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Annex 1

Call for Proposal (for the BDSMA)

Insert the PDF file

Annex 2

Inception Report

Angola Enterprise Program

A public private partnership between UNDP, Chevron and the Government of Angola

Business Development Services Market Assessment

Inception Report 23rd June 2006

The objective of this report is serve as a communication tool between the client and the consultant, ensuring that the consultant understands the assignment and that the client agrees on the detailed approach and methodology proposed by the consultant. This report thus further details the proposal made earlier and issues raised herein will be discussed during initial meetings.

1 Preface

The objective of this report is serve as a communication tool between the client and the consultant, ensuring that the consultant understands the assignment and that the client agrees on the detailed approach and methodology proposed by the consultant. This report thus further details the proposal made earlier and issues raised herein will be discussed during initial meetings.

2 Introduction

“The AEP wishes to contribute to the Angolan Poverty Reduction Strategy by generating employment and increasing incomes of people. It aims to contribute to the development of a conducive private sector. One of the conclusions of the MTR is that the programme should shift from a 4 component based structure to a strategic objective based structure, focussing on BDS and MF. The previous component on EE is said to be integrated in all activities while the VET component is assumed to be included in the BDS component.

BDS related conclusions and recommendations of the MTR are summarised as:

- There has been more provision of services than creating local capacity to deliver these services.
- More attention should be given to the Angolan context
- It recommends that no longer support is given to the current BDS centres, but that selection criteria are defined to select and support BDS providers to build their capacity (on a cost sharing basis).

3 Objectives

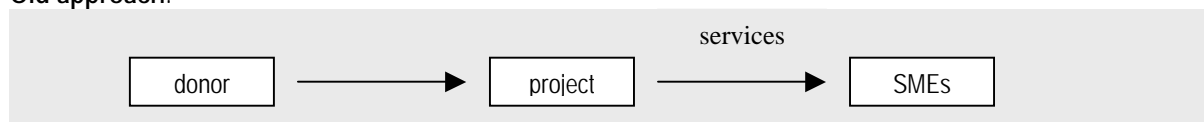
The consultants propose to formulate the objective of this BDSMA as: *“to assist the AEP to design appropriate facilitative interventions that will improve the provision of business development services to enterprises, thereby contributing to improved performance of the enterprises, which generates employment and improves income”.*

Literature and practice show that the provision of BDS is influenced by both supply and demand constraints, and more often than not, the imbalance between the two. The recommendation of the MTR was therefore to asses the market for BDS. Most likely there are a number of market constraints that limit the BDS market to function properly, not necessarily only constrained by the weak institutional capacity of the providers. The market assessment will thus look at all relevant factors.

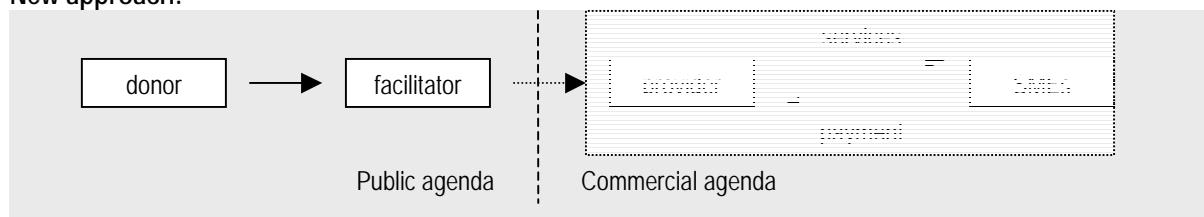
The rationale

The “guidelines for donors to support BDS” focus on to the so-called paradigm shift as visualised below:

Old approach:



New approach:



On the right side there would be the clients (SMEs) that receive services from the BDS providers according to the market principles: providers sell and SMEs buy, and therefore it becomes a sustainable business. BDS providers are operating as, and de facto mostly are, private companies.

Unfortunately, in many markets there are imperfections and that is where and when donor support is justified (the public agenda on the left side). A project organisation (the facilitator) will identify constraints in the BDS market and assist BDS providers (and others) to address them.

The aim is thus to identify first those constraints of SMEs that could be resolved through the provision of BDS. Thereafter, one would look at the provision of these services and identify the reasons why BDS are not provided to these SMEs. Trying to address these hindrances is a typical role for facilitators.

As a facilitator one has to avoid distorting the commercial relationship between provider and client, which would be the case when facilitators provide services themselves or subsidize the services provided by providers. This thus limits the activities of the facilitator (with respect to direct support to providers) to the pre- and after- service trajectory.

Activities in the pre-phase would typically be to assist (technical and financial support) the providers to analyse their markets, design marketing strategies and develop new appropriate products. Typical for the after-phase would be to assist in monitoring and evaluating the services, partly for the facilitators (justification) but equally important for the provider, to learn and adjust its services to ever changing needs and markets. These support activities thus build the capacity of the providers.

There is an ongoing debate in how far one has to adhere to these new "prescriptions". It is often balancing between a strict adherence that often implies 'creating small but important and sustainable changes for the sector in the longer term' versus the more traditional approach whereby 'less sustainable improvements are achieved for a limited number of enterprises in the short term'.

The consultants propose to strive towards adherence to the "prescriptions", but to apply them rather practical given the probably weak markets in Angola.

4 Target & client groups

The AEP wishes to contribute to increased employment and income possibilities for the Angolan population and see improved performance of the SMEs as a means thereto. Improved performance can be achieved by improved access to finance (the other AEP component) and by improved access to BDS (this AEP component).

The consultants thus conclude that the SMEs are the ultimate beneficiaries (where impact must be measured) and that the provision of BDS (the mechanism) by the providers (the target group) is a vehicle to achieve that (so activity and result level).

The first issue is thus to distinguish between the various enterprises. MSMEs are often classified using the number of employees, their investment capital and their annual turnover. A more practical yet more subjective classification would be to look at their 'business orientation' that would lead to three categories:

- *Survivors* that are forced to operate as micro enterprises. They are self-employed, have no permanent staff, limited turnover and hardly any means to invest in their business. They are self-employed but are no entrepreneurs. Most of them operate in the informal sector and are among the poorest.
- Micro and small *business owners*. They are more entrepreneurial, been in the business for some time, have made small investments and employ a small number of people paid from a meagre yet relatively stable turnover. They can be both formal and informal, and owners are not among the poorest.

- Medium and large *enterprises*. These are established companies, with a higher investment capital that are managed by professionals and employing a considerable number of people. Owners move among the higher circles of society.

The consultants assume that the *established (medium and large) enterprises* are aware of the importance of BDS and in a position to procure their services from the upstream and established professional providers. Although their improved performance contributes to employment and income generation, there is no need for a facilitating role of AEP.

The (micro and small) business owners are the ones usually benefiting from improved BDS and often the target in BDS facilitation programmes. Their business orientation is supportive to BDS facilitation activities and they are most likely able to procure BDS from commercial providers in the long run. Support can be justified as investments in small enterprises generate most employment per dollar and it is this business sector that is weak in Angola. However, their numbers are probably limited.

The *(micro) survivors* are often assumed not be able to procure commercial BDS and are said not to benefit from BDS. However, the number of (poor) survivors is huge and ignoring them would reduce the impact of any BDS facilitation programme enormously. It probably implies looking at BDS in a different way, looking at different forms of BDS and different delivery mechanisms (such as embedded services).

The consultants propose to include both survivors and business owners in the BDSMA and to consider different interventions for these two different target groups.

5 BDS categories

The so called "bluebook" lists a huge number of BDS under the following 7 categories:

- Training and Technical Assistance
- Market Access
- Infrastructure
- Input supply
- Product Development
- Alternative financing mechanisms
- Policy & Advocacy

The consultants propose that, with the exception of alternative financing mechanisms that would be more appropriate for the financial component of the AEP, the listing of possible activities is used as a checklist of possible intervention mechanisms (see also annex 1).

However, it is realised that the long list of BDS are the services of the providers, and not the facilitation services of AEP, and the chosen services should of course be the result of the pinpointed constraints (that can be addressed by these BDS) during the BDSMA.

6 Generic versus sub sector approach.

Further to the selection of the target groups, it is important to consider the pros and cons of a more generic versus a (sub) sectoral approach. Some of the problems that SMEs face are very similar and could be addressed by rather generic BDS such as mentoring, bookkeeping services and information provision. Others are more related to the specific sector, such as facilitating bulk buying, providing market information and quality assurance programmes. The question is whether to take a broad generic approach or to focus on specific constraints in certain sub sectors.

Only by defining what the problems of the SMEs are and why BDS providers do not solve their problem, can one facilitate. This analysis on the one hand is easier done in a sub sector setting than in a generic setting (since most problems will be related to the sector the SMEs are in), while on the other hand the impact of the solution (BDS provision) is probably more effective and important. This is maybe best compared to commercial marketing whereby segmentation (sub sectors) is key to selling the product (BDS) to satisfy the needs of clients (the SMEs and their problems). Identifying the core problem of a group (such as survivors in the vegetable sector, or business owners in the furniture sector) enables one to identify the "*problem behind the problem*" or "*the cause behind the symptom*". Practice shows that one needs to be 'actively present and knowledgeable' in a sector before creating an impact.

However, it should also be realised that a certain "mass" is required. In first instance in order to justify the costs of the facilitation service, but more important, to convince providers that investing in that segment will generate interesting results (revenues). This might imply looking at a number of sub sectors and services that are relatively similar and to consider less specific and more generic services (to make use of economies of scale). The latter might be more applicable to more established companies (business owners), whereas the former are more suitable for the less established (survivors).

The consultants propose to initiate the BDSMA with a sub sectoral approach and during the BDSMA consider different options for different groups. This implies that before anything, a quick scan of the sub sectors (economic mapping) should be made according to a number of agreed sub sector selection criteria.

7 Sub Sector Selection Criteria

These criteria can be separated into mission-related criteria of the consortium and into economic criteria. For the first, the consultants could imagine criteria that relate to:

- geographical coverage,
- rural/urban focus,
- gender orientation,
- environmental consideration,
- linkages to other programmes,
- orientation towards the poorest population,
- and others.

The second type of criteria would focus on 'potential sub sectors' and would include criteria like:

- growth potential of the sub sector such as strong market demand
- potential for increased revenues at all levels / certain actor-groups
- potential for employment creation
- potential for productivity and efficiency improvements
- import substitution or export promotion

This BDSMA does not allow (time and resources) to undertake proper sub sector analyses and as such the sub sectors selection will take place based upon available documentation and information from key informants, and applying common sense to the process, that will be more consensus seeking than scientific researching. The main criteria proposed are:

- growth potential of the sub sector with potential for employment creation
- potential impact on the poorest strata of the population
- presence and orientation (for cooperation) of other stakeholders (private sector, public sector and donors)

The consultants request information from the consortium on the 'mandate - criteria' (relevance and priorities) as well as conformance of the proposed economic criteria.

8 BDS providers

There is probably a number of (potential) BDS providers that need to be identified and assessed. As such, a first initiative has been taken by the AEP by divulgation of the 'BDS identification form'. However, it is likely that not all BDS providers have received or reacted to that call for information. Identification of other BDS providers will be through provincial visits, by interviewing stakeholders and key informants. Whenever possible, quick assessments will be made through observations and interviews with key staff. As a result, a quick scan of the organisational SME/BDS landscape will be obtained. It is likely that the following categories will be identified:

- 1 BDS facilitators
 - a. NGOs
 - b. Donors
 - c. Others
- 2 BDS Providers:
 - a. NGOs providing BDS to SMEs
 - b. Specific private sector providers such as accountants, consultants, etc.
 - c. Specific (semi-) public providers like BDS centres, VET centres, Chambers, etc.
 - d. Actors that provide (embedded) services such as major clients, input suppliers or banks.

The above landscape will provide an overview of the various types of BDS (such as technology transfer, coaching, business plan development, etc) versus the existing or possible BDS providers, identifying gaps and weaknesses in the provision of BDS.

8 Methodology

Resuming the previous would lead to:

- The objective is to define facilitating roles in the probably weak BDS markets
- Distinguishing between BDS services (and mechanisms) for 'survivors' and 'business owners'
- The type of BDS is open except for alternative financial services
- A sub sectoral approach is chosen according to the mandate and economic criteria

The methodological steps are as follows:

- 1 Identification of major constraints and opportunities of the sub sector (related to SMEs and BDS)
- 2 Identification of commercially viable solutions
- 3 Identification of potential:
 - a. BDS
 - b. Providers
- 4 Identification of the constraints to the solutions
- 5 Propose facilitation activities

Information for *step 1* will be through field observations, (focus group) interviews with key informants and sector actors including SMEs, as well as with sector supporters (public sector organisations, donors, NGOs, providers, facilitators). The information obtained will be assessed in *step 2*, in first instance by the consultants. However, a participatory approach is preferred and AEP staff will be involved throughout the process. This is also the reason why the consultants advise that key AEP staff accompanies them to the provinces. The organisational landscape will assist in *step 3* – identification of potential services and providers. The following analytical *step 4* will be undertaken based upon information obtained in the previous steps, whereby information from the focus group discussions with SMEs and providers will be most important. *Step 5* will be presented to the decision makers in the form of a table, listing the possibilities with pros and cons for each option.

9 Work plan

The consultants have proposed a list of actors they consider important to meet. The first week will be dedicated to various interviews in Luanda to obtain an overall picture of the BDS sector: relevant ministries, donors and NGOs, as well as prominent BDS providers and financial institutions. The second and third week will include 4 provincial visits (Huila, Benguela, Cabinda and Luanda) of 3 days each whereby major stakeholders will be interviewed (public and private) and focus group discussions will be held with SMEs as well as with BDS providers. The last week is dedicated to analysing, concluding and proposing facilitation roles. In the latter week, frequent feedback between the consultants and key AEP staff is required. The mission will be concluded with a stakeholders meeting and debriefing. A draft report will be presented before departure and a final report (including "request for implementation proposal") will end this assignment. Reference is made to annex 2 showing the original work plan.

10 Organisational aspects

Before undertaken the BDSMA it is important to receive more orientation from the client regarding expectations and means for the next phase. The original project document spans a period of 36 months ending December 2006, and the consultant assumes that an additional phase/period has been agreed upon and would like to be informed on timing, duration, procedures and resources (human and financial) for the implementation of a BDSMA resulting programme.

Another aspect to be discussed are the additional recommendations of the MTR for this component. The MTR concluded as follows:

This component should thus be responsible for:

- EE as cross cutting issue
- BD centres
- Incubator centres
- Resource Centre (UCAN)
- Vocational Training (resource mobilisation)

And the BDS unit should thus be involved in :

- Capacity building of BDS providers
- BDS provision including entrepreneurial training
- Advocacy
- Screening for opportunities

The consultants wish to draw attention to the fact that another MTR conclusion was that the programme was rather diverse and more focus should be given to BDS (one component) and MF (another component). By including (the same) number of issues in one (new BDS) component, one is running the risk of "encompassing three previous components in one component". Moreover, the facilitation role does not permit that the project provides direct BDS including entrepreneurial training. It is proposed to discuss the above during the first day of this assignment.

11 Reporting

The consultants emphasise that this BDSMA will require constant feedback and involvement of the AEP staff since it is likely that there will be various choices to be made on the way. The assumptions, choices and alternatives will be presented during the stakeholders' workshop and in the resulting report.

The consultants propose that the client decides in an early stage who the participants of the workshop will be and invites them accordingly to ensure their participation. During the BDSMA the consultants might decide to invite more 'newly discovered' stakeholders and will do so in consultation with AEP. The consultants propose to limit the number of participants to 25 maximum.

The objective of the workshop is to verify the information obtained and conclusions drawn, and to seek advice and expert opinions on the proposed approach for the BDS component. The results of the workshop will not result in a separate document, but will feed into the main report.

The report will describe the BDSMA undertaken and reason the conclusions and resulting proposal. It will be comprehensive yet to the point; preferably limited to 20 pages excluding the annexes and an executive summary (2 pages). A possible layout could be:

- Introduction: background and objective
- Methodology: validity and limitations
- Mapping the economy: national and the four provinces
- The BDS industry: providers, facilitators and approaches.
- AEP: options and implications
- Recommendations

12 Documents consulted to date

BDS

- An inventory of BDS MA methods for programmes targeting Micro Enterprises, Technical note, SEEP, June 2005
- Assessing BDS Demand and Supply in weak or limited markets, Nussbaum & Miehlabrad, SEEP, December 2003
- BDS for SEs: Guiding principles for donor interventions, Committee of donor agencies for small enterprise development, 2001.
- Building a team fro BDS MA and key issues to consider when starting BDSMA, Miehlabrad, Seep, 2003
- From principles to practice, ten critical challenges for BDS market development, Springfield Centre, 2003
- Guide to Market Assessment for BDS Programme design, Miehlabrad, ILO, 2001
- How to develop sustainable BDS without radicalism?, Gagel, Addis Adeba, March 2005
- How to use MA information to design and implement a BDS Market Development programme, Discussion Synthesis, SEEP, 2005
- Sub sector Business Service approach to programme design, AFE for USAID, 2002
- The Nucleus approach – promotion of SMEs and OD of Business Associations and Chambers, Muller & Lehmann, March 2006
- The revised BDS paradigm, BDS for all categories of enterprises, Irwin&Schneider-Barthold, Munich, 2002

Angola

- Analise das actividades de apoio ao sector micro empresarial em Angola, SNV, 2003
- Angola: Diagnostic Trade Integration Study, Nathan for World Bank, March 2006
- Estrategia de combate a pobreza (PRSP) Angola, 2004
- Estrategia direcccionada para o desenvolvimento agricola em Angola, World Bank, April 2005
- Promoting the urban micro enterprise sector in Angola, De Vletter, 2002
- Provincial profiles, UNDP, 2003
- Rural group enterprises and agricultural marketing in Angola, CLUSA, MTR, USAID, September 2004

AEP

- Avaliacao do sector da formacao profissional, ILO, January 2006
- Mid Term Review of Angola Enterprise Programme, March 2006
- Project Document 2004- 2006, Angola Enterprise Programme
- Project Document 2004-2006, Micro finance component, AEP

- Request for proposal BDS MA, Angola Enterprise Programme, May 2006

Annex 1 to IR

Overview of BDS according to the blue book:

- **Training and Technical Assistance**
 - mentoring
 - feasibility studies and business plans
 - exchange visits and business tours
 - franchising
 - management training
 - technical training
 - counseling/advisory services
 - legal services
 - financial and taxation advice
 - accountancy and bookkeeping
- **Market Access**
 - marketing businesses
 - market linkages
 - trade fairs and exhibitions
 - development of samples for potential buyers
 - market information
 - subcontracting / outsourcing
 - marketing trips and meetings
 - market research
 - market space development
 - showrooms
 - packaging
 - advertising
- **Infrastructure**
 - storage and warehousing
 - transport and delivery
 - business incubators
 - telecommunications
 - courier services
 - money transfer
 - information through print, radio, TV
 - internet access
 - computer services
 - secretarial services
- **Input supply**
 - linking small enterprises to input suppliers
 - improving suppliers' capacity to provide regular supply of quality inputs
 - facilitating the establishment of bulk buying groups
 - Information on input sources
- **Product Development**
 - technology transfer
 - linking small enterprises and technology suppliers
 - facilitating technology procurement
 - quality assurance programs
 - equipment leasing and rental
 - design services
- **Alternative financing mechanisms**
 - factoring companies
 - equity financing
 - facilitating supplier credit
- **Policy & Advocacy**
 - training in policy advocacy
 - analysis of policy constraints and opportunities
 - direct advocacy on behalf of small enterprises
 - sponsorship of conferences
 - policy studies

Annex 2 to IR Draft Work Plan HPC dated 15June2006

First an overview is presented of possible stakeholders we would like to see and how we would like to set it up. Thereafter a possible work plan.

General:

The list of stakeholders is derived from reading the documents (received to date) and from website visits. We are not sure if it is complete and correct, and any suggestions to include others are welcomed. We also realise we cannot see everybody on the list, and that is also not necessary. The idea is that we see from each group (i.e. the government, the private sector, the donors, the ngos and 'others') a reasonable sample. It is (from here) also difficult to see who we should meet in Luanda and who we should meet in the provinces, but we trust you will be able to judge that.

Luanda:

Interviews will take 50-60 minutes, but suppose we require time in between for travelling. We prefer to meet people at their own offices rather than at AEP (to get a feel of their environment). In principle we stay together with the initial interviews, in the provinces we might separate (language, logistics?) As such it would be possible to do 3 interviews in the morning and 3 in the afternoon, which means we could talk to some 20 organisations during the first week in Luanda. I suggest you only try to 'book as many as possible now' for that first week, and we keep the second period in Luanda 'free' until we have started, in order to remain flexible. We also don't mind having some hours 'to ourselves' during the first week, to discuss and digest new information.

Provinces:

We have assumed that SNV is your 'major partner' and able and willing to assist us, especially for the provincial visits. Therefore we suggest that every visit in the provinces starts with an SNV interview for overall picture/logistics. A three day visit including travel to one province would thus look like:

Morning one: travel and discussion at SNV
Afternoon one: meeting major stakeholders (Ministries and NGOs)
Morning two: holding FGDs with SMEs: two different groups (to be decided: sectoral, size)
Afternoon two: interviewing existing BDS providers
Morning three: holding FGDs with BDS providers, resuming meeting SNV (verifying, further research action)
Afternoon three: travel

Kindly inform us whether the role of SNV and the approach suggested is in principle acceptable to you, and we will provide more information on how we would like to do this (i.e. what we hope that SNV can organise for that visit).

Additional:

We think it would be useful if key some people from AEP/UNDP/Chevron would join us on some provincial visits, as well as to some key players in Luanda. What is not yet planned, are a number of 'informal feedback sessions' during the works, but that normally works out quite naturally.

Stakeholders' overview

organization	type	reason	location	
ACCION	NGO	PSD overview	Luanda	
ADRA	NGO	Active in PSD and agriculture	Luanda, Lubango	
AIA	Industrial Association	The PS itself		
AME(H)	Association of female entrepreneurs	The PS itself	Luanda, Lubango	
Banco Sol	MFI	Info on SMEs	Luanda	
BDS Centre			Benguela, Luanda	
BDS committee	Active organisations			
Care International	NGO	PSD info	Luanda	
Carlos Dias Pais (or one of the others)	VET evaluation Consultant	The SME team member of the evaluation on vocational training	Luanda	
CESSR	Centre for Economic Studies and Scientific Research	an independent think-tank affiliated with a local university – getting info on economy	Luanda	
Clusa	NGO (USA)	Had/has an agric programme with services to small farmers	Luanda, Lubango?	
CoC	Chamber of Commerce	SME/BDS info	Luanda plus every province	
DW	MFI	Info on SMEs	Luanda	
EU	International donor	PSD info : who does what?	Luanda	
FADDME	Forum on MSEs	General info on players	Luanda?	
INAPEM	BDS provider	Major player		
Incubator		Part of previous programme	Luanda	
INEFOB	Vocational training	Major player	Luanda	
Mafiko	NGO	Stil in agric/psd?	Lubango	
MINADER	Ministry of Agriculture	Agric policies	Luanda	
MINCOM	Ministry of Commerce	Econ info including policies and activities on SME/BDS	Luanda	
MTR BDS	Consultant	The team member of the mid term review who was in charge for BDS component	Luanda	
National Steering Committee (AEP)		'ownership and direction of AEP'	Luanda	
Nosso Banco	MFI	Info on SMEs	Luanda	
Novo Banco	MFI	Info on SMEs	Luanda	
Oikos	NGO (italy)	PSD and agric projects?	Luanda, Lumbango?	
Prestigio				
PROMEB	Association SME development	PS itself	Luanda	
UCAN	University	Study on SMEs	Luanda	
UNCTAD EMPRETEC	Representative ?		Luanda	
USAID	International donor	Major donor on PSD?	Luanda	
WB	International donor	PSD info – especially about the Market Oriented Smallholder Agriculture Project" (MOSAP) in Angola, Provinces of Bié, Huambo, Malanje.	Luanda	
World Vision	NGO	PSD Agric?	Luanda and ?	

Possible work plan

Day	Date	Issue	People/Organisations
Monday	3	Morning Session	Working session to discuss inception report, including objectives, methodologies and criteria Key staff of AEP, Chevron, UNDP, GoA
Monday	3	Afternoon interviews	SNV, Chairman National Steering Committee AEP
Tuesday	4	All day interviews	MTR BDS consultant, INAPEM DW ADRA CLUSA WORLD VISION CARE INTERNATIONAL
Wednesday	5	All day interviews	MINCOM WB EU US AID FADDME PROMEB AIA AME
Thursday	6	All day interviews	ACCION CESSR UNCTAD/EMPRETEC BDS Committee INEFOB VET Evaluator consultant Carlos Dias Pais
Friday	7	All day interviews	MINADER PRESTIGIO UNDP and Chevron (not AEP, separate, afternoon)
Saturday	8	Initial feedback session	Core AEP group (morning)
Sunday	9	general analysis	Compiling key info and analysing additional documents
Monday	10	analysis huila	SNV, CLUSA, AMEH, CoC, ADRA, Mafiko, Oikos,
Tuesday	11	analysis huila	
Wednesday	12	analysis huila	
Thursday	13	analysis benguela	
Friday	14	analysis benguela	
Saturday	15	analysis benguela	
Sunday	16	analysis luanda	
Monday	17	analysis luanda	BDS Centre, Incubator, CoC,
Tuesday	18	analysis luanda	Those organisations we haven't seen in the first week
Wednesday	19	analysis luanda	
Thursday	20	analysis luanda	
Friday	21	analysis cainda	
Saturday	22	analysis cainda	SNV, CoC,
Sunday	23	analysis & design	internal
Monday	24	Reserve	Last possibility for meetings, hereafter internal works
Tuesday	25	design	
Wednesday	26	design	
Thursday	27	design	
Friday	28	stakeholders workshop	To be determined
Saturday	29	debriefing	Key staff of AEP, Chevron, UNDP, GoA

Annex 3

Itinerary

Annex 3 Itinerary

Day	Date	Activity / Organisation	Persons
itinerary			
Sunday	2	arrival HP briefing AEP & UNDP	Ofelia Eugenio Dimitri Stoelinga
Monday	3	visit SNV briefing ChevronTexaco FACE KPMG BPC USAID	Tiny Ruijten Estevão Mambo Madalena Fernando Ambrosio de Lemos Pareira da Gama Joao Gonsalves Décio Gaspar Antonio Roque Graca Afonso José Luis Hernandez
Tuesday	4	Arrival MG AEP Business Incubator WVI DW Consulform OIKOS	Joao Bettega Jonathan White Rolando Villanueva Natalia Silva Adolfo Cagiza
Wednesday	5	CARE RASME-Mifibac CLUSA INAPEM CAE EU WB	Ilda de Jesus Ramiro Sonato Estevão Rodrigues Antonio Martins Johnny Colón Tamar Bello Olivier Lambert
Thursday	6	Feedback session AEP & Chevron ADRA UCAN	Ofelia Eugenio Estevão Mambo Belarmino Jelemb Manuel Alves da Rocha
Friday	7	UNDP Prestigio-BDS Centre Asomel ECI Africa-ProAgro	Francisco de Almeida Gilberto Ribeiro Artur de Almeida e Silva Berta Tomé Odele Marlene Fonseca Francisca de Oliveira Anastacio Roque Goncalves
Saturday	8	reading documents	
Sunday	9	reading documents	
Monday	10	Travel to Huila SNV ADRA Association Hotels & restaurants Centro de emprego	Adriano Gomez Fatima Almeida e Maria The Executive Board The director
Tuesday	11	Ministry of Agriculture AgroMarket AAPCIL AMEH EU PSD programme	The director Graciano Branco Vicente The Secretary Sra Veronica e 2 trainers visiting a number of entrepreneurs Antonio Lima & Ernst Grenzebach
Wednesday	12	Interservicos & Ca Ltd	Eunice Rodriguez e Antonio C.

		Travel to Luanda	Feedback Ofelia Eugenio
Thursday	13	Travel to Benguela BDS Centre of AEP ACDEZA ACDEZA Focus Group Discussion SNV	Sr Armindo The executive board Some 8 members / entrepreneurs The advisor/representative
Friday	14	AIA Ministry of Commerce ARDSA	Mario Rui The Director The Executive Board
Saturday	15	Travel to Luanda	
Sunday	16	Reading and developing	
Monday	17	Travel to Cabinda Provincial Government, EPE ACDI/VOCA INAPEM	Bonifacio de Espirito Santo Pedro Guimbi Bernard Machabo
Tuesday	18	INEFOB Business Incubator Visiting various entrepreneurs	Alberto Ioba Katiana
Wednesday	19	Bank (BIC) Ministry of Agriculture Grupo PGP, consultants Ministry of family affairs Meeting entrepreneurs	Julio Rocha & Paula Cajuda The entire management team Sr Constancio The director
Thursday	20	Travel to Luanda Ministry of Commerce	Gomes Cardoso
Friday	21	UNDP Debriefing Chevron Debriefing Meeting providers Meeting Prestigio's clients	Camilo Ceita Mamadou Blondin Beye
Saturday	22	designing	
Sunday	23	designing	
Monday	24	Atreine Central Bank	
Tuesday	25	provider meeting	
Wednesday	26	designing	
Thursday	27	designing and workshop preps	
Friday	28	stakeholder workshop	18 participants
Saturday	29	departure MG	
Sunday	30	departure HP	

Only the meetings that were realised are recorded above.
The number of meetings that did not materialise was considerable.

Annex 4 Documents consulted

BDS

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Annex 5

Training and coaching programmes

Annex 5 The training and coaching programmes

In this annex some additional information is provided on the training and coaching services as well as the marketing tools for the providers.

1 Business Skills Training

Business skills' training provides business owners with increased knowledge and aptitude in areas such as book keeping, finance, sales and marketing, supervisory management etc. The delivery of business skills training is often weak and in many cases unavailable to most business owners in Angola. Trainers often have a propensity to use academic management models from textbooks rather than draw on the practical experience of successful local entrepreneurs. For example, there is often a strong focus on conceptual models in marketing rather than basic sales training that would be more useful to the micro enterprise. These highly conceptual frameworks are usually of little use or value to the entrepreneurs. In addition, training techniques used in business skills training have often been very passive, an approach that does not work with trainees who have a preference for learning by doing and for action oriented approaches. The duration of the training programmes are also a disincentive for active participation. Often service providers have continuous training programme, which is inappropriate to many entrepreneurs who are not able to leave their businesses for long periods.

The training of the business owners by the providers

The owner managers will be taken through lessons in assessing their businesses, identifying opportunities for growth, planning for the growth, and preparing for the expansion of their businesses. It is quiet evident that the main feature of the majority of enterprises is their often-stagnant nature and their inability to grow. This is mainly due to the lack of a concerted and deliberate effort in providing a relevant, affordable and effective support to these businesses. Experience with other programmes suggests that entrepreneurs are prepared to pay, provided that the training is 1) pragmatic and relevant, 2) focused upon their specific needs and 3) delivered at a time and place compatible with running an enterprise. The challenge for the provider is to convince potential participants that the necessary investment of time and money (in attending a programme) is well justified in terms of potential income increases. Once this is achieved, charging a commercial fee for the programme is often not a significant barrier. These programmes will be structured to the timings of the entrepreneur, and will be for say ½ day, spread over a period of time agreeable to the participants.

Topics

Some of the main topics to be discussed during the trainings could be as follows:

- Planning:
 - Health Checks, Planning a strategy, Implementation plan
- Marketing:
 - Market analysis, Expanding markets, Pricing and costing, Marketing and promotion, Distribution and networking
- Financial:
 - Record Keeping, Financial Planning, Working Capital management, Analyzing financial statements, Internal control systems
- Human Resource Management:
 - Time Management, Quality management, Motivating Employees, Preparing & Implementing work plans.

Training Materials

It is important that materials are relevant, easy to understand, and as precise as possible. Relevant case studies and business games will also be generated for greater understanding of business concepts. There do exists a lot of (Portuguese) training material, and the

provider and facilitator can easily source and adjust training materials suitable to their and their clients needs.

Training of Trainers

The training of trainers will address the pitfalls described above, and enable the trainers to deliver the practical and participative training for entrepreneurs This programme will attempt to impart relevant and more practical training skills and techniques. It will stress the use of the principles of adult learning and the importance of imparting practical knowledge and experience.

2 Business Coaching.

This is one-to-one support, where help is given to an owner-manager directly by a business coach (or mentor). From the entrepreneurs perspective business coaching is less time consuming than training and provides direct and specific support for the challenges the business is experiencing. Business coaching is also usually more focused in addressing prevailing issues in the business, and the owner/manager is assisted in identifying solutions as well as opportunities available for business survival and growth. Compared to expert advise, coaching is less expensive and more internalised as it enables the entrepreneur to undertake the necessary activities him/herself, rather than to hire the (expensive) services of an expert.

Training

Staff and associates will be trained on the various coaching techniques. Most of the training will be very practical, with minimal theory and with mostly role plays and (exchange of) practical experience. The training material might include visual aids that shows the mentors on how to play their coaching roles. Practising the role in real life situations and with feedback sessions will be most effective and the training sessions shall be given by an experienced business coach

Mentoring

Setting up a mentoring programme might be a means for providers to grow. This implies that interested providers will be shown how to recruit business mentors, develop an incentive scheme to retain them, and develop a database that will monitor their progress and activities. Providing business coaching as an extension service requires a great deal of logistical support, ensuring timely delivery and client satisfaction. More essential is that the business mentors are effectively utilized and their level of enthusiasm maintained, to ensure long-term service provision.

4 Business Clinics

Business clinics can be a cost effective methodology for providing one to one support to entrepreneurs. It can also serve as a learning process for both client and coach, as experiences and challenges are shared in the group discussions. It is one of the delivery modes that need to be developed and tested.

Training

The coaching techniques (see above) will prepare the providers in the actual coaching, and most emphasis will be on the process and procedures of coaching groups. It involves advising and coaching a group of entrepreneurs with a common issue, often an external threat. The coach leads the process that involves various techniques such as facilitating the problem analysis and challenging (and assisting) the group in solving their problem. The clinics could either be for one session or continue for several sessions depending on the issues to be addressed. Often such sessions lead to the formation of (informal) groups, as

joining forces can be advantageous, such as joint procurement or joint marketing, or sub contracting.

5 Marketing the services

Developing a marketing strategy will also involve imparting skills and strategies required to develop marketing strategies for the business development and the providers will be exposed to various tried and tested strategies on marketing. The tendency of providers is to advertise the 'offer' and wait for responses from the business community. However, providers have to move away and become more proactive and aggressive.

Some of the marketing strategies could be:

- Organizing 'Taster' sessions for potential clients
- Personal visits to businesses to explain the various services and their benefits
- Organizing discussion forums, to discuss topics relevant to the enterprises
- Developing membership schemes, whereby members benefit from concessions
- Collaborating with institutions, including MFIs, which deal with entrepreneurs
- Soliciting for sponsorships from the corporate sector and the donor community
- Providing a 'mix' of services that will encourage repeat clients
- Continuously developing new services that will enhance client loyalty

Annex 6

Activity plan

Insert excel file "activity plan"

Annex 7

Budget

Insert excel file "budget"

Annex 8

Profiles and Procedures

Annex 8 Profiles and Procedures

Profile of the facilitator

The facilitator should be an established and reputable company with extensive enterprise development experience, being involved in the design and implementation of BDS programmes. Implementation of similar programmes, especially building capacities and coaching of commercial service providers would be a strong advantage.

The two consultants should be experienced consultants with complementary skills and experiences. One international consultant with extensive experience with service provision (and facilitation) in various countries and contexts, preferably in post-conflict or emerging economies. The national consultant should be an experienced business consultant, with a valuable network and insight in the Angolan industry. Both should be fluent Portuguese and English.

The Consultants should have the following abilities:

- Designing and implementing BDS facilitation and provider programmes, preferably in post-conflict or emerging economies, and with experience in southern Africa.
- Trained and experienced in developing and implementing enterprise training and coaching programmes, and be able to coach the providers to develop en implement them
- Able to instil confidence in the providers and guide and coach them to develop their expertise, their business and their services
- Experienced in marketing business services in order to guide the providers to develop innovative and effective marketing strategies.
- Fluent in Portuguese and English

Profile of the provider

The facilitator will ensure publicity for the program and invite interested providers to enroll. It is assumed that in each geographical area some 10 to 15 providers will registrar, while only 5 will be selected. The first screening will result in a short list of 10 providers, that will be 'organizationally scanned', where after 5 providers will be enrolled. The program is open to commercial providers, business providers and individual consultants as well as to public providers as long as they operate as commercial providers.

The providers will be screened on the following criteria (that will be elaborated further later)

- Be operational and established in their areas of operation
- Have a track record of providing business services to in their regions.
- Be financially stable and have staff and resources to improve and extent their services
- Be entrepreneurial and able to market the program

Annex 9

Stakeholders' workshop

Annex 10

Call for Proposals

Annex 10 Call for Proposals

1 Introduction

In early 2004, the United Nations Development Programme (UNDP) and Chevron launched the Angolan Enterprise Programme (AEP) to promote enterprise development in Angola. In July 2006 a Business Development Services (BDS) Market Assessment (MA) was undertaken to assist the AEP to decide on the most appropriate interventions for this BDS component. The rationale behind the BDSMA has been to analyse the BDS demand and supply side, identify the constraints that hinder these market mechanisms, and to identify facilitative interventions that address these constraints in order to create sustainable services. The objective of the AEP BDS component is to provide *appropriate facilitative interventions that will improve the provision of business development services to enterprises, thereby contributing to improved performance of the enterprises, which generates employment and improves income*”.

2 Objectives

The purpose of this call for proposals is to invite institutions that have extensive enterprise development experience to submit proposals on the implementation of a comprehensive capacity building programme for (commercial) business development service providers operating in Angola.

The objective of the proposal is to facilitate the growth of the providers, principally commercial providers such as consultancy firms as well as business associations, for them to further develop their existing services as well as introduce new services, and to enable them to offer saleable services to business owner of small enterprises. It is expected that the number of services and market segments be increased, resulting in economically sound providers (i.e. increased turnover or profitability).

3 Approach

The facilitator (i.e. the applicant) will assist the providers with:

- further developing their existing services
 - improving their core services in terms of delivery modes
 - reaching out to other market segments with these core services
- developing new services such as training and coaching
 - broadening their range of services
 - selling these new services to their existing and new client groups
- marketing their (new) services to (new) market segments
 - technical advice in defining (marketing) strategies
 - financial assistance to test and initiate the marketing strategies

Further developing their existing services

Many of the providers are specialised in one or two products that they offer to their clients, such as feasibility studies or accounting services. Most of these services are expert services that are relatively expensive and not always affordable by all enterprises. If providers want to gain market share, they must work on further developing their core services. This implies that providers must develop delivery modes that are more appropriate to the entrepreneurs in general and distinguish between the various market segments. Reference is made to the BoP concept and advising groups (e.g. running business clinics) becomes one of the alternative solutions that need to be looked into. Often this implies that the provider shall

need to switch between his expert role and his coaching role. The facilitator will offer new skills and techniques for providers in this field of coaching entrepreneurs and developing alternative delivery modes for their services.

Developing new services

The facilitator will assist the providers to develop a number of services that appear to be in demand and that could be transferred rather easily. The products that will be 'on offer' will be training, coaching (or mentoring) as well as alternative mechanisms such as business clinics. This diversification will offer them a more stable base to operate from and will enlarge their customer base, with more changes on selling different services later on. The facilitator will offer a capacity building programme to the providers that enable them to train and coach their clients. These services have shown to be effective in similar countries and the various existing (Portuguese) training manuals can be easily adapted by the providers. It is stressed that only the appropriate mechanism that needs to be introduced by the facilitator, not the actual technical expertise and that much of the attention will be on how to design and deliver according to the specific needs of the clients of each provider.

Marketing their (new) services to (new) segments

To assist the providers to diversify their services and market segments, technical and financial support is provided by the facilitator. The facilitator will assist the providers to analyse their market with the objective of looking for opportunities to broaden their client base and increase their turnover. That will result in realistic business plans and strategies, taking into consideration the inputs given to the development of existing and new services. Given the rather weak capital base of many providers, and the risk they have to take by investing into these new ventures, the facilitator has the financial means to co-fund some of the investment costs of the provider. The marketing plan will be evaluated as is practice with any other business investment and it is suggested that a maximum of 50% is funded with a ceiling of USD 10.000 per provider. To ensure commitment of the provider, the payment mode will be staggered. The facilitator will develop a "key" to determine how much will be co-funded taking into consideration the various factors described above.

4 Resume of activities:

The successful applicant will implement the following activities that are summarised below. More information on the background and proposed activities and expected results are presented in the BDS MA report dated September 2006.

- **Capacity Building Activities:**
 - Inviting and screening the providers
 - Coaching the providers
 - Conducting Mentor Training Programmes
 - Conducting Training of Trainer Programmes
 - Designing the above programmes
 - Designing relevant training materials
 - Design of data base
 - Design of monitoring & evaluation tools
 - Monitoring of the providers performance
- **Market Sensitisation Advisory services:**
 - Assisting and guiding providers to develop marketing strategies
 - Assessing efficiency and effectiveness of the strategies
 - Managing the Market Development Fund
- **Office set up and management**

- Setting up the management office in Luanda
- Procurement of all equipment and contracting of staff
- Development of programme, including detailed work plans and budgets
- Implementing the above programme

5 Timetable:

Applications must reach the UNDP no later than 15th October 2006, 1200 hours local time. The selection procedure will involve short listing of successful institutions; interviews with the short listed institutions; contract offers and signing. The short listed companies will be informed on 1st November 2006 and interviews with the company representative and the proposed international consultant are foreseen to take place between 15th and 23rd November.

The contract will be allocated on 1st December 2006. The successful applicant is expected to start in Luanda on 1st of January 2007. The duration of this phase is 24 months, with the international consultant based in Luanda for 18 months.

6 Budget Available:

The total budget earmarked for the project activities amounts to USD 1 million. The funds are provided for by UNDP and Chevron but the contract will be signed with the AEP representative.

7 Eligible Institutions:

Institutions which comply with the following criteria will be considered for evaluation and short listing:

The applicant should be an established and reputable company with extensive enterprise development experience, being involved in the design and implementation of BDS programmes. Implementation of similar programmes, especially building capacities and coaching of commercial service providers would be a strong advantage.

The two consultants should be experienced consultants with complementary skills and experiences. One international consultant with extensive experience with service provision (and facilitation) in various countries and contexts, preferably in post-conflict or emerging economies. The national consultant should be an experienced business consultant, with a valuable network and insight in the Angolan industry. Both should be fluent Portuguese and English.

The Consultants should have the following abilities:

- Designing and implementing BDS facilitation and provider programmes, preferably in post-conflict or emerging economies, and with experience in southern Africa.
- Trained and experienced in developing and implementing enterprise training and coaching programmes, and be able to coach the providers to develop en implement them
- Able to instil confidence in the providers and guide and coach them to develop their expertise, their business and their services
- Experienced in marketing business services in order to guide the providers to develop innovative and effective marketing strategies.
- Fluent in Portuguese and English

8 Eligible proposals

Only proposals submitted by the specified deadline will be considered. An official letter from the applicant organisation and documents attesting to its financial and operational capacity must accompany the proposal. The company should be a legally registered entity for at least three years and applicants must submit a copy of the company's articles of association and registration certificate.

9 Selection criteria

Applicants must have the required professional and technical competencies and qualifications to implement the proposal and must have sufficient sources of funding to maintain their activities throughout the two years.

Technical Capacity

In order to assess their technical capacity, institutions must submit, together with their applications:

- CVs of the proposed consultants showing all the relevant professional experience
- The institutions financial statement for the last two years
- A list of projects and activities already undertaken in the relevant field by the applicant

Financial Capacity

In order to permit an assessment of their financial capacity, institutions must submit, together with their applications:

- Profit and loss accounts and Balance Sheet for the last two years
- Recommendation letter for the institutions' Bank

10 Award Criteria

Eligible applicants will be assessed on the basis of the following criteria:

- Relevance, clarity and consistency of the objectives of the proposal
- Quality of the management of the proposal
- Experience and expertise of the person/persons to undertake the proposal
- Institutional capacity to support the implementation of the proposal

Each of the criteria has the same weight for the purposes of assessment.

11 Procedures for the submission of proposals

Publication

The call for proposals is being published in English and Portuguese, and will be posted on the following sites

UNDP: www.
Others:
.....

Submission of Proposals

Only applications submitted with all the relevant and specified documents, and signed by the person legally authorised to enter into legally binding contracts on behalf of the applicant will be accepted. Applications which are not submitted by the deadline will not be considered. Applications must have reached UNDP by 15th October 2006 at the following addresses:

Physical address:
Electronic address:

All unsuccessful applicants will be informed in writing.

Annex 11

Comments to the draft report

Reaction of the consultants to the consolidated comments.

A word of thanks for the received compliments and constructive comments. In this overview some of the most important issues are discussed herewith, other more minor issues have - whenever appropriate- been incorporated in the final report. It is suggested that these comments are included as an additional annex to the final report.

1. Legal Aspects

Comments:

- We definitely agree with the proposal that the facilitator should be an autonomous entity. However we would like to know how the facilitator will operate as a private entity? what is that mean? how will the facilitator will be managed as a private entity but entirely funded by donors? how will they be perceived by clients as operating as a private entity but not charging any fee (even a gradual fee). If the facilitator charges the providers what will they do with that funds? Under Angolan law, they will have to be legally registered as private firm if they generate income. We are in favour of seeing facilitator operate independently outside Chevron or UNDP but under which legal framework the facilitator will operate? It will be good if you can elaborate more on the business, legal, financial relationship between the facilitator and the providers and the legal structure under which the facilitator will operate in Angola.
- What would be the legal structure of the facilitator? If they need to obtain a legal identity, would this not delay the implementation of BDS component?
- Like the idea of small organization but will be realistic only if you contract consultants directly. The reality of contracting international group is a complex one.

Explanation:

- It is suggested that the facilitator operates as if it is an independent entity, but to ease registration, in reality the unit shall be legally registered as a component of the AEP/UNDP.
- In other words: legally and juridical it shall be part of the existing structure (like the incubator) but in terms of management and presentation towards the clients it shall be 'autonomous'. The reason is that the facilitator should be able to operate as a private sector actor in terms of language, attitude and flexibility, not necessarily implying that they should be operating financially as a company (gaining income)
- We do emphasise that contracting an international company is preferred, and that should not be that complicated for either UNDP or Chevron. Contracting individuals will impede the autonomy of the entity
- It is suggested that the AEP/UNDP juridical department investigates implications of such legal construction, or that such request is included in the call for proposals.

2. Timing

Comments

- I am a bit concerned about the implementation schedule, can we realistically have some results by June 2007 (end of AEP unless extended) considering time needed to select the facilitator and provider, the setting up of the office of the facilitator, and other preparatory activities? Any short-term options while we explore long-term recommendations?

Explanation:

- The need for speeding up the process is understandable yet should not be overstressed. During the last meeting it was clearly stated by AEP/Chevron that preference (and means) would be for a two year programme, which is considered the absolute minimal by the consultants
- It is also stressed that the selection is of utmost importance and should receive sufficient attention of the AEP/UNDP/Chevron
- The suggested planning assumes that it would be possible to tender, select and appoint a company between today and December, for them to initiate the programme on the 1st of January 2007. Within 3 months they should be operational and within another 3 months (i.e. June 2007) they should have trained the first batch.
- Alternatively one could consider other consultants to organise some 'taster sessions' and undertake limited capacity building programmes. This would imply additional budgets and also considerable efforts by AEP to organise this still in 2006.

3. Sustainability and exit strategy

Comments

- On the other hand the existing providers may not be ready to pay top dollars to any facilitators. Is the facilitator going to charge a fee (scaling fee) to the providers? or is it going to be all free of charge? if that is going to be the case how will that be perceived by the providers?
- What are the possible exit strategies for the facilitator entity?

Explanation:

- The provider is operating in the commercial market while the facilitator is operating in the public market, as explained in the inception report and in chapter 2 of the draft report
- This implies that the facilitator will not charge a fee to its clients for capacity building. It implies that the facilitator is donor funded, hence the reason for tendering it out. This is justified (and required) given the weak BDS market in Angola

- The only option would be to progressively reduce the input over time (the challenge fund) yet it is unrealistic that providers will be able to pay for the services of the facilitator (estimated at one million dollar - serving 25 providers)
- Moreover, the role of a facilitator is a temporary one: once the objectives have been achieved, i.e. the providers capacitated to perform, the facilitator's role is terminated.
- Only if there would still be such need, the facilitator can look for additional funding from either AEP or other sources.

4. Statistical market information

Comments:

- My general sense however is that such an assessment should be based on a specific survey of the needs for and capacity to provide BDS, in the country.
- We would have hoped to see more data (statistics) on the size of the market and how much SMEs are willing to pay and how much BDS providers are also willing to pay for services.
- In terms of demand, can we be more explicit on the what type of BDS services needed by entrepreneurs (& what type of entrepreneurs) to be the basis of your recommended BDS services in the recommendation section
- Supply and demand gaps: what is missing that impedes the development and dynamism of the BDS market in Angola---e.g. new business ideas or supportive and not restrictive environment; more description of available BDS services and what is in demand and why?
- Please discuss the geographical coverage and dispersion of BDS providers- I think this is important to know ---or are they mainly concentrated in Luanda?
- Institutional assessment of existing BDS providers. In most cases, the capacity of the staff spells the difference. Perhaps we should also link this to the general weakness of HR and low literacy level.
- Can we show the gap between supply and demand?
- Is it possible to briefly describe the BDS services available and what is in demand and what is lacking? What are the prices linked to paying capacity of client-entrepreneurs.
- It is equally important to know the existing capacity of BDS providers (strengths and weaknesses and gaps) and are there enough BDS providers---how about tapping vocational training centers to extend its services to include BDS?

- Assessment of demand --How much at present clients are paying for BDS services. What is their level of satisfaction of these services? What market segment has the potential demand and willingness to pay for BDS services?
- The analysis of the BDS market is interesting but is too much focused on the constraints faced either by providers and clients. The analysis does not seem to look in details into the factors that determine the adequation of supply with the demand such as questions related to the cost of services, their availability, market information, actually, the price factor must be very important here. An analysis of the determinants of the prices of BDS could be very helpful in this study. The role of the facilitator is to ensure a better adequation between clients' demand and providers' supply. For him to be really effective, he needs to know exactly why supply and demand cannot meet each other perfectly.
- A major constraint of a BDS is to develop initial programmes. More time and resources is needed in the front end to test and "replicate" BDS services. Only time and local experience will give you the in-sights.
- The main services needed by small owners seem to be relating to "business plans formulation" and "loan application", in the view of accessing financial resources. It may be useful to detail the structure of the market in that particular segment of services.
- It would have been interesting to have a description of the different types of BDS and to classify them also by "business orientation" or other relevant criteria.

Explanation

- There are various indications of the size of the market in the final report that are of course only indicative, as the BDSMA proposal and assignment did not include or allow a quantitative survey, yet in our view the qualitative information is sufficient.
- For each visited province there is an overview of the number of providers as well as an indication of the size of the enterprise section
- The urge for more statistical information is understandable yet the importance should not be over estimated.
- Qualitative indications are more important than statistical information, especially because there is no such thing as 'a market for BDS services'. There are various market segments influenced by various factors, each one different for each provider
- Key to success and the basis of this proposal is that each provider is assisted to analyse its market segment and develop strategies and services. See also the comments below.

- There is hardly any statistical information available regarding the size and characteristics of the enterprises, let alone of the BDS market: the not-yet-final survey of the UCAN also shows the weaknesses and risks of such surveys.
- The factors that influence the supply and demand are mentioned in the final report and indeed price is an important factor: much attention has therefore been paid in the proposal to determine strategies to reduce the cost (and price).
- Determining the price in Kwanzas per service is impossible, since that depends again on many factors (and not up to us nor the facilitator – but a responsibility of the provider and its clients)

5. Facilitators role

Comments:

- I think all of these [the three proposed activities] should be linked primarily to building the capacity of providers to properly conduct client needs assessment.
- I believe that providers should be coached on how to conduct proper needs assessment of clients in order to devise appropriate BDS services that will be truly responsive to client needs.
- The recommendations regarding the mission of the facilitator focus on the supply side. Yet, the issue of adequation requires the facilitator to intervene at the demand side as well. The proposed solution is that the providers themselves stimulate demand by sensitising and coaching their clients, and that the facilitator supports them doing so. That sounds biased, as an approach.
- Indeed, raising awareness about BDS among clients (enterprises) should be entrusted to more neutral entities. In fact, this is the job of such entities as the Chamber of commerce, business associations, NGOs,.... In that case, the mission of the facilitator may include interventions with such entities, in their capacity as "demand stimulator".
- What are some of the success factors and opportunities that facilitators need to know and can capitalize on?

Explanation:

- The consultants agree that more is desired in improving the BDS market in Angola, yet the proposal is restricted by the budget and the orientation by AEP (capacity building) and as such it is hoped that other donors will follow with other and additional interventions (as also mentioned in the last chapter 11.2)

- Having said this, the consultants argue that it is still valid to demand from the providers that they try to stimulate demand: they need to market their products like any other private sector actor, it is just a bit more difficult in Angola with BDS

6. Budget and others

Comments

- My only suggestions is to allocate more funds for sub-contracts with local providers. In one year [...we....] contracted five individual companies to provide BDS services and you do need more than \$10,000 per consulting firm. Using individual consultants was a lot more cost effective and you build toward the same goal of capacity building.
- In page 15 (top). The sentence "the application of modern technology is ... labour intensive" seems to imply that labour intensive mode of production is not desirable. In page 14 however it is said that: "Support can be justified as investment in small enterprises generate most employment per invested dollar". That means that the rationale behind focusing on small owner is somewhat to take advantage of their capacity to create jobs. Labour intensive-ness per se is thus a good thing, actually. Furthermore, modern technology can also be labour intensive.
- Can one of the problems is lack of business ideas resulting in many entrepreneurs engaging in traditional businesses instead of non-traditional businesses that have greater potential for growth? This can be linked to lack of business info.

Explanation:

- The budget is constrained by the total size, yet there is some room for local consultants (in addition to the local staff member consultant) although the size of the contracts is one the one hand worrying.
- The fact that small enterprises do generate in general most jobs per dollar invested does not necessarily imply that the operations should be labour intensive per se.
- The lack of business ideas was most striking aspect. This was mainly because of the preference to do trading activities, which appeared pretty straight forward. It is important therefore for the BDS providers to enlighten potential investors on manufacturing opportunities. This will be the role mentors are expected to perform.