. All evaluation questions should mainstream gender and will be screened by UNDP's Gender Specialist.

4. EVALUATION APPROACH AND METHODOLOGY

The Evaluator will be required to use different methods to ensure that data gathering, and analysis deliver evidence-based qualitative and quantitative information, based on diverse sources including project reports, survey results, individual meetings etc. This approach will not only enable the forward-looking Project Evaluation to assess causality through qualitative and quantitative means but also provide reasons for why certain results were achieved or not and to triangulate information for higher reliability of findings. The concrete mixed methodological approach will be detailed in the Inception report and stated in the Final report. All data provided in the report should be disaggregated by sex and other social variables, where possible. Furthermore, the evaluation methods and sampling frame should address the diversity of stakeholders affected by the Project. Ethical standards are required throughout the evaluation and all stakeholder groups are to be treated with integrity and respect for confidentiality.

The Evaluator is expected to follow a participatory and consultative approach ensuring close engagement with BMOs, government counterparts, international partner organisations, Swiss Embassy in Ukraine (SE), UNDP Country Office (CO) and Project team at all stages of the evaluation planning and implementation. The evaluation will assess the extent to which the Project was successfully mainstreamed with UNDP Strategic Plan given the current country context.

The evaluation of Project performance will be carried out against the expectations set out in the Project Results Framework, which provides performance and impact indicators for Project implementation along with their corresponding means of verification. All indicators in the Results Framework need to be assessed individually, with final achievements noted. An assessment of the Project M&E design, implementation and overall quality should be undertaken. The evaluation will assess the key financial aspects of the Project, including Project budget revisions. Project cost and funding data will be required from the Project, including annual expenditures. Variances between planned and actual expenditures will need to be assessed and explained. The evaluation also should include the value of money aspect – the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase.

The conclusions related to the implementation of the Project from its start until the end of October 2022 should be comprehensive and balanced, and highlight the strengths, weaknesses, challenges and outcomes of the Project. They should be well substantiated by the evidence and logically linked to the progress evaluation findings. They should respond to key evaluation questions and provide insights into the identification of and/or solutions to important problems or issues pertinent to Project beneficiaries, UNDP and SECO.

The recommendations for adaptive management to improve the Project over the remaining part of its lifetime and guide further SECO's and UNDP's interventions in the area of the private sector development with the focus on war response, recovery and resilience building, should identify how best practices and achievements of the Project can be scaled up or proliferated to better respond to the emerging needs and priorities of MSME sector in Ukraine, as well as to adapt/strengthen the theory of change of the Project, based on interviews with Project partners and beneficiaries and desk analysis (*please see below*). The recommendations need to be supported by an evidential basis, be credible, practical, action-oriented, and define who is responsible for the action to have potential to be used in decision-making. It is expected that the Evaluator will produce up to 5-7 recommendations addressing execution of the remaining part of the current Project phase and framing the development of the potential Project follow-up phase.

The Evaluator should provide the Inception report with proposed design, methodology of evaluation (methods, approaches to be used, with particular focus on addressing gender-specific issues and inclusion of relevant SDGs, evaluation criterion for assessment of each component to be proposed), detailed work plan and report structure to UNDP prior to the start of fieldwork; these documents and the list of businesses and other stakeholders to meet should be agreed with UNDP. The evaluation products should take into account gender and human rights issues. While proposing the methodology, the Evaluator should be guided by UNDP approach to Project evaluations⁷.

The methodology will be based on the following:

1. Desk review of the documents listed below (including but not limited to):

⁷ http://web.undp.org/evaluation/guideline/documents/PDF/UNDP_Evaluation_Guidelines.pdf

- a) The original Project documents, progress reports, annual work plans, M&E frameworks and financial documents (such as the cost-sharing agreement with SECO, CDR reports);
 - b) Notes from meetings involved in the Project (such as board meeting minutes);
 - c) Other Project-related material produced by the Project (such as datasets, publications, audio-visual materials and consultancies reports).
2. Interviews with key partners and stakeholders, which can be divided into the following groups:
- the relevant UNDP Country Office and the Project's management and staff;
 - representatives of the SE;
 - partner BMOs;
 - relevant national and local government institutions;
 - international development actors active in the field of intervention

The interviews are aimed to examine how the partners and stakeholders assess the Project, their concerns and feedback. The Evaluator will need to collect and analyse needs and suggestions and provide recommendations/vision on how future SECO's and UNDP's interventions could address those. Debriefing session will be also arranged for discussing the evaluation findings, results and recommendations.

Since the evaluation is to be carried out virtually, consideration should be taken for stakeholder availability, ability or willingness to be interviewed remotely. In addition, their accessibility to the internet/computer may be an issue as many government and national counterparts may be working from home. Given the remote nature of the assignment, field and observational visits will not be applicable and group discussion and/or focus group discussions might be difficult to organize online. These limitations must be reflected in the evaluation report. Data collection will be carried out in a form of remote interviews, telephone or online (Skype, Zoom etc.).

5. EVALUATION PRODUCTS (KEY DELIVERABLES)

The Evaluator should provide the following deliverables:

| Deliverable # | Task description | Days and timing | Payment breakdown |
|----------------------|---|----------------------------|--------------------------|
| Deliverable #1 | Conduct desk research of Project's core documentation (cost-sharing agreements, Project documents, annual work plans and available progress reports, board meeting minutes, evaluation reports from the Phase I, etc.). The set of documents to be reviewed will be prepared by UNDP. | 3 days, by 5 November 2022 | 10% |

| | | | |
|----------------|---|--------------------------------------|-----|
| | <p>Develop an evaluation methodology and strategy to collect the required data, plans and forms for the interview with partners and counterparts.</p> <p>Output: The Inception report (with detailed description of the methodology and evaluation matrix) is produced; annotated structure of the report is developed; a toolkit for gathering data is designed. All documents are submitted to UNDP for final approval.</p> <p>Inception report is expected to be up to 10 pages without annexes, single spacing, Myriad Pro font, size 11, which includes, but is not limited to, the following components:</p> <ul style="list-style-type: none"> • Background and context; • Evaluation objective, purpose and scope; • Evaluation criteria and questions; • Cross-cutting issues; • Evaluation approach and methodology; • Evaluation matrix; • Schedule of key milestones; • Resource requirements; • Outline of the final report. | | |
| Deliverable #2 | <p>Conduct necessary consultations and interviews with the Project staff and Project partners. Examine how stakeholders assess the Project and what their concerns and suggestions are. Clarify issues that emerge from the preliminary analysis of the Project and require hard and soft data to substantiate their reasoning. Discuss the existing needs in the field of the private sector development and how further SECO's and UNDP's interventions, including potential Project follow-up phase, can address them. Collect and analyse feedback from the partners.</p> <p>Initial findings discussed in a wrap-up session with Project team and UNDP CO (online via video conference).</p> | 9 days, by 25 November 2022 | 10% |
| Deliverable #3 | <p>Produce a draft report of the evaluation covering all items detailed in the paragraph #2 of the present ToR with definition of the lessons learned and recommendations for the remaining part of the Project as well as the potential Project follow-up phase.</p> | 4 days, by 1 December 2022 | 40% |

| | | | |
|----------------|--|--------------------------------------|-----|
| | <p>Output: draft of the report produced and submitted for UNDP comments (<i>UNDP review will take up to 10 days</i>).</p> | | |
| Deliverable #4 | <p>Collect, review and incorporate comments from UNDP into the final version of the evaluation report.</p> <p>Output: Final evaluation report containing all required annexes indicated in the paragraph #3 of the present ToR, submitted to UNDP, SECO/SE for final review and approval.</p> <p>Final findings discussed in the debriefing session with UNDP CO and SECO/SE.</p> <p>The key product expected is a comprehensive evaluation report (up to 40 pages without annexes, single spacing, Myriad Pro font, size 11), which includes, but is not limited to, the following components:</p> <ul style="list-style-type: none"> • Title and opening pages; • Project and evaluation information details; • Table of contents; • List of acronyms and abbreviations; • Executive summary (up to 4 pages); • Introduction; • Description of the intervention; • Evaluation of scope and objectives; • Evaluation approach and methods; • Data analysis; • Findings; • Conclusions; • Recommendations; • Lessons learned; • Report Annexes: ToR, methodology related documentation, list of individuals or groups interviewed/consulted, documents reviewed, summary tables of findings, signed Code of Conduct, etc. <p>The detailed structure of the final report should be agreed with UNDP and reflect all key aspects in focus.</p> | 3 days, by 15 December 2022 | 40% |

| | | | |
|----------------|---|-------------------------------------|--|
| Deliverable #5 | <p>Prepare a detailed PowerPoint presentation of the evaluation study (in English) and present the results during the meeting between UNDP, SECO/SE (<i>virtual meeting</i>).</p> <p>Consultations regarding UNDP expectations from the presentation will be held with the Contractor prior to the event.</p> <p>Output: PowerPoint presentation prepared and delivered during the joint meeting of interested parties (to cover major findings and lessons learned from the evaluation as defined in section 3 of this ToR with diagrams/pictures, where applicable).</p> | 1 day, By 30 December 2022 | |
|----------------|---|-------------------------------------|--|

Payment will be based upon satisfactory completion of deliverables upon review and acceptance by UNDP. 100% of the total amount shall be paid upon completion of the Deliverables 1-5.

6. IMPLEMENTATION ARRANGEMENTS

A team of two (2) independent consultants will conduct the evaluation: one (1) international team leader (with experience and practice of participation in projects and evaluations in other regions of the world) and one (1) national expert, which will work in close cooperation with and under the guidance of the international consultant.

The Consultant will interact with UNDP Project and CO Staff to receive any clarifications and guidance that may be needed. UNDP Project and CO Staff will provide the Evaluator with administrative, logistical support, as well as required data and documentation. UNDP Programme Analyst will also connect the Evaluator with the wider programme unit, senior management and key evaluation stakeholders. UNDP Evaluation manager will review and approve inception reports including evaluation questions and methodologies, review and comment on draft evaluation reports, circulate draft and final evaluation reports, collect and consolidate comments on draft evaluation reports and share with the Evaluator for finalization of the evaluation report. The satisfactory completion of each of the deliverables shall be subject to the endorsement of the UNDP Evaluation Manager.

The Consultant will inform UNDP of any problems, issues or delays arising during the implementation of the assignment and take necessary steps to address them.

The key product expected is a comprehensive evaluation report (with parameters indicated above). The report must be as free as possible of technical jargon in order to ensure accessibility to its wide and diverse audience. The report should be in line with UNDP's principles of gender-responsive communication and should be prepared in English.

All reports and results are to be submitted to the UNDP in electronic form (*.docx, *.xlsx, *.pptx, and *.pdf or other formats accepted by UNDP).

Ethics

This evaluation will be conducted in accordance with the principles outlined in the UNEG 'Ethical Guidelines for Evaluation'⁸. The Consultant must safeguard the rights and confidentiality of information providers, interviewees and stakeholders through measures to ensure compliance with legal and other relevant codes governing collection of data and reporting on data. The Consultant should respect differences and accord equal spaces and dignity regardless of interviewees' gender, race, sexual preference, ethnicity, ability, or other markers of identity. The Consultant must also ensure security of collected information before and after the evaluation and protocols to ensure anonymity and confidentiality of sources of information where that is expected. The information knowledge and data gathered in the evaluation process must also be solely used for the evaluation and not for other uses with the express authorization of UNDP and partners.

Copyright

All information and products produced by the Consultant under this assignment will remain property of UNDP Ukraine.

7. EXPERIENCE AND QUALIFICATIONS REQUIREMENTS

- *Education*: Advanced University degree (Master's or PhD) in Economics, Management, Mathematics, Social Sciences, Public Administration, Business Administration or other relevant areas;
- *Relevant professional experience*: At least five (5) years of work experience in the area of economic development, poverty reduction, private sector development, MSMEs and/or business support of business membership organizations development including participatory planning, monitoring and evaluation. Working experience in the Eastern Europe region and CIS will be an asset;
- *Experience in evaluation*: At least three (3) accomplished complex evaluations of Projects where the candidate was the author or co-author especially in economic development, private sector development fields, understanding of gender aspects (reference to or copies of previously prepared programme/project evaluation reports to be provided);
- *Proven knowledge of monitoring and evaluation methodologies*, summary of a proposed evaluation methodology is to be provided (up to 2 pages);
- *Languages proficiency*: Excellent English writing and communication skills; knowledge of Ukrainian and/or Russian will be an asset;

8. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS

| | |
|----------|--|
| Required | |
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⁸ UNEG, 'Ethical Guidelines for Evaluation', June 2008. Available at <http://www.unevaluation.org/document/detail/2866>

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Letter of interest/proposal, providing brief methodology on how the work will be conducted and/or approached as well as stating independence from any organization that has been involved in designing, executing or advising any aspect of the Project that is the subject of evaluation (up to 2 pages); |
| <input checked="" type="checkbox"/> | P11 form, including information about past experience in similar projects/assignments and contact details for referees. |
| <input checked="" type="checkbox"/> | Samples of at least 3 previously prepared programme/project evaluation reports |
| <input checked="" type="checkbox"/> | Financial proposal (according to defined deliverables); |
| <input checked="" type="checkbox"/> | Duly accomplished Letter of Confirmation of Interest and Availability using the template provided by UNDP |

9. FINANCIAL PROPOSAL

Lump sum contract

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in instalments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the ToR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount (including a number of anticipated working days).

Travel costs are not applicable. In the case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses, should be agreed upon, between UNDP and Consultant prior to travel and will be reimbursed. BSAFE course must be successfully completed before the commencement of travel. Individual Consultant is responsible for ensuring they have vaccinations/inoculations when travelling to certain countries, as designated by the UN Medical Director. A Consultant is required to comply with the UN security directives set forth under <https://dss.un.org/dssweb/>

10. EVALUATION CRITERIA

| # | Assessment of Candidate's qualifications, experience and competences | Maximum score |
|---|--|---------------|
| 1 | Advanced degree or equivalent in Economics, Management, Mathematics, Social Sciences, Public Administration, Business Administration or other relevant area: <i>[Master's Degree - 7 points; PhD Degree - 10 points]</i> | 10 |
| 2 | Work experience in the area economic development, poverty reduction, private sector development, MSMEs and/or business support of business membership organizations development including participatory planning, monitoring and evaluation: <i>[5-6 years - 7 points; 7-9 years - 9 points; 10 years and more - 10 points]</i> | 10 |

| | | |
|---|---|----|
| 3 | Working experience in Eastern Europe region and CIS: <i>[no experience – 0 points; availability of experience – 5 points]</i> | 5 |
| 4 | Proven knowledge of monitoring and evaluation methodologies (summary of a proposed evaluation methodology is to be provided): <i>[- acceptable quality and relevance of the methodology (methodology is based on the information, provided in TOR) - 16 points; - intermediate level of quality and relevance (methodology is based on previous successful experience with the following examples of its use for such tasks) - 18 points; - highly relevant methodology (methodology is based on previous successful experience with the following examples of its use for such tasks, adapted to the needs of the target audience and ToR) – 20 points]</i> | 20 |
| 5 | Number of accomplished complex evaluations of Projects where the Candidate was the author or co-author especially in economic development, private sector development fields, understanding of gender aspects (reference to previously prepared programme/project evaluation reports to be provided): <i>[3 highly relevant evaluation projects – 16 points; 4 highly relevant evaluation projects – 18 points; 5 and more highly relevant evaluation projects – 20 points]</i> | 20 |
| 6 | Language proficiency, excellent written and oral communication skills with demonstrable experience in analytical reports writing (at least three (3) program/project evaluation reports prepared): <i>[Fluent English – 3 points; Fluent English and knowledge of Ukrainian/Russian – 5 points]</i> | 5 |

11. EVALUATION METHOD (ONLY ONE OPTION MUST BE SELECTED):

Cumulative analysis

Contract award shall be made to the incumbent whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and
- b) having received the cumulative highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

* Technical Criteria weight: 70%

* Financial Criteria weight: 30%

Only candidates obtaining a minimum 70% from the maximum available technical score (49 points) would be considered for the Financial Evaluation


The maximum number of points assigned to the financial proposal is allocated to the lowest price proposal and will be equal to 30. All other price proposals will be evaluated and assigned points, as per below formula:

$30 \text{ points} [\text{max points available for financial part}] \times [\text{lowest of all evaluated offered prices among responsive offers}] / [\text{evaluated price}].$

The proposal obtaining the overall cumulatively highest score after adding the score of the technical proposal and the financial proposal will be considered as the most compliant offer and will be awarded a contract.

Prepared by:

Lesia Shyshko, Team Leader Strategic Planning, Partnership and RBM

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Cleared by:

Maryna Anokhina, Procurement Analyst

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Approved by:

Manal Fouani, Resident Representative a.i.

DocuSigned by:

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