

INDEPENDENT EVALUATION UNIT
OFFICE OF EVALUATION AND INTERNAL OVERSIGHT

INDEPENDENT TERMINAL EVALUATION

Facilitating youth employment through entrepreneurship and
enterprise development in disadvantaged governorates in Tunisia

UNIDO project ID: 120357



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Distr. GENERAL

EIO/IEU/22/R.6

April 2023

Original: English

This evaluation was managed
by the responsible
UNIDO Evaluation Officer
with quality assurance by the
Independent Evaluation Unit

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Acknowledgments

The evaluation team would like to thank all the individuals and institutions that volunteered their time to be interviewed for this evaluation. Their perspectives and inputs were essential for the assessment, and it would simply not have been possible to undertake this evaluation without their contribution.

Particular thanks are extended to Petra Wenitzky of UNIDO, who supported the evaluation coordination and data provision process. Thanks are also extended to the project management team in Tunis and Vienna and other stakeholders, all of whom supported the logistics of the interviews and site visits in Tunisia. Finally, thanks to Thuy Thu Le of UNIDO's Independent Evaluation Unit for her support and guidance throughout the process.

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Acronyms and abbreviations

Acronym	Definition
AICS	Italian Agency for Development Cooperation
APII	Agency for the Promotion of Industry and Investment
BFPME	Bank for Small and Medium Sized Firm Finance
BSI	Business support institutions
BTS	Tunisian Solidarity Bank
CdA	business centres
DAC	Development Assistance Committee
DDBC	Deep-dive Business Coaching
ERP	Economic Reporting
FGD	focus-group discussions
FTE	full-time equivalent
GDP	gross domestic product
GIZ	German Agency for International Cooperation
HEI	Higher education institutions
HP	Hewlett Packard
ISSET	Higher Technology Institute
M&E	monitoring and evaluation
M3i	Mashou3i (My Project)
ODI	South Development Office
PAD	project assessment document
PPP	public-private partnership
RNE	National Enterprise Registry
SME	small- and medium-sized enterprises
TA	technical assistance
TE	terminal evaluation
TOR	terms of references
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USD	United States dollar

Glossary of evaluation-related terms

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Lessons learned	Generalizations based on evaluation experiences that abstract from the specific circumstances to broader situations.
Logframe (logical framework approach)	Management tool used to facilitate the planning, implementation and evaluation of an intervention. It involves identifying strategic elements (activities, outputs, outcome, and impact) and their causal relationships, indicators, and assumptions that may affect success or failure. Based on RBM (results-based management) principles.
Outcome	The likely or achieved (short-term and/or medium-term) effects of an intervention's outputs.
Outputs	The products, capital goods and services which result from an intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Relevance	The extent to which the objectives of an intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donor's policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed.
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

Project factsheet

Project title	Facilitating youth employment through entrepreneurship and enterprise development in fourteen disadvantaged governorates in Tunisia – Project “Mashrou3i” Phase II
UNIDO ID	120357
Country	Tunisia
Project donor(s)	USAID, The HP Foundation and AICS
Planned project start date (as indicated in the project document)	01 October 2016
Actual project start date (First PAD issuance date)	PAD available 1 October 2016 (from project phase I), but the phase II budget was only available on 16 December 2016 when UNIDO obtained full access to USAID Letter of Credit
Planned project completion date	30 September 2021
Actual project completion date	30 September 2022
Project duration (year) Planned Actual	5 years 6 years (in June 2021, the project was extended by 1 year till 30 September 2022 (no cost extension))
Implementing agency	UNIDO
Government coordinating agency	Ministry of Industry, Agency for the Promotion of Industry and Investment (APII)
Executing Partners	
Donor funding	USAID: USD 10,000,000 ¹ HP Foundation: USD 950,000 (US\$ 900,000 in-kind and USD 50,000 in cash), Italian Cooperation: USD 490,000
Total project cost (USD), excluding support costs	USD 9,328,640 ² in cash excl. support costs (USAID, Italy: 13%, HP, 10%)

Source: Project document, UNIDO ERP system, preliminary update by the evaluation team

¹ Originally, USAID funding was US\$ 12,500,000, revised US\$ 10,000,000 in June 2021. The reasons for the revision are: 3 months delay in project start, and implementation obstacles and delays caused by the Covid 19 pandemics when travels were restricted, and face-to-face events were not allowed, face-to-face training had to be moved to online training

² Includes USAID’s revised funding of US\$ 8,849,558 excl. support costs, Italy’s US\$ 433,628 excl. support costs and HP’s cash of US\$ 45,455 excl. support costs

Executive Summary

A. Background

Terminal evaluation objectives and approach

This report presents the findings of an independent terminal evaluation (TE) of the Mashrou3i (M3i) project in Tunisia (Phase II, 2016-2022). The objectives of this TE are twofold³:

- (i) Assess project performance in terms of relevance, effectiveness, efficiency, sustainability, coherence, and progress to impact; and
- (ii) Develop a series of findings, draw lessons, and provide actionable recommendations for enhancing the design and implementation of projects.

The report is based on qualitative and quantitative information using desk research, interviews, focus group discussions (FGDs), and surveys.⁴

Project information

Mashrou3i (2016-2022) was a public-private partnership (PPP) project focusing on creating employment through youth entrepreneurship training and support in 14 vulnerable governorates.⁵ The project represented a scale-up of a successful first phase (2012-2016). It was a partnership between the Government of Tunisia, United Nations Industrial Development Organization (UNIDO), United States Agency for International Development (USAID), the Italian Agency for Development Cooperation (AICS), the private company Hewlett Packard (HP) Inc. and the HP Foundation. Total project budget, excluding support costs, amounted to 12.4 million USD.

The project intervened at both institutional and individual/enterprise level.

The overall objective of the project was to create at least 6,000 jobs. Additional output- and outcome-level objectives are summarized in Figure a.

The project addressed key development objectives during challenging times. Youth employment and regional inequalities remain central problems in Tunisia and contribute to economic and political instability. M3i was implemented during a challenging time both from a national and global perspective. The political and economic situation in Tunisia had become increasingly unstable, with a lack of continuity among national partner stakeholders, and the economy suffered from COVID-19 as well as the global consequences of the Ukraine war. Security concerns, together with pandemic restrictions (as of 2020), complicated implementation and monitoring.

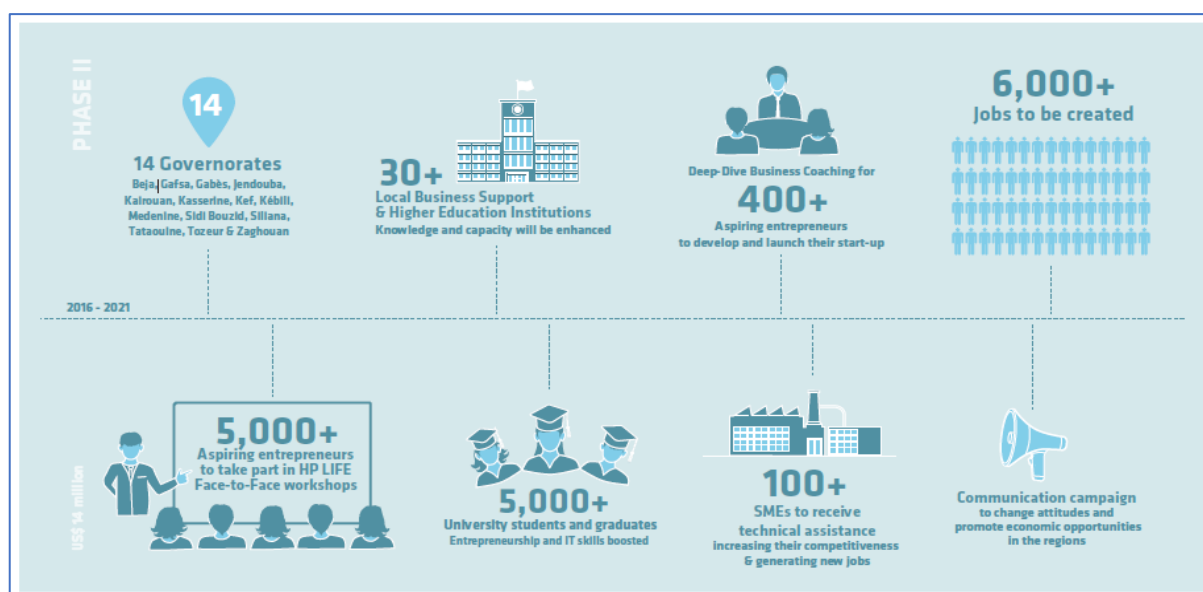
The project ran from 2016-2022. M3i was initially planned to run for 5 years. In 2021, the USAID granted a no-cost extension of the project to include a sixth year, however, owing largely to the delays imposed by COVID-19.

³ TE terms of references (ToRs) and evaluation framework are presented in Annexes 1 and 2 respectively.

⁴ See Annexes 3-4.

⁵ Beja, Gabès, Gafsa, Jendouba, Kairouan, Kasserine, Kebili, Le Kef, Medenine, Sidi Bouzid, Siliana, Tataouine, Tozeur, and Zaghuan.

Figure a: Key project objectives and outputs



Source: M3i Project Annual Report, Fiscal Year (FY) 5.

B. Evaluation – Summary Ratings

A summary of the evaluation ratings is presented in Table a below.

Table a: Terminal evaluation summary ratings

Index	Evaluation criteria	Rating
A	Progress to Impact	Satisfactory
B	Project design	
1	• Overall design	Satisfactory
2	• Logical framework	Moderately Satisfactory
C	Project performance	
1	• Relevance	Satisfactory
2	• Effectiveness	Highly Satisfactory
3	• Efficiency	Satisfactory
4	• Sustainability of benefits	Moderately satisfactory
5	• Coherence	Satisfactory
D	Cross-cutting performance criteria	
1	• Gender mainstreaming	Satisfactory
2	• Environment and socio-economic aspects	Satisfactory
2	• M&E: (focus on Monitoring) ✓ M&E design ✓ M&E implementation	Satisfactory
3	• Results-based Management (RBM)	Satisfactory
4	• Communications	Satisfactory
E	Performance of partners	
1	• UNIDO	Satisfactory
2	• National counterparts	Satisfactory
3	• Donors	Satisfactory
F	Overall assessment	Satisfactory

Project Relevance and Design

There is a continued need to increase inclusive job creation in vulnerable governorates in Tunisia. M3i focused on strengthening entrepreneurship and job creation, youth inclusion and economic empowerment, gender equality, and geographical inequality, all highly relevant to Tunisia. The project approached these objectives by strengthening institutions dealing with youth, education and training, and business support, and by directly supporting start-ups and expansion among firms.

M3i represented a scale-up of a successful partnership, confirming partner endorsement and continued relevance for project stakeholders. The emphasis on youth, skills, and entrepreneurship, was well aligned with the Government of Tunisia's development strategies and interviews confirmed continued interest in the M3i approach. It was also aligned with UNIDO's work towards shared prosperity and inclusive productive activities; with Italy's focus on regional economic development, job creation and relevance, and quality of education and training systems; and with the HP Foundations' goal of achieving digital equity by 2030. At project inception, M3i was well aligned with USAID's strategy focusing on increasing inclusive private sector employment and social cohesion and leveraging private sector engagement for development. The USAID strategy is now focusing on existing enterprises rather than start-ups, however.

M3i's main design features were grounded in lessons learned from good practice, previous project experience, and development research. Project logic was overall coherent, but the institutional support was less well-integrated. The logical framework (log-frame) included an overall credible results chain with mostly relevant indicators. The log-frame nonetheless lacked important outcome indicators. The project was coherent with ongoing projects and programs in Tunisia. The incorporation of entrepreneurship quality training in higher education institutions (HEIs) filled a gap among entrepreneurship and youth employment programs.

Effectiveness⁶

The project has delivered training and support activities to many higher education institutions and individuals. Qualitative evidence suggests that the online trainings and workshops (after 2020, only online) have been highly appreciated by HEI educators and students alike and project M&E shows that HP-LIFE has been integrated into entrepreneurship education in a significant number of courses.

Support to business support institutions (BSIs) has been adequate but less integrated in the overall project. Different public BSIs – Agency for the Promotion of Industry and Investment (APII), Centre d'Affaires, Chambres de Commerce, etc., have been involved with M3i in co-hosted or coordinated regional events and through staff secondment, and have received training and promotional materials, with positive experiences. However, the project lacked a strategic approach to involving BSIs in terms of targeting specific training such as communications tools suited to their needs or addressing other constraints to high-quality services delivery.

The project met its targets of creating 6,000 full-time equivalent (FTE) jobs. As of August 2022, the number of FTE jobs created amounted to 6025, thus fully reaching the target. The Deep-dive Business Coaching (DDBC) sub-component contributed most to job creation:

- HP-LIFE training and promotional activities were provided to over 8,000 aspiring entrepreneurs, including university graduates and students, exceeding the target of 5,000 by 76%. However, the activity rendered fewer start-ups (73% of target) and jobs (62% of target) than anticipated.
- Technical assistance (TA) to existing enterprises also created fewer jobs than anticipated (55% of target), although the project engaged with 130 firms (87% of target).
- The DDBC resulted in 540 start-ups (174% of target) and created 3862 jobs (166% of target). These firms also created a higher number of jobs per start-up supported compared to other

⁶ The indicators, targets and actual results are summarized in Annex 5.

components. Thus, focusing relatively more resources on a selected set of high-potential firms was more effective in terms of growth and job creation than spreading resources over many beneficiaries.

- The target for helping existing firms access finance was met (120%) but the target under this component was very modest (15 firms accessing finance).

M3i has successfully targeted youth with higher levels of education but has also reached non-youth entrepreneurs. It has also successfully delivered services that have helped women create firms and acquire jobs. Females account for a majority of HP-LIFE certified university students, they have been proportionally quite successful in creating firms, and women also took up a majority of all jobs created in M3i-supported firms.

Based on a succinct, strategic, and ambitious communication plan, the project has established systematic communications activities including several innovative outreach activities. Unfortunately, the communication component lacks outcome-level target indicators, but qualitative evidence suggests that communications efforts have been of high quality and have paid off. M3i is a strong brand in Tunisia, the number of activities undertaken had significantly exceeded targets, and the quality of project communication (innovation, clarity, channels) has been very high.

There is strong demand on the ground for a continuation of M3i. Interviews and FGDs reveal a very strong interest in continuing work with M3i in some form. Both direct beneficiaries, as well as institutional partners, perceive the project as very effective. Beneficiaries view the high quality and intensity of M3i support, ranging from technical to psychological, as critical to their success.

Progress to impact and risks to sustainability

Progress to impact job creation and entrepreneurship opportunities has been strong. M3i reached its ambitious overall objective of creating more than 6,000 jobs and providing youth with entrepreneurship and job opportunities. It is not known whether the project has influenced youth perceptions on a wider scale in the governorates as this was not measured.

Employment creation may have been sustained despite the pandemic and the worsening global and national economic climate. Whereas the sustainability of jobs and firm-level results are threatened by poor economic conditions, M3i has proven to work also in adverse conditions. A survey of DDBC beneficiaries (admittedly small and non-representative) also showed that the vast majority of enterprises assisted in 2018 were still active, and only a minority reported job losses. Information about the program is spreading beyond direct and indirect beneficiaries.

The lack of institutional integration poses a threat to sustainability, however. The Terminal Evaluation (TE) has not found evidence of direct replication of the HP-LIFE approach across non-participating HEI institutions. Given the less intense collaboration with BSIs, there are also limited guarantees that the BSIs will continue to make use of the HP-LIFE approach.

Efficiency

M3i has delivered outputs on a relatively timely schedule, despite various delays imposed by security concerns, political uncertainty, and the shock imposed by the COVID-19 pandemic. Total expenditures have remained below budget owing to a slower-than-foreseen take-off and COVID-19-related delays. The USAID budget, which accounted for the major share of the budget, was revised downwards by 20% to reflect what could realistically be spent before project closure. HP Foundation and the Italian Government have provided funds and other input as foreseen in the original budget and time-schedule. Actual spending remained (as of April 25, 2022), at 88 percent of the new budget. Despite a substantial budget cut, the project delivered activities with good results. Beneficiaries and partners describe UNIDO project management as effective, responsive, and transparent.

The project used cost-effective approaches. Innovative and efficient approaches included: (i) an innovative existing learning framework applied across all interventions, (ii) digital tools, (iii)

communication of relatable success stories through social and traditional media, and (iv) use of regional focal points that in turn developed a local network of potential business service providers. As a result, the project has contributed to over 6,000 jobs at a comparatively favorable cost level per job created. The cost per job created reaches 1698 USD (excluding support costs) and 1918 USD (including support costs), which compares favorably with costs from phase 1. The lowest cost-per-job is associated with DDBC and TA activities – on the other hand, HP-LIFE activities include promotional and selection activities serving to attract beneficiaries to DDBC and TA.

M&E and results-based management

M3i has put in place a strong M&E framework. This has included building a local M&E team and strengthening M&E capacity across the broad team. A significant amount of beneficiary data has been collected in a systematic, regular, and transparent manner to track project achievements in terms of outputs, outcomes, and impact. M&E has consistently served to readjust program components to increase impact. There was no independent budget-line for M&E activities, but a back-of-the-envelope estimate of the minimum costs for M&E arrives at just under 0.5 USD M for the entire project, or 5% of the total (final) budget of USD 10M, suggesting moderate expenses on M&E.

The more detailed analysis could be undertaken to strengthen targeting and provide lessons learned. The wealth of data collected has not been analyzed in-depth, however, for example in reviewing how project ratings or job creation correlate with gender, location, age, or personality traits. Moreover, beneficiary information could have been monitored/analyzed with more details: (i) data on the age of those who got a job through TA; (ii) the gender of heads of enterprise receiving TA or receiving further financing, and (iii) indicators by governorates (these have rarely been presented or analyzed in annual reports). These are important indicators to gauge differentiated impact and identify specific versus general challenges and should be easy to collect given the existence of annual survey instruments.

C. Conclusions and recommendations

Conclusions

M3i has successfully and at a reasonable cost contributed to job creation for youth and women in Tunisia's vulnerable governorates. Thanks to relevant and logical design grounded in research as well as lessons learned from previous projects, clear targeting strategy, efficient implementation, and flexibility, M3i has supported firm start-ups and significant job creation, including for women. Strong project communication activities have played a part in strengthening project outcomes. The project has delivered these results despite high political and economic instability and restrictions imposed through COVID-19. Intensive coaching for start-ups has delivered the most job creation overall and relative to the target. Some weaker components of the project include a less clear strategy for institutional support to BSIs, a lack of clear targets for communications, and the inclusion of a few more marginal activities such as support to accessing finance as a sub-component. Global economic turmoil and a difficult political and economic situation and the lack of a clear local institutional host to HP-LIFE training, outside of the HEIs, are raising risks to project sustainability. The lack of an institutional host within the government for M3i is a threat to scaling up or replication of the project.

Recommendations

Advocate a streamlined version of the M3i approach in other UNIDO projects to create inclusive jobs. The combination of high-quality training approaches, intense coaching, public-private partnerships, active and flexible communication activities, and reliance on evidence-based approaches, has proved successful. The project team should be market this approach internally for potential application in entrepreneurship projects. However, the project team should consider whether some of the currently marginal activities – especially a specific finance output, and green business plans – should be mainstreamed.

Document and present M3i good practices and lessons learned in communications and M&E to UNIDO HQ for learning purposes. The project team should prepare short briefs and, if possible, hand-book type material, and present findings to a wider audience as these components are relevant across projects, irrespective of focus. The documentation should contain information on how the communications component as well as M&E practices were planned and implemented, and on successes, challenges, and main lessons learned, addressed to colleagues seeking guidance on the “how-to”.

Anchor the project institutionally in the Ministry of Education (HEI) and APII. The project team should develop a strategy for how to effectively “hand over” the project approach to the Ministry of Education (HEI) and APII. The project’s strong capacity for quality communication could be leveraged to prepare an information event for BSIs and HEIs, highlighting key pillars of the project approach, factors for success, main challenges going forward without continued UNIDO support. Based on different (but scattered) initiatives with local BSIs, good practices or important activities could be illustrated and documented.

Sustain and replicate M3i’s approach in Tunisia. The Ministry of Education should take the lead in ensuring that the M3i approach is replicated in future youth entrepreneurship interventions. This process should include, as a first step: (i) identifying the institutional home of the M3i (Ministry of Education, or APII), (ii) identifying private or public financial support and partnerships, and (iii) identifying potential collaboration partners to strengthen services to youth with HP-LIFE as a basis.

1. Introduction

1.1. Terminal Evaluation Objectives

This report presents the findings and assessment of an independent terminal evaluation (TE) of the Mashrou3i (M3i) project in Tunisia. Mashrou3i, which signifies “my project” in Arabic, is a public-private partnership (PPP) between the Government of Tunisia, the United Nations Industrial Development Organization (UNIDO), the United States Agency for International Development (USAID), the Italian Agency for Development Cooperation (AICS), the private company Hewlett Packard (HP) Inc. and the HP Foundation.

The TE is a central part of UNIDO’s monitoring and evaluation (M&E) system with the purpose to provide inputs to UNIDO’s work to strengthen its performance and the impact of its operations. The objectives of this TE are twofold (see Annex 1 for TE Terms of References, TORs):

- (iii) Assess the project performance in terms of relevance, effectiveness, efficiency, sustainability, coherence, and progress to impact; and
- (iv) Develop a series of findings, draw lessons, and provide actionable recommendations for enhancing the design and implementation of projects.

1.2. Mashrou3i: project background

1.2.1. Addressing the youth entrepreneurship and jobs challenge

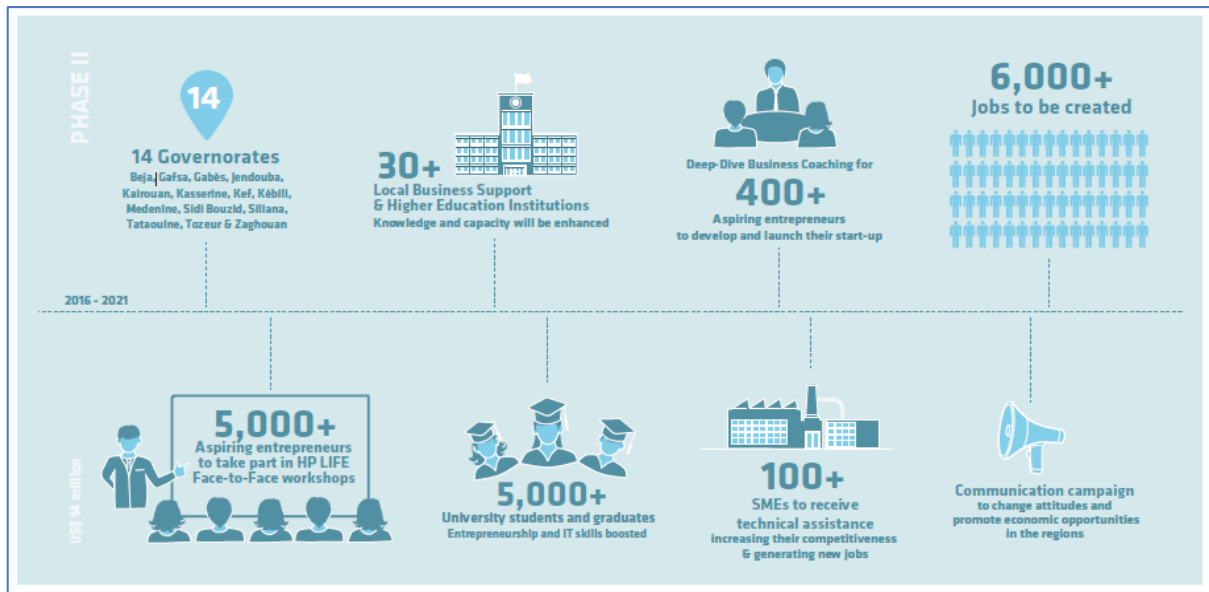
Youth employment remains one of the most significant challenges for Tunisia. Overall youth unemployment (ages 15-24) reaches 34 and 38 percent for males and females respectively.⁷ Access to higher education is no guarantee for jobs: unemployment rates for those with higher education reach 29 percent, and young graduates outside of greater Tunis and the economically more dynamic coastal regions reportedly find even more difficulties in finding jobs. Women’s participation in labor markets is low, and only 20 percent of working-age women are actually in employment. Compared to other middle-income countries, Tunisians are somewhat less prone to envisaging entrepreneurship as an opportunity.⁸ In response to the youth employment and entrepreneurship challenge, UNIDO, USAID, AICs, and HP joined forces to foster youth entrepreneurship and support the creation and growth of enterprises in Tunisia’s vulnerable governorates, through M3i.

This TE covers the second phase of M3i (2016-2022), which represents a scale-up of the first phase of the project in the period 2012-2016. The objective of M3i remains to create job opportunities for mainly young men and women by supporting, directly and indirectly, the development of new and existing enterprises. The overarching project objective was to create at least 6,000 jobs by 2022 (Figure 1).

⁷ Labor market data are from World Development Indicators. 2017 data (latest national data available).

⁸ Data from Global Entrepreneurship Monitor, at <https://www.gemconsortium.org/economy-profiles/tunisia>.

Figure 1: Key project features and objectives



Source: M3i Project Annual Report, Fiscal Year (FY) 5.

1.2.2. Project logic

The M3i project intervened at institutional and enterprise levels, with a focus on 14 vulnerable governorates.⁹ The project logic is summarized in Figure 2 below, starting from clusters of activity at the bottom, and moving up to impact at the top. HP-LIFE¹⁰, an entrepreneurial training framework available free of charge under the HP Foundation, is the source of generic business and entrepreneurial training under both component 1 and component 2. Youth communication was a cross-cutting activity.

At the **institutional level**, M3i was directed at public business support institutions (BSIs) as well as higher education institutions (HEIs). To these institutions, M3i provided training in entrepreneurship training (the HP-LIFE course), with the ultimate objective that training should be mainstreamed into ongoing business training (HEIs) or overall services provision (BSIs). The project was also set to provide BSIs with assistance in communication to improve outreach and service to youth, although this component was, in practice, limited to coordination and M3i promotional activities. This arm of the project was intended to directly benefit institutions and students attending relevant training, and indirectly benefit youth and potential and actual enterprises seeking support from BSIs.

At the **enterprise/individual level**, the project provided mainly three forms of support:

- **HP LIFE Aspiring entrepreneurs.** M3i provided entrepreneurship training to a large number of young people to develop a business model and plan through a blended learning approach that included online and face-to-face training and workshops, based on HP LIFE courses (during COVID-19, delivered only online). In FY1-3, these training focused on promotional events and training. As of FY4, some business coaching was added to this component as well.
- **Deep dive business coaching (DDBC).** To a select group of aspiring entrepreneurs, chosen through a competitive approach to identify the most promising ideas, the project also provided more intense individual coaching and support. DDBC projects were selected

⁹ Some activities for the HP LIFE educators and students included ISETS in more governorates. However, the focus remained on the 14 governorates targeted by the project.

¹⁰ <https://www.life-global.org/>

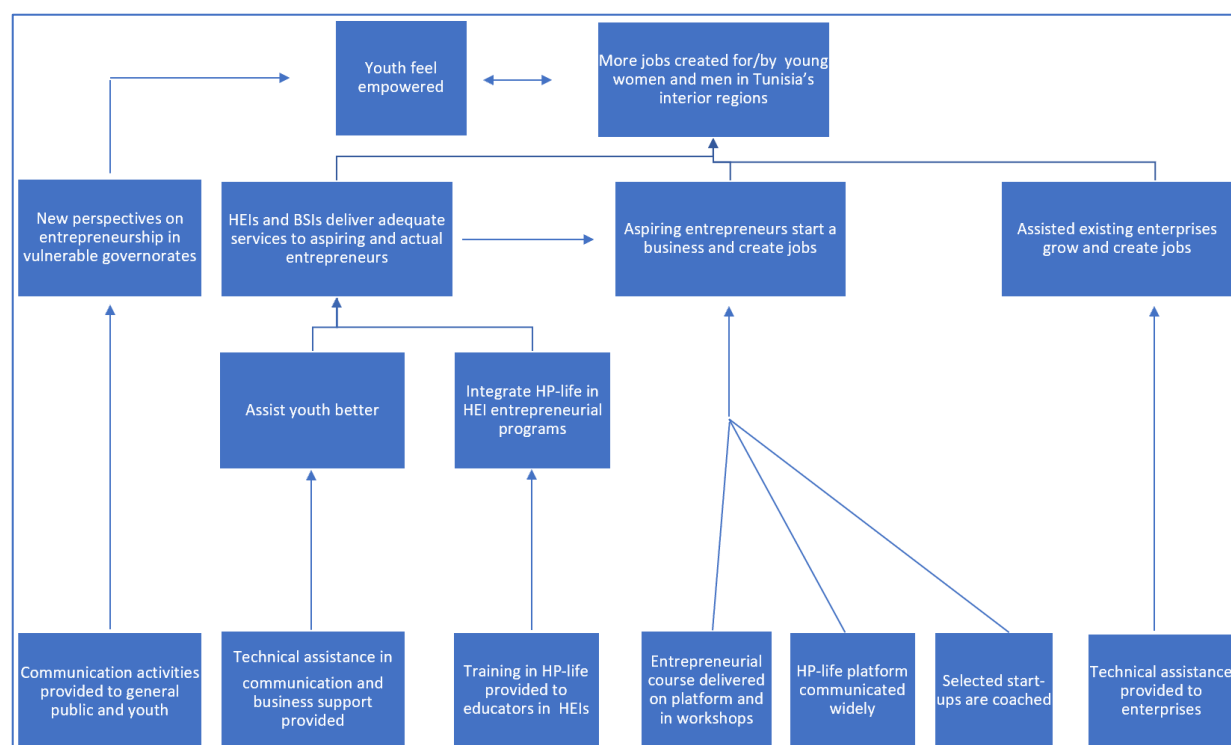
against criteria such as feasibility, environmental impact, impact in the region, sustainability, job creation potential, along with motivation of the applicants, among other factors.

- **Technical assistance (TA).** TA was provided to a group of existing entrepreneurs assessed as having growth potential, with the objective of supporting their expansion. The TA and DDBC focused on a variety of technical training and assistance, e.g., specific technical skills related to the start-up activity or generic support, e.g., web design, marketing, access to funding, etc. Following recommendations from the TE of phase I, the project relied relatively more on local private business support providers in Tunisia than on BSIs for delivering training.

Communication activities were intended to raise awareness of M3i among potential beneficiaries and stakeholders, promote economic opportunities, and change attitudes toward entrepreneurship and youth. In effect, this component was mainstreamed across activities.

For this TE, youth empowerment - perception of inclusion and entrepreneurship opportunities - is considered an objective at an equal level with job creation. The TE team interprets the links between youth empowerment and job creation as bi-directional: youth that feels empowered venture into entrepreneurship opportunities. Conversely, youth that partakes in or observes positive examples of youth entrepreneurship, also feel empowered and included. Communication activities undertaken by the project team are expected to reach more than direct program beneficiaries.

Figure 2: Summary of project logic



Source: Inception report, elaborated by the evaluation team

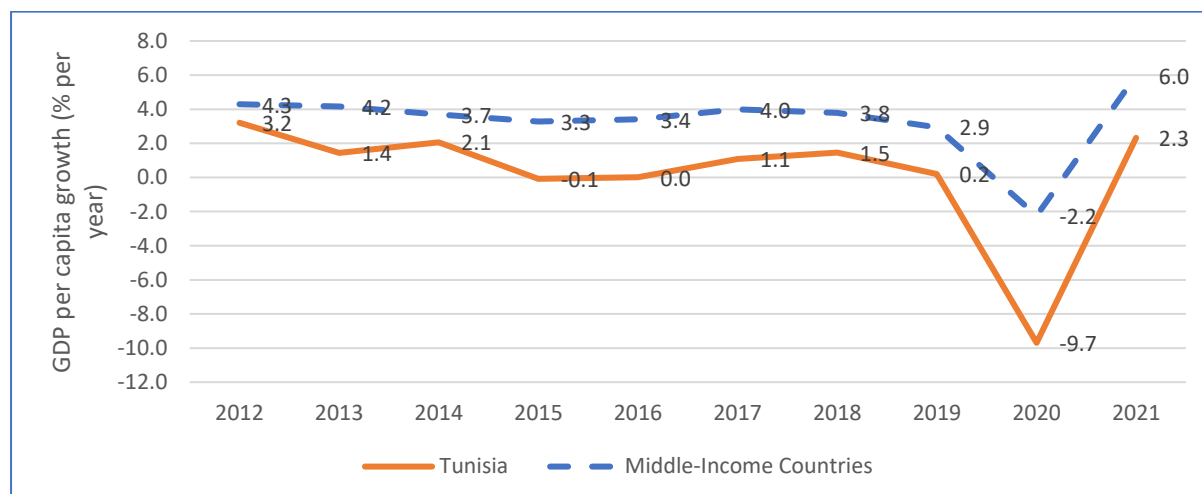
1.3. Implementation challenges

M3i, phase II, was implemented during a highly volatile period in Tunisia and the world. Whereas the period 2013-2016 was marked by cautious optimism, at least at the beginning of the period, the years 2016-2022 have been marked by significant shocks that affected project implementation on the ground. First, the political situation in Tunisia became increasingly

unstable in recent years with a destabilized parliament and widespread popular disenchantment, and mounting security concerns including in governorates covered by the project. The economy has remained sluggish, with the gross domestic product (GDP) per capita growth below 2 percent per year after 2014. And finally, the COVID-19 pandemic had a devastating impact on Tunisia’s already fragile economy. Whereas middle-income countries, on average, experienced a reduction of negative 2 percent in GDP per capita in 2020, Tunisia’s GDP per capita fell by almost ten percent (Figure 3).

Security concerns and COVID-19 lockdowns and travel restrictions have directly affected project implementation. Larger training workshops had to be held online, reducing efficiency and participation. Local project team members could not provide full oversight or day-to-day support during travel and meeting restrictions. In addition, COVID-19 affected beneficiary enterprises directly. The lockdown also significantly reduced the speed in the approvals of licenses and funding, which are essential to start-ups. A survey by the project team to beneficiaries showed that a majority (79%) of existing enterprises receiving TA experienced a decrease in revenues, and 16 percent reduced their workforce. Half of the start-ups experienced a reduction in revenues, and 11 percent laid off at least one full-time equivalent (FTE) employee.¹¹

Figure 3: GDP per capita growth, Tunisia and Middle-Income Countries (average)



Source: Team estimates based on World Development Indicators.

1.4.Evaluation Approach

1.4.1. Analytical framework

The TE has been organized around the Development Assistance Committee (DAC) Criteria for Evaluation. Drawing on the evaluation Terms of reference (TORs) (Annex 1) and UNIDO’s evaluation policy, the evaluation questions have been mapped into a framework around the DAC criteria: relevance, coherence, effectiveness, efficiency, and sustainability (see Annex 2). The TE is also assessing gender, environment and socio-economic effects of the project and progress to impact. Finally, the TE identifies key project management practices that influence performance, including the quality of the M&E framework and implementation.

¹¹ Project Annual Report FY5.

1.4.2. Method

As set out in the inception report, the TE team has drawn on both qualitative and quantitative information. This has included a desk review of relevant documents, a field visit for in-person interviews and focus group discussions with beneficiaries and other stakeholders, online interviews, an online survey, and a short phone-based survey.

- **Desk review.** The TE team has reviewed documentation on country context, key project documentation, and research with high relevance for youth employment interventions. Importantly, the TE has also had access to significant project M&E data and written reports, which have been used to summarize as well as verify project output and outcome indicators.
- **Field visit.** In July 2022, two members of the evaluation team visited 8 out of the 14 governorates, chosen to represent geographical width and varied outcomes (see Annex 3). During the field visits, the team met with:
 - Project beneficiaries (largely through focus group discussions, FGDs), in total 55 beneficiaries
 - Business support institutions, partner organizations, business coaches, and trainers (30 persons)
 - Project regional focal point (6 persons)
- **Online interviews.** During June-August 2022, the TE evaluation team met with the extended project team in several constellations. The team also held discussions with donors: USAID, HP Foundation, and HP Inc Tunisia, whereas the representative for the Italian Government responded to a comprehensive questionnaire in writing. The team also interviewed national-level stakeholders from the Ministry of Education and APII.
- **Online survey 1 - educators in higher education institutions (HEI Survey).**¹² Via the main project coordinator for the HEI component, a short survey was sent out to 41 educators in HEIs that had benefitted from the training of trainers in HP-LIFE. A survey format was chosen to facilitate access to beneficiaries at the beginning of the academic holidays. In total 22 beneficiaries completed the survey, which is a satisfactory response rate. The short survey contained questions related to the context of youth entrepreneurship and employment, institutional collaborations, assessment of M3i results, gender aspects, and constraints to project sustainability (**Error! Reference source not found.**).

Online survey 2 – follow up on beneficiaries’ entrepreneurial and employment situation (Follow-up Survey):¹³ A small set of past beneficiaries from start-up support or capacity-building activities were randomly chosen within the list of each governorate. In total, 55 responses were collected out of which 44 were complete and could be used for the survey.¹⁴ The objective of the survey was to follow-up on enterprise activity and the entrepreneur’s employment situation, and the current employment situation of the active enterprise. The survey sample is not designed to be representative but to provide an indication of possible medium-term outcomes for beneficiaries (**Error! Reference source not found.**).

As foreseen in the inception report, the team met with some challenges in collecting information, due to the timing of the evaluation including online meetings and field visits in June-July-August which include the academic holidays. For the field visits in particular, vacations as well as strong heat waves made organizing meetings and connecting with people outside of their homes complicated. It proved particularly challenging to meet with central level Government or institutional stakeholders, probably due to ongoing vacations.

12 Survey available at: <https://www.surveymonkey.com/r/Mashrou3iEvaluationTerm>

13 Survey available at: <https://www.surveymonkey.com/r/TBZPXFV>

14 Out of a total number of beneficiaries of 715 for the DDBC, and 143 for the TA.

2. Evaluation – Summary Ratings

A summary of the evaluation ratings is presented in Table 1 below.

Table 1: Terminal evaluation summary ratings

Index	Evaluation criteria	Rating
A	Progress to Impact	Satisfactory
B	Project design	
1	<ul style="list-style-type: none"> Overall design 	Satisfactory
2	<ul style="list-style-type: none"> Logical framework 	Moderately Satisfactory
C	Project performance	
1	<ul style="list-style-type: none"> Relevance 	Satisfactory
2	<ul style="list-style-type: none"> Effectiveness 	Highly Satisfactory
3	<ul style="list-style-type: none"> Efficiency 	Satisfactory
4	<ul style="list-style-type: none"> Sustainability of benefits 	Moderately satisfactory
5	<ul style="list-style-type: none"> Coherence 	Satisfactory
D	Cross-cutting performance criteria	
1	<ul style="list-style-type: none"> Gender mainstreaming 	Satisfactory
2	<ul style="list-style-type: none"> Environment and socio-economic aspects 	Satisfactory
2	<ul style="list-style-type: none"> M&E: (focus on Monitoring) <ul style="list-style-type: none"> ✓ M&E design ✓ M&E implementation 	Satisfactory
3	<ul style="list-style-type: none"> Results-based Management (RBM) 	Satisfactory
4	<ul style="list-style-type: none"> Communications 	Satisfactory
E	Performance of partners	
1	<ul style="list-style-type: none"> UNIDO 	Satisfactory
2	<ul style="list-style-type: none"> National counterparts 	Satisfactory
3	<ul style="list-style-type: none"> Donors 	Satisfactory
F	Overall assessment	Satisfactory

3. Evaluation - Design

3.1.Relevance

How relevant was the project at the time of design and does it remain so? M3i focused on strengthening entrepreneurship and job creation, youth inclusion and economic empowerment, gender equality, and geographical inequality. The project approached these objectives by strengthening institutions dealing with youth, education and training, and business support, and by directly supporting start-ups and expansion among firms.

3.1.1. Relevance of objectives

M3i was a scale-up of a successful partnership. The continued collaboration between UNIDO, USAID, the Government of Italy, HP, and the Government of Tunisia, indicates that it corresponded to the priorities of all partners:

- M3i was aligned with the **Government's** priorities regarding youth employment, inclusive and balanced regional development, and private sector development through entrepreneurship. Job creation for vulnerable groups was highlighted in, inter alia, the 2013 Social Contract and in the previous Government's Five-Year Plan (Tunisia 2020).¹⁵ The development plan was based on regional stakeholder consultations to develop context-relevant visions for each area. Political instability notwithstanding, youth unemployment has remained on successive governments' agendas. Interviews confirmed continued commitment to the M3i approach, not least given its unique focus on entrepreneurship training for HEIs.
- At the time of project inception, **USAID's** five-year strategy (Tunisia Country Development Cooperation Strategy 2016-2021) focused on increasing inclusive private sector employment and social cohesion, with youth, gender, and geographic integration as cross-cutting themes, all central to M3i. In addition, M3i successfully leveraged US private sector involvement, an additional objective of USAID's development cooperation. USAID is now moving on to providing support to existing enterprises, seen as more resilient and with higher job creation potential, and the current strategy is less focused on start-ups. This is reflected in its flagship private sector program (Tunisia JOBS 2018-2023).
- The **Italian Government** has a long-standing focus on regional economic development and job creation and sustainable economic development in Tunisia. More recently, priorities include efforts to strengthen the quality and relevance of education and training programs to increase innovation and job creation.
- **HP Foundation** has committed to accelerate digital equity by 2030, foster economic empowerment, and improve access to education and health care.¹⁶ M3i forms part of HP's economic empowerment activities. The HP Digital Equity target groups also include women and girls, communities of marginalized groups, and educators and practitioners – all included among M3i's target beneficiaries.¹⁷
- **UNIDO's** Medium-term Programme Framework, 2018-2021, focused on shared prosperity, increasing the participation of women, youth, and marginalized localities in productive activities, by increasing access to entrepreneurial and other skills and fostering economic competitiveness and entrepreneurial culture.

¹⁵ World Bank. 2017. 8

¹⁶ <https://www.hp.com/us-en/hp-information/sustainable-impact/community.html>

¹⁷ In addition, persons with disabilities are included among HP's targets.

The objectives of increasing inclusive entrepreneurship and job creation in vulnerable governorates remain highly relevant to Tunisia. Stakeholder interviews confirm univocally that the country remains challenged by the lack of good job opportunities for youth with higher levels of education, poor relevance of training at all levels, lack of entrepreneurial spirit and knowledge among youth and others, and a weak business environment including insufficiently developed business services for start-ups and existing enterprises.

3.1.2. Relevance of design

M3i's focus on targeted entrepreneurship training was highly relevant for increasing economic inclusion opportunities for youth. In locations lacking a dynamic private sector, entrepreneurship opportunities are important. Promoting start-up and enterprise growth provides livelihood alternatives to wage employment and can also help create more innovative and job-creating firms. In Tunisia, the lack of an entrepreneurship mindset and the poor quality of training are considered key limits to youth employment by different stakeholders. For example, in the HEI survey, most instructors (16 out of 22) responded that individuals' lack of entrepreneurial mind set (risk-taking, ambition, etc.) was a major constraint to youth entrepreneurship, whereas a minority (5 and 6 respectively) pointed to insufficient technical skills or lack of more standard business competencies. Local economic conditions and lack of finance were also considered important constraints to entrepreneurship (14 and 16 respectively).

The HP-LIFE approach, focusing on entrepreneurial skills and a growth mindset in addition to standard business training, is grounded in evidence of good practice. Different sources, including beneficiaries and project team members, commend the HP-LIFE program as innovative, practical, and relevant, with IT tools that assist aspiring entrepreneurs in converting their project idea into a business model and plan. Research finds that entrepreneurship training focusing on standard business skills has moderate impacts on profits (existing enterprises) and start-up rates¹⁸ and limited impact on job creation¹⁹, although the variance is large. However, there is some empirical support for the success of training that add-on to these standard approaches, focusing on psychosocial support (specific gender targeting, entrepreneurial or growth mind-set).²⁰ Approaches focusing on peer learning and role models that provide relatable and localized information have also been shown to be effective, especially for women.²¹ A key question for practitioners is whether it is better to support fewer firms with more intense and individualized support, or reach more firms with a standardized approach. Existing research is somewhat ambiguous on this point, but there is some evidence that personalized attendance is more effective than standard training and that the gains outweigh the additional costs associated with more intensive support.²² As will be seen, this has shown to be the case also in M3i.

M3i incorporated important lessons learned from phase I and fully took on board recommendations from the evaluation of phase I. As a scale-up, the project relied on the proven achievements of the approach from phase I. The USAID Performance Evaluation of Phase I prompted a scaling up of the project, confirming the M3i PPP as an effective approach to create jobs, even in a fragile political and economic environment, and leverage human and financial resources. The USAID report also concluded that the supported BSIs had been slow in reaching an acceptable level of access and quality of services, and recommended the project instead work

18 Mckenzie, 2020, Grimm and Paffhausen. 2015.

19 Grimm and Paffhausen 2015, op. cit.

20 Andersen et al. 2016, Bloom et al. 2018, 2010, Campos et al. 2017, Glaub et al. 2014, McKenzie and Puerto 2017.

21 Campos et al. 2017, Jayachandran 2020, Lafortune et al. 2018, Brooks et al. 2018.

22 See, e.g., J-PAL 2019.

with qualified and experience experts for ongoing business coaching and improve M&E services, which was included in the design of phase II.

The M3i phase II gender analysis built upon phase I successful approaches in reaching out specifically to women with success stories and developing strategies to overcome gender-specific difficulties. The Phase II gender strategy set a target of 40 percent of female participation across HP-LIFE aspiring, DDBC, and TA. In fact, the gender marker of the project was 2A meaning that the project was expected to contribute significantly to gender equality. It recognized the need for more efforts to encourage more women to present their business projects for subsequent support in DDBC, to continue to help women overcome gender specific constraints to businesses, and to seek collaboration with the Ministry of Women and Family Affairs and women's associations. The M3i approach remains consistent with research showing positive results from using role models to encourage women's labour market success through occupational choice and firm start-up and growth, and coaching focusing on gender and context-specific hurdles.²³

M3i's socio-economic targeting focused on geographical targeting. By establishing M3i in the vulnerable governorates M3i adequately addressed disadvantaged youth living in areas with limited economic dynamism. The project did not aim to reach out to the most vulnerable groups such as low-skill youth, for whom the lecture-based HP-LIFE approach would likely not be adequate and who -in general - may be less likely to create firms with significant job creation impact.

Overall, the project logic was internally coherent in design, linking direct support with institutional capacity building. The direct support to enterprise start-ups and expansion favouring youth constituted the central focus of M3i and absorbed 87 percent of the budget (see below). However, the institutional support for HEIs and BSIs was essential component to support sustainability (if BSIs adopt effective approaches in communication and training) and leverage institutions to increase outreach to youth. HEIs could provide a cost-effective way of improving quality and exposing students to new pedagogical tools. BSIs, meanwhile, in theory, hold a critical role in the eco-system of enterprise support, although in practice, the quality of support varies.

Project logic was weaker in some areas, notably institutional BSI support. The support to the BSIs had proved only moderately successful in phase I. Discussions with stakeholders suggests that constraints other than knowledge about youth or entrepreneurial skills are more binding to BSI services quality and results, for example overall low capacity, limited accountability, and lack of results-based management, overlap of support structures with weak coordination and lack of digitalization of services. At the same time, the BSIs are important for project sustainability. To substantially increase BSI capacity, a wholesale approach may have been needed. Or else, the project may have limited the expected outputs to coordination and visibility/promotion of the project – as was done in practice. In addition, albeit on a smaller scale, an activity focusing on assisting existing enterprises in identifying investors was included as a separate sub-component under outcome 2.²⁴ At the same time, support to accessing finance was included among the core support given under HP-LIFE, DDBC, and TA, and so the separation of this activity from others was not clear, not least since the target was very limited (15 enterprises achieving financial support). Finally, training in green business plans was planned to be provided to a very modest number of trainers and entrepreneurs (40).

Risk assessment was overall adequate but underplayed risks to sustainability and economic and political context. The risk assessment raised a lack of interest in training among youth (due to a preference for projects providing finance), and difficulty in identifying

23 Lafortune et al. 2018, McKenzie and La Puerta 2017, Campos et al. 2015,

24 This subcomponent referred to specific activities to identify and mobilize national and international investors.

appropriate projects as risks, although these were both rated low.²⁵ Proposed mitigation activities, especially working with people with strong local context knowledge and establishing strong beneficiary selection processes, were logical. However, the risk to sustainability or institutional ownership was rated low, despite the varied capacity of BSIs and the experiences from Phase I. As section 4 shows, collaboration with BSIs has indeed been varied in practice. Finally, the risk assessment makes no mention of political and economic instability and general conditions for business, which in the case of Tunisia probably should be rated moderate or high.

The project budget allocated reflected a scale-up of M3i Phase I. The estimated cost-per-job created in Phase I amounted to 2024 USD, taking into account additional wage employment and projected jobs.²⁶ A scale-up of about 400 percent (from 1500 to 6000 jobs) thus results in a total budget of around 12 million USD (Table 2). USAID largely funded this scale-up. The vast majority of the budget is allocated to component 2, reflecting the higher costs associated with targeted training and coaching outside of established education institutions. A more detailed review of the budget shows that the project allocated the main share of the budget to local expertise (including local consultants hired for beneficiary coaching and technical assistance) and the beneficiary workshops and training (21% and 33% respectively), which is in line with project emphasis on context-based intensive training. The budget allocated for output 2.4 – supporting firms in identifying investors – was very small, 18,000 USD.

Table 2: Budget at inception (thousand USD).

By results	USAID	HP*	Italy	Total
Outcome 1:				
Institutional support	1 237	345	24	1 606
Outputs				
1.1: Communication incl. BSI assistance	440	0	17	457
1.2: BSI support	0	345	0	345
1.3: HP-LIFE training for HEIs and local trainers	797	0	7	804
Outcome 2:				
Support to youth and existing firms	9 825	600	410	10 835
Outputs				
2.1: HP-LIFE aspiring	4 682	300	0	4 982
2.2: Courses available online	453	300	0	753
2.3: DDBC/TA	3 395	0	392	3 787
2.4: Finance for firms	0	0	18	18
2.5: Youth perceptions	1 295	0	0	1 295
TOTAL	11 062	945	434	12 441

Source: Team estimates based on project data. Note: HP contribution is both in-kind & cash, of which 45,455 USD is in cash. Excluding support costs.

- The project design is rated **satisfactory**, on account of high relevance in terms of target and overall objectives, and overall relevant project logic and design

²⁵ In addition, risks identified included low participation of beneficiaries (which is a project output rather than a risk) or lack of support among project partners (which should be a project fundamental).

²⁶ USAID 2016.

3.2.Coherence

M3i was consistent with, and complementary to, other projects in Tunisia. As shown, M3i objectives were central to donor priorities and many projects on the ground address regional inequality and youth employment, including through entrepreneurship. When conceived, M3i's focus on raising entrepreneurship skills in higher education institutions was a unique approach, although other projects (e.g., USAID's new flagship project Tunisia JOBS) later incorporated such elements.

At inception, several ongoing partner projects were identified, that could be linked to the project to provide a "pipe-line" of assistance after completed training/coaching/TA. Coordination activities were included as a specific activity in work plans, e.g., to follow-up with USAID projects JOBS and Center for Entrepreneurship and Executive Development (CEED), GIZ Agripreneur, and others. Connecting with other projects, government, or donors, was important as M3i focuses on training, coaching, and information, which are but a few of the considerable constraints facing start-ups and small- and medium-sized enterprises (SMEs). The project would consequently benefit from links to other projects providing further assistance to enterprises, in particular financing.

The project's partnership set-up drew on the successful partnership from M3i's first phase. Phase I in turn built on UNIDO's long-standing experience of supporting industrial skills and the development of small businesses, in particular in the agricultural sector, and UNIDO's experience from working with youth in vulnerable governorates of Tunisia. In Phase II, key public BSIs such as the Agency for Industrial and Innovation Promotion (APII) and business centres (Centres d'Affaires, CdA) remained involved as the main public support interfaces, although the project also reached out to several other BSI stakeholders. The project deepened the partnership with the Institutes Supérieurs des Etudes Technologiques (ISET), which carry a strong presence in the vulnerable governorates.

- The project is rated **satisfactory** on coherence, given the fit with other ongoing projects and partnerships.

3.3.Logical framework

The logical framework (log-frame) included an overall credible results chain with measurable indicators. The project logic, summarized in Figure 2 above, was adequately captured by the log-frame. For component 1, training, exposure to new pedagogical methods and approaches to entrepreneurship training and communications tools, would strengthen the capacity of training institutions in serving youth. For component 2, training, coaching, and communication tools would help aspiring or existing firms in starting up or expanding firms and creating jobs. Indicators were also generally clearly defined and measurable and their means of verification, largely project M&E, were defined.

The logical framework was developed through detailed work plans. Work-plans for the six fiscal years (FY) included detailed activities directly linked to each sub-component/output with target indicators for the reporting year and a clearly outlined schedule for deliveries that are easy to track.²⁷

The log-frame nonetheless lacked important outcome indicators. The log-frame adequately presented indicators for outputs and outcomes for the start-up and enterprise support parts of component 2 but did not present strong outcome indicators across all areas, in particular BSI support and communications activities.

²⁷ Documentation provided by project team (PT)

The institutional support towards BSIs is measured only by output indicators, in this case, number of institutions covered. Reaching out to a sufficient number of institutions is a necessary but not sufficient condition to measure whether BSIs communicate better with youth around entrepreneurship and deliver better services to youth. Ideally, these outcomes should have been captured in some evidence of improved services such as the implementation of new communication tools or processes (output 1.1.) or client (youth) surveys to evaluate the quality of services (output 1.2). By contrast, for the HEI part of the project, the integration of HP-LIFE in regular training provides an adequate indicator of project results at the outcome level.

Communication activities also lacked clear outcome indicators. Under output 2.5, the project promoted youth perception of economic inclusion and economic entrepreneurship opportunities. This indicator lacks a target. In addition, it is not clear whether the expected influence on youth perceptions refers to youth beneficiaries, to all youth in the governorates, or some intermediary level. Long- and short-term communication goals were identified in the 2017 M3i Communications Strategy. It outlined goals for four distinct target groups: (i) youth, (ii) BSI and HEIs, (iii) HP-LIFE trainers and regional experts, and (iv) Policy makers, business leaders, academia, and civil society, but did not specify measurable indicators. As will be discussed, qualitative evidence suggests that the communication activities of the project have been very effective in reaching out to a large audience through social media, in promoting entrepreneurial spirit, in delivering direct support, and in promoting M3i itself (section 4.1.3). However, the monitoring framework does not provide a good basis for tracking these achievements.

- The logical framework is rated **moderately satisfactory** on account of an overall clear framework but with weaker results indicators and means of verification on a few sub-components.

4. Evaluation – Implementation and Outcomes

4.1. Effectiveness

This section reviews M3i's main results in terms of outcomes and outputs. More details of the outputs (outcomes) indicator targets and achievements as well as ratings per output are provided in Annex 5. Communications activities under components 1 and 2 are discussed together.

4.1.1. Component 1 results

Component 1 aimed to increase the knowledge and delivery capacity of local business support institutions (BSIs) and Higher Education Institutions (HEIs) in the areas of entrepreneurship, enterprise creation and development, and communication with youth. This was expected to lead to three outputs: 1.1: Institutions assisted to better communicate with youth on entrepreneurship and job opportunities; 1.2: Institutions strengthened in the field of entrepreneurship and enterprise creation; 1.3: Training providers have enhanced capacities to deliver entrepreneurship training. This section looks at outputs 1.2 and 1.3, whereas output 1.1, which focuses on communication, will be discussed together with output 2.5 below.

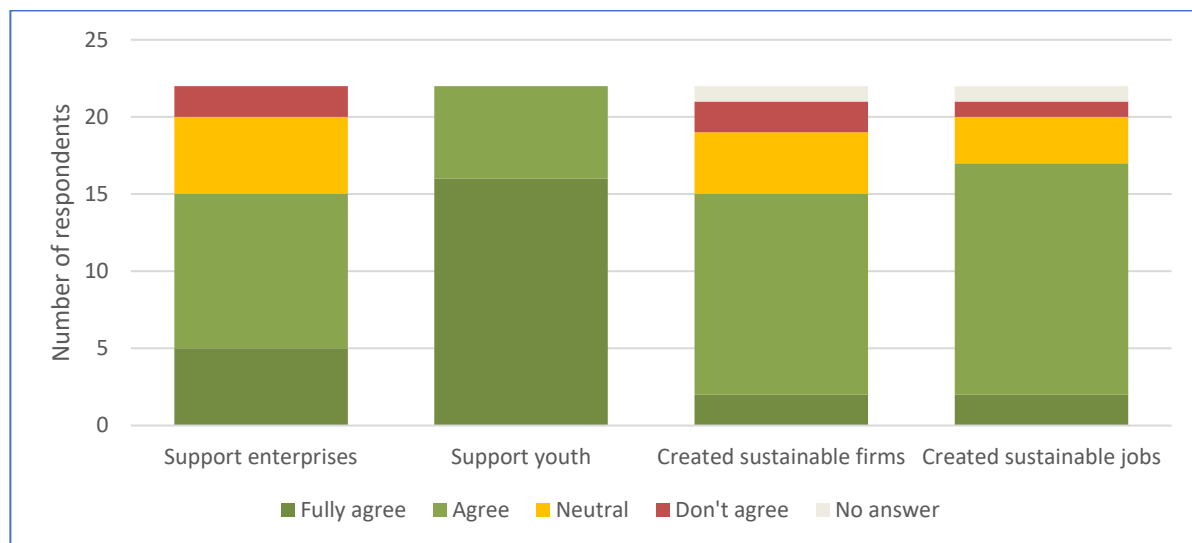
As discussed in section 3.3, relative to BSI support, the M&E indicators of the project are not measuring outcomes (such as improved BSI capacity to assist entrepreneurs), only outputs (number of institutions assisted). Changes in the level and quality of BSI and HEI institutional capacity would likely be best judged by (i) some identifiable change in operations procedures (ii) how these efforts were perceived by youth and actual entrepreneurs (through a survey). The annual surveys undertaken for the annual reports did not ask project beneficiaries questions on component 1 and results for BSI capacity are not discussed in any depth in the M&E material produced. The feedback on strengthened capacity draws on BSI individuals interviewed in the field.

The project has delivered training and support activities to a large number of higher education institutions and individuals. The project has successfully delivered training to representatives from BSIs and HEIs. Through M3i, some 223 HEI educators have been trained in HP-LIFE against a target of 150; 50% of these educators have been women. Many of these educators (46 out of 223) have incorporated HP-LIFE in their curricula, thus creating a basis for the sustainability of the use of the program, although fewer women than men have taken this step towards integration. The project reports that 1942 HEI students were trained directly, through face-to-face workshops or online workshops. As of 2020, outreach was affected by COVID-19, as training could only be delivered through online courses – which could only retain a limited number of students.

Qualitative evidence suggests that the online training and workshops have been highly appreciated by HEI trainers and students alike. HEI educators express strong support for the project's ability to strengthen institutional capacity. The TE survey distributed to HEI Educators participating in the project shows that the project was very successful in strengthening the ability of HEIs to support youth. These educators cited the pedagogical strength and quality of the HP-life online courses as well as the workshops, and the focus on entrepreneurial mind-set, as the project's key strengths of the design. They also by and large agree that M3i has succeeded in creating sustainable employment and firms (Figure 4), and all except two expected to continue working with HP-LIFE. Students also rate highly the workshop and online training provided.²⁸ Course evaluations undertaken as project M&E show that the overwhelming majority of students are very satisfied with the courses.

²⁸ Based on project M&E from the HEI coordinator.

Figure 4: HEI Educator Survey: effectiveness



Source: Team estimates based on TE HEI Survey

In the first three years of the project, training on green business plans was provided to 104 trainers and entrepreneurs – many more than the 40 targeted, but as discussed above, this target was very modest.

BSIs have been involved as stakeholders. A significant number of different public BSIs – APII, CdAs, Chambres de Commerce, and more, have been involved with M3i. Different regional events have been co-hosted or coordinated with regional structures. A few staff from BSIs have been seconded to M3i to create institutional “champions”.²⁹ The BSIs have also been equipped with project promotional material to visualize and reach out to potential beneficiaries, perhaps especially those less digitally savvy that would be missed by social media. Conversely, M3i has been an entry point for youth to get in touch with the BSIs. The project targeted 43 BSIs for participation in training related to entrepreneurship and enterprise creation and had reached 48 BSIs by 2022. Interviews in the field also by and large confirmed that different representatives of BSIs considered their capacity strengthened in terms of delivering support to youth. BSI representatives also cite the help in strengthening coordination between different actors at the local level.

Despite these strengths, support appears to have been more *ad hoc* than to HEIs. The project aimed to improve BSIs service delivery to youth. Unlike in the case of the HEIs, there appears not to have been a strong strategic approach to how to involve BSIs to achieve this aim, how to target specific training that could be beneficial for them, or what other, potentially binding, constraints may be present that would prevent BSIs from improving their service delivery. The depth of involvement in each region and by each BSI institution has been the result of individual effort and interest rather than the result of project coordination. The lack of overall coordination and clarity in the role and responsibilities of BSIs has reduced their involvement and contribution at a deeper level.

- M3i has delivered services and training to more institutions and trainers than expected, and qualitative evidence suggests that participating institutions and trainers as well as students have been very satisfied with these training. The limited measurement of

²⁹ For example, a national communication expert was seconded from APII which helped improve M3i local level coordination.

changes in actual capacity and the less intensive involvement of BSIs precludes a rating of highly satisfactory on effectiveness. Component 1 is therefore rated **Satisfactory**.

4.1.2. Component 2 results

Component 2 sought to increase business creation, development, and expansion in the 14 governorates, to provide jobs for youth, largely through increased entrepreneurial activity. The component provided (i) training through HP-LIFE workshops aimed at a wide number of youth (ii) business coaching to a sub-set of aspiring entrepreneurs selected through competition (iii) technical assistance to existing enterprises identified as having growth potential. Component 2 was expected to result in five outputs: 2.1: Youth are provided with innovative entrepreneurship and IT skills; 2.2: Youth access entrepreneurship courses in French and Arabic; 2.3: Selected entrepreneurs receive direct technical assistance to create, develop and grow their businesses; 2.4: Appropriate funding solutions identified, and business linkages provided for existing entrepreneurs; 2.5: Youth perceive economic inclusion and entrepreneurship opportunities.

Attribution is difficult as job creation and entrepreneurial success depend on many different factors outside of the project's control, including business cycles and contributions from other projects and policies. Job creation and business survival may underperform due to unforeseen shocks (e.g. COVID-19, or a surge in global and national inflation). Conversely, if beneficiaries benefit from many other interventions in parallel, the specific impact of M3i cannot be identified.

The project met its targets of creating 6,000 jobs, but with differences in effectiveness within components. As of August 2022, the number of FTE jobs created amounted to 6025, thus fully reaching the target. However, the contribution differed between different forms of support offered (Figure 5, a).

The project successfully delivered targeted HP-LIFE training and promotional events to youth but did not quite reach the targets for firm creation or job creation resulting from these training. HP-LIFE training and promotional activities were provided to over 8,000 aspiring entrepreneurs including university graduates and students, exceeding the target of 5,000 by 76%. However, these training, when not accompanied by additional support, did not provide as much stimulus to firm start-ups or job creation as expected. This led to a re-adjustment in the number of training participants and promotional events under HP-LIFE, with more resources added to facilitate start-up and job creation. By FY6, the project had engendered 273 start-ups, some 27% lower than anticipated. The number of FTE jobs created (including the entrepreneur), at 1113, was also lower than the targeted 1810. Likewise, the number of HP-LIFE beneficiaries that found regular employment³⁰ reached just under 300, one-third below the target of 450.

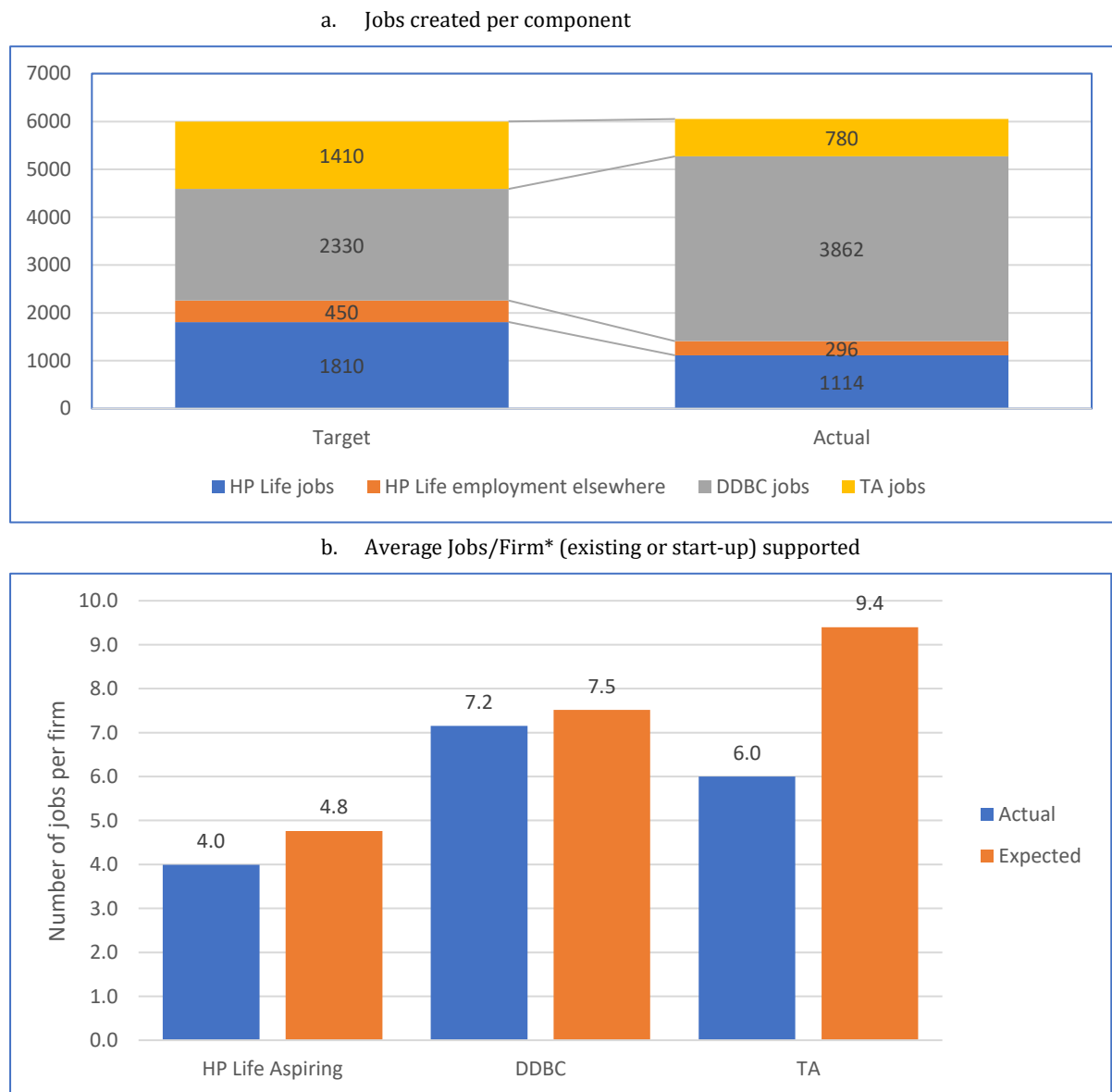
Technical assistance to existing enterprises also created fewer jobs than anticipated. The TA activity was delayed as the USAID (in early FY3) requested the project team to reorient enterprise activities towards start-up activities and instead refer active enterprises selected through M3i to the Tunisia JOBS project. Later in FY3, these instructions were retracted, and the activity proceeded according to the original project design, however. TA to firms did create jobs, but below expectations: 780 jobs, instead of 1410 foreseen, even though the project almost reached the target for a number of firms engaged (130 instead of 150 targets). TA thus created fewer jobs per firm supported than anticipated.

The deep dive business coaching proved most successful in creating firms and jobs. Firm creation overshot the target of 310 by 74%. This activity fostered the creation of nearly 4,000

³⁰ Certified entrepreneurship skills can be a significant advantage also for youth looking for regular employment, as personal initiative, creativity, self-efficacy, and growth mindsets are part of characteristics valued by employers. Nonetheless, it is more difficult to assign success in finding wage employment to the influence of HP-Life, than the creation of firms and jobs through firm creation.

FTE jobs, 66% above the target of 2330. Thus, the DDBC accounted for two out of three (64%) of total FTE jobs created. The ratio of jobs created by the supported firm was also highest within the DDBC component: on average, these start-ups created 7 jobs, compared to 6 for the TA component and 4 for the HP-LIFE Aspiring component (Figure 5, b).

Figure 5: FTE job creation outputs, by component



Source: Team estimates based on project data and project document. *Jobs per start-up (HP-LIFE, DDBC) or existing firm (TA) assisted.

Two factors may have contributed to the lower results of HP-LIFE trainings relative to DDBC. A first is that – as suggested by some research – the growth and job-creation impact of focusing relatively more resources on a selected set of high-potential firms may be higher than spreading resources over many beneficiaries.³¹ A second factor, beyond the control of the project,

31 A much-cited example includes a business plan competition in Nigeria ((McKenzie, 2017). Grants allocated to competition winners resulted in significant business start-up, higher survival of existing firms, and significant growth in employment, profits, and sales of winning firms compared to control groups A business competition in

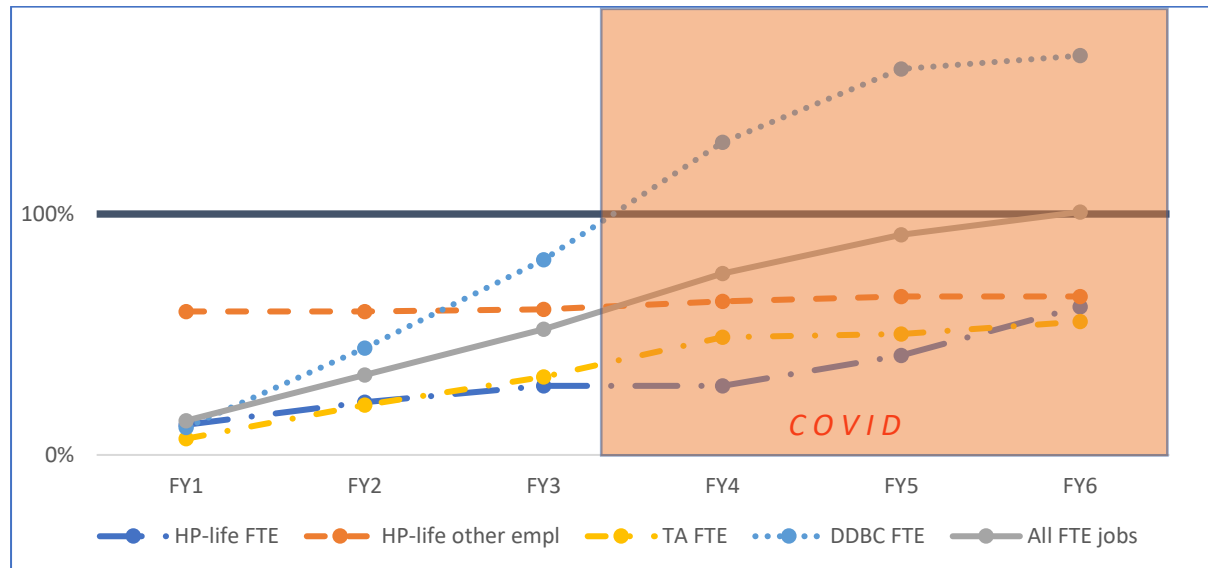
is that the COVID-19-induced move to exclusively online training was demotivating to youth, many of whom dropped out.

Job creation through DDBC increased over the entire project period, whereas the impact of technical assistance on job creation in existing enterprises was negatively affected by COVID-19. The target for DDBC was reached already during FY4, but job creation continued up until FY5. By contrast, job creation in existing enterprises receiving TA slowed down in response to the pandemic impact on the economy (Figure 6). Among enterprises supported by M3i, existing enterprises were more severely affected by COVID-19 than start-ups. However, worse outcomes for existing enterprises may also reflect less good match with M3i’s expertise (centered on start-up) and more technical and firm specific needs of existing enterprises, requiring more intense support.

In addition, M3i helped existing firms access finance for expansion and growth. The target of 15 firms was reached, with 18 firms accessing finance as a result of M3i brokerage. The share of all TA-receiving firms receiving finance reached 14% (18 out of 130 firms assisted), compared to the 10% foreseen (15 out of 150). However, both 10% and 14% appear very modest targets, given the number of assisted enterprises and the fact that lack of finance repeatedly is raised as a key constraint. Low targets likely reflect the limited budget of this component.

For the more intense support (DDBC and TA), M3i likely had a stronger impact on growth and job creation than on enterprise creation or expansion *per se*. In the survey for FY5, a majority of beneficiaries for DDBC (62%) and TA (68%) responded that they would have gone ahead with the planned creation/expansion, also without M3i support. The additionality of M3i is hence likely to have been in supporting a higher quality of expansion (more sustainable growth and job creation) than in the number of firms.

Figure 6: Cumulative job creation, the share of the target (%)



Source: Team estimates based on project data

All job creation cannot be attributed to M3i since many beneficiaries also received support from other projects. In the FY5 survey, over half of TA beneficiary respondents and nearly half of DDBC beneficiary respondents, had also received support from another project, in particular

Ethiopia, Tanzania, and Zambia likewise proved successful and cost effective in creating jobs (Fafchamps and Quinn, 2015). However, whereas focusing resources on high growth firms may create jobs, these approaches may not necessarily be suited to ensure inclusive firm or job creation (McKenzie, 2018).

the GIZ-supported Agripreneur program. Whether this is the result of project efforts to link up entrepreneurs with other projects for complementary or overlapping services, is beyond the analysis of this report.

There is strong demand on the ground for a continuation of M3i. Interviews and FGDs reveal a very strong interest in continuing work with M3i in some form. This is evident among direct beneficiaries as well as institutional partners.

- On account of the highly satisfactory achievements in terms of total job creation and firm creation, despite the difficult conditions due to COVID-19 and some political instability, the effectiveness of Component 2 is rated **highly satisfactory**.

4.1.3. Communication results (outputs 1.1, 2.5)

Components 1.1 and 2.5 both relate to communication and the activities have been connected. M3i project communication has served two key purposes: (i) provide communication around the project as part of standard project management to attract users and present results, (ii) provide strategic communication around the project to increase understanding and visibility of entrepreneurship opportunities, build motivation for the same, and directly assist entrepreneurs in strengthening their networks and marketing. Given this second objective, project communication has hence been part of the project’s core deliveries under both component 1 and 2.

Based on a succinct, strategic, and ambitious communication plan, the project has established systematic communications activities including several innovative outreach activities. This has included curating a comprehensive and easily navigated project website³², producing and marketing success stories through various social media channels intensively used by youth (Facebook, Instagram, Twitter, YouTube- Table 3) as well as teaming up with national TV, radio, and press. The project has aimed to promote positive views on youth and female entrepreneurship and on regional economic activity (outside of Tunisia) and increase the visibility of the project. The project has also supplied BSIs with information and promotional material about the project for distribution to potential or actual entrepreneurs.³³ Interviews confirm that M3i is a strong brand and well-known in Tunisia and that communications efforts have paid off in terms of helping youth; project partners consistently praise the quality of project communication which is seen as going much over and above regular project communication activities. The number of activities undertaken had significantly exceeded targets (Annex Table 7), and has been delivered with very high quality.

Table 3: Social media outreach, Masrhou3i

Media platform	Outreach/followers
The Facebook, main project	33,561 (57% women)
Facebook, regional groups	10,365
Twitter	904
Instagram	3,223
YouTube	298

Source: Communications team August 2022. Note: Regional FB groups include followers that are from the target region and are developing a project/running a business.

³² The TE team has visited the website at <https://mashrou3i.net/en/> and searched for, and identified, a vast amount of information related to toolkits, in depth reports, and entrepreneurial success stories (entrepreneurs, trainers), sectors, etc.

³³ Mashrou3i has, inter alia, co-sponsored El Pitch, a reality TV show focusing on start-up, where three special episodes focused on disadvantaged regions and where 5 out of 9 semi-finalists were M3i supported projects.

BSIs have been significantly involved as stakeholders but have received limited support in terms of improving their communication capacity. Under component 1, output 1.1, BSIs were to receive specific assistance to communicate better with youth. The number of institutions that have been approached and invited to coordinate or participate in different events (145 in all) has by far exceeded the target of 14 (one per governorate). However, the support has largely been focused on equipping BSIs to promote M3i and ensuring the handover of the regional Facebook groups to regional BSI staff to help these remain connected with young entrepreneurs. Support has not included a comprehensive set of activities such as procedures established for a regular survey among youth, or some regular communications activities.

The effect of communication activities on youth views has not been measured by the project. As of 2022, successive project surveys show that assisted youth feel empowered and view the project highly favorably, but the impact on overall youth in the regions remains unknown. FGD research was undertaken in 2017 in all 14 target regions, with the objective of collecting insights from young people in terms of needs and perception of opportunities. These insights fed into and formed M3i communications activities. Two follow-up surveys were originally planned for 2018/19 and 2020/21 – FY3 and FY5 - to gauge changes in youth perceptions but were not undertaken as planned. A follow-up study based on FGD research was finally made in FY6 but did not focus specifically on the perception of opportunities and inclusiveness and more analysis would be needed to see what change, if any, could be discerned since 2017.³⁴ Other means of collecting the views of youth have been adopted - surveys of entrepreneur participants in regional communications workshops were undertaken, and the team regularly interacts with youth on regional social media platforms. In addition, two smaller studies on female entrepreneurship and digitalization were undertaken. These focused on project beneficiaries (and not a broader youth population) and highlighted the important role of success stories to change attitudes and spur behavioral change.

- Given the innovative, high quality, systematic and targeted project communication, the communications components are rated **satisfactory**. Whereas the project has not fully delivered all the communication activities foreseen in the project plan, especially on BSI support, and on monitoring outcomes, the TE team as well as project partners concur on the assessment that the communication segment has been of significant quality and contributed to project success in terms of start-ups and job creation. Project design may have been overambitious in the ambition to cover, influence, and measure perceptions among a broader group of youth in the disadvantaged regions, however.

4.1.4. Beneficiary characteristics

M3i has benefited youth, especially through training courses. The project did not use a precise definition of youth. Discussions suggest that government policy and programs use a relatively generous definition, however, under 35 years. Even with a lower age limit, M3i can indeed be said to have mostly benefitted youth: 81% of beneficiaries³⁵ are under 35 years, 68 % are under 30 years, and half are under 25 (Figure 7, a). These numbers are largely driven by the relative youth of students benefitting from HP-LIFE integration in their coursework. HP-LIFE university students make up more than half of the project beneficiaries and are almost all (83%) below 25 years of age.

The more intense interventions (that have been more effective in creating jobs) have benefitted relatively older potential and actual entrepreneurs. The age profile is somewhat different for the programs directed at aspiring or actual entrepreneurs. It is not surprising that the TA program, addressing established entrepreneurs and not specifically youth targeted, has a

34 Only draft available at the time of writing of the TE.

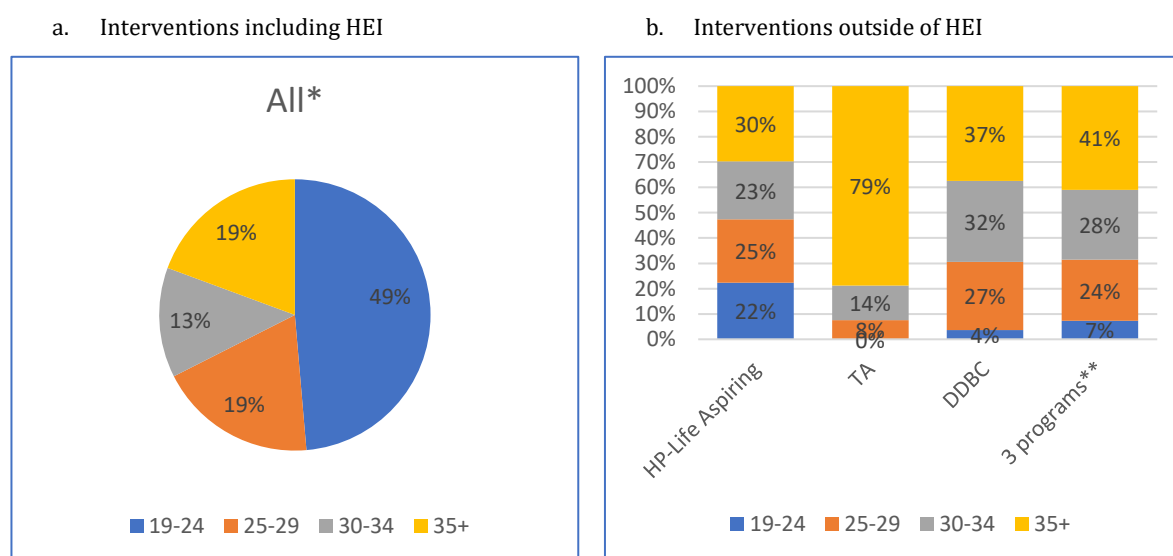
35 Excludes beneficiaries only partaking in online courses.

high share of beneficiaries aged over 35 years. In the DDBC, nearly two out of five (37%) of beneficiaries are above 35 years of age, and a majority (69%) are at least 30 years of age (Figure 7, b). This may indicate that the more mature youth are better able to envisage and articulate viable business ideas and conversely, that successful start-up among the very young is more difficult to nurture.³⁶

Unfortunately, there is no aggregate information on the age profile of those who have benefitted from job creation (except the entrepreneur her/himself). Ultimately, this indicator would be of interest to gauge to what extent M3i contributed to job creation for youth.

The vast majority of beneficiaries have or are in the process of completing higher levels of education. University-level education is given for the HEI-student beneficiaries. However, university-level education dominates also among beneficiaries for HP-LIFE aspiring, DDBC, and TA interventions.

Figure 7: Beneficiaries by age and intervention



Source: Team estimates based on project data. *HP-LIFE students, HP-LIFE aspiring entrepreneurs, TA, and DDBC. ** HP-LIFE aspiring entrepreneurs, TA, and DDBC

M3i has successfully delivered services to women. M3i has been strong in involving women in different interventions, although relatively more successful in training than in more intensive support components (DDBC and TA). Females have accounted for 62 % of the students reached through HP-LIFE integration into university courses. They make up 49% of aspiring entrepreneurs trained in HP-LIFE.³⁷ Despite specific efforts to encourage women participants, they made up fewer than half - 42 and 33 % - of the beneficiaries of DDBC and TA, however.

M3i support has in turn delivered firm and job creation by women and for women. Female start-ups account for 46% of total start-ups supported by the project, which must be considered a significant achievement given the challenges associated with female entrepreneurship in Tunisia. Moreover, the FTE jobs created through HP-LIFE start-ups, technical assistance, and DDBC represent, in fact, most female employment creation (Figure 8).³⁸ Finally, the Follow-up Survey of former DDBC beneficiaries suggested that among the 23 female beneficiaries (out of a

36 These findings do not preclude the importance of exposing children and youth to entrepreneurship training early on to foster capacities that can be used later in life.

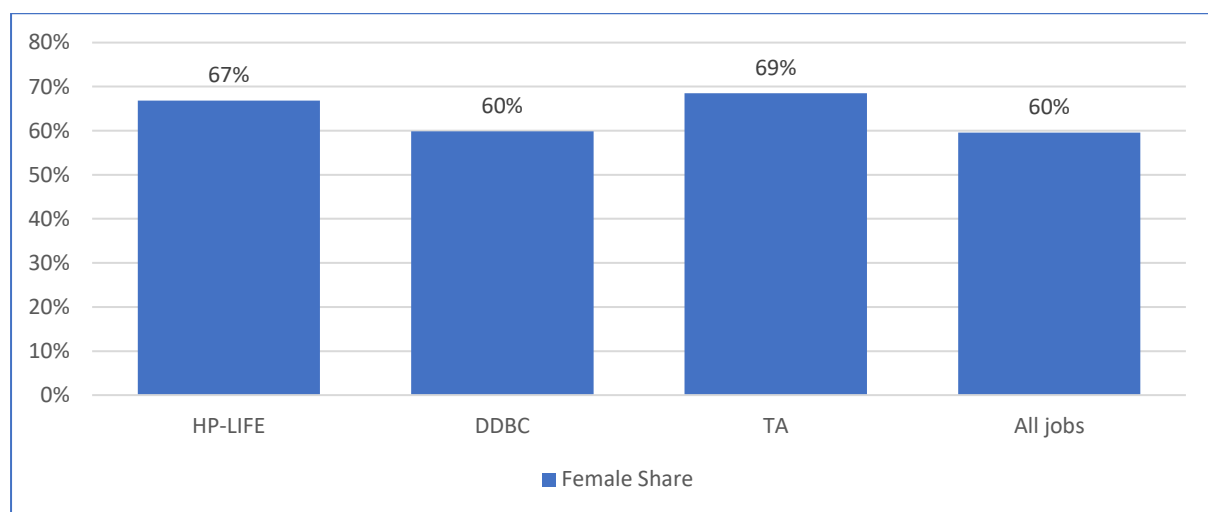
37 Refers to FY1-2 and FY4-6; gender disaggregated data not available for FY3.

38 This could also reflect (i) a higher propensity for women to wish to work for women entrepreneurs (ii) a higher propensity for women to accept jobs in start-ups (iii) firm creation in sectors

total of 42 surveyed), 19 still run an active enterprise, 1 was unemployed, and 3 were employed. And among firms, employment had increased in 11 firms, compared to 2018, and had remained stable in 3. These outcomes were compared favourably with the male beneficiaries, where a comparatively higher share of firms had reduced the number of workers or remained stable. Given the small sample size, these statistics are merely indicative, however.

Female-managed firms have been less successful in creating jobs than firms started and/or managed by male entrepreneurs, however. Women-led businesses supported by M3i are smaller than those managed by men: they have contributed to 35% of total FTE jobs. Female-managed firms are more likely to create jobs for women (79% of their workforce is female). A more detailed analysis would be needed to understand what is driving the tendency for women to run smaller firms, and whether this is a result of individual choices (time use, preferences) or external constraints (discrimination, finance, sector of choice, etc.).

Figure 8: Female share of FTE job creation (% jobs taken by females), by activity



Source: Team estimates based on project data.

- The project has successfully delivered benefits for vulnerable governorates, and economic empowerment of excluded youth, and young women. The project is rated **satisfactory** on socio-economic impact, and on gender mainstreaming

4.1.5. Environment

M3i does not have a strong environmental focus but has mainstreamed sustainability, at least to some extent, in training and communication activities. Outcome-level indicators are lacking – for example, are BSIs now providing training in green business plans - but several activities focused on green businesses. Supported by AICS, the project has contributed to training BSI staff in promoting environmental sustainability and provided training to trainers and entrepreneurs in environmental tools and techniques for businesses. During COVID-19, social media stories included environmental practices. A specific HP-LIFE course focusing on the circular economy was developed in FY6.

- The project is rated **satisfactory** on environmental impact.

4.2. Progress to impact and risks to sustainability.

Progress to impact job creation and entrepreneurship opportunities has been strong. M3i reached its ambitious overall objective of creating more than 6,000 jobs and providing youth with entrepreneurship and job opportunities.

Qualitative evidence suggests progress can be attributed to M3i, but other factors may also have contributed. As discussed above, progress may not be entirely attributable to M3i as beneficiaries did receive support from other projects, and as many beneficiaries claimed to have intended to implement projects (whether start-up or expansion) irrespective of whether they had received M3i support or not. However, the field visits indicated strongly that beneficiaries viewed the high quality and intensity of M3i support, ranging from technical to psychological, as critical to their success.

The survey of a small set of former DDBC beneficiaries indicates that employment creation may have been sustained. Project M&E has measured the sum of jobs created within each year, and not the total number of jobs still alive at the end of the project. That is, a job created in FY2 is counted towards total output, although it is not known whether the job still existed in FY6. Young firms are more likely to not only create but also destroy jobs, compared to established firms.³⁹ The numbers for DDBC and HP-LIFE Aspiring Entrepreneurs especially may therefore overstate the actual employment impact. However, the follow-up survey involving 42 beneficiaries of DDBC shows that the vast majority of enterprises (37 out of 42) were still active after the pandemic and only one person was without employment (Table 4). Out of the active firms, half (18) of respondents reported increases in employment, whereas employment was unchanged in 8 enterprises and had fallen in 11 enterprises. With the significant caveat that this is a very small sample, there is, at least, no strong evidence of job destruction, despite the challenging business environment. As discussed earlier, women-managed enterprises appear to have fared better than men in this survey.

Table 4: Employment outcomes among DDBC beneficiaries

		Female	Male	Total
Active firms		19	18	37
Employment numbers	Increased	11	7	18
	Unchanged	3	5	8
	Decreased	5	6	11
Overall situation	Improved	12	8	20
	No change	3	3	6
	Worsened	4	7	11
Inactive firms		4	1	5
Employment situation	Unemployed	1	1	2
	Employed	3		3

Source: Estimates based on DDBC beneficiary follow-up survey

There is some evidence that the M3i (HP-LIFE) approach is known widely, beyond direct beneficiaries. HP reports that the number of users of HP-LIFE online fluctuates with M3i activities (higher take-up when training of trainers was taking place), although the total number of users far exceeds the number of M3i beneficiaries. This suggests that information about the program is spreading far beyond beneficiaries.

³⁹ E.g., Kane 2010 or Davial et al. 2015..

There is little information as to whether M3i helped develop a positive outlook among youth in the Governorates. Providing youth with a sense of belonging and a perception of inclusive economic opportunities was an objective of M3i. A wider-scale influence on youth perceptions in the governorates may have been a very ambitious objective but potentially attainable, given the intensity and quality of M3i communication activities. As discussed, progress on this goal has not been adequately measured. The report on FGDs with Youth from 2022, while valuable in tracking youth perceptions of challenges, acknowledges that the high share of former or current M3i beneficiaries or beneficiaries from other youth entrepreneurship programs in the FGDs results in limited information on a wider spread or knowledge of M3i or entrepreneurship views among potential rather than actual beneficiaries.

M3i could have contributed to developing a private market for business services, especially training, and coaching, to SMEs, but there is no evidence to evaluate this possibility. Lack of adequate quality services providers, and incentives for such providers to serve SMEs, is a significant problem in many developing countries. M3i has identified and contributed to building a network of providers and as such could have stimulated the development of training and coaching services by increasing demand for these services from regionally based private sector firms. This was not a project objective and is not measured by M3i, however.

Whereas the sustainability of jobs and firm-level results are threatened by poor economic conditions, M3i has proven to work also in adverse conditions. Project sustainability can be measured as the extent to which results achieved will last. The global economic downturn will likely affect many firms and jobs. The overall business environment will always have a strong impact on beneficiary firms; mitigating such risks is difficult, and projects can at best aim to build resilience. However, even during COVID-19, M3i succeeded in supporting the creation of jobs and firms, suggesting that the project has identified relatively resilient firms or business ideas for support. M3i also provides a good example of a flexible approach to reorganizing support to build resilience among beneficiary firms. From this perspective, the sustainability of jobs and firms has been supported by the project.

The sustainability of the approach is weakened by the lack of institutional integration, however. Another perspective of sustainability is the extent to which approaches are integrated, replicated, and scaled up by local stakeholders. In spring 2022, M3i organized an online “handover”/capitalization event with HEI (DGET/ISETs) including a tool package, business case studies, success stories, and other relevant material. A larger final stakeholder event could not be organized due to security concerns. In theory, HEIs not supported by M3i could choose to imitate beneficiary HEIs, as HP-LIFE is available free of charge and could be integrated into coursework. Several HEIs in non-targeted governorates have shown interest in the project but may not be prepared to implement the approach independently of additional project support, however.⁴⁰ The TE has not found evidence of direct replication of the HP-LIFE approach across institutions. Moreover, M3i has focused on delivering effective high-quality services through private sector providers rather than through BSIs, creating a potential trade-off between the quality of services and the institutional sustainability of the approach. Given the less intense collaboration with BSIs, there are limited guarantees that the BSIs will continue to make use of the HP-LIFE approach and keep updating their knowledge.

- The TE team does not have the information to judge whether M3i has led to more positive youth perceptions beyond beneficiaries. However, M3i has achieved its overall objective of creating sustainable job and entrepreneurial opportunities for many youths from vulnerable governorates, and with a high share of women beneficiaries. Progress to impact is rated **satisfactory**.

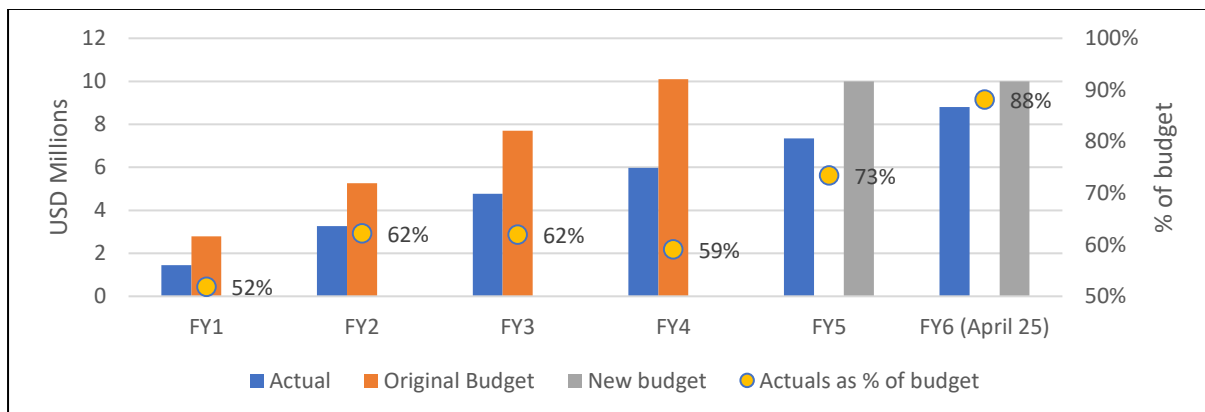
⁴⁰ Lack of adequate IT equipment may play a role as HP-Life requires digital access.

- The sustainability of jobs and firms is continuously challenged by the difficult global and national economic and political situation, but M3i firms have been supported to increase their resilience. Given that the M3i has not had a clear institutional host, however, the continued implementation of the HP-LIFE approach is not guaranteed, and the skills transferred to BSIs may over time become obsolete. The project is rated **moderately satisfactory** in sustainability.

4.3. Efficiency

A lower-than-foreseen expenditure rate prompted a reduction in the USAID budget by 20 percent in total.⁴¹ In 2021, the USAID granted a no-cost extension of the project to include a sixth year. As the project had been slower than foreseen in using USAID funds (reaching around 7 million USD by FY5, compared to the 10 million USD foreseen), the USAID budget was also revised to reflect what could realistically be spent before project closure. HP Foundation and the Italian Government have provided funds and other input as foreseen in the original budget⁴² and time schedule (Table 2 above). The actual spending remained (as of April 25, 2022), at 88 percent of the new budget (Figure 9). Actual budget expenditures are significantly lower than planned for output 1.1 (project communication), output 2.1 (HP-LIFE training for youth/aspiring entrepreneurs), and 2.5 (communication with youth) (Figure 10).

Figure 9: Cumulative budget execution vs approved USAID budget, FY1 to FY6 (as of 25.4.2022).

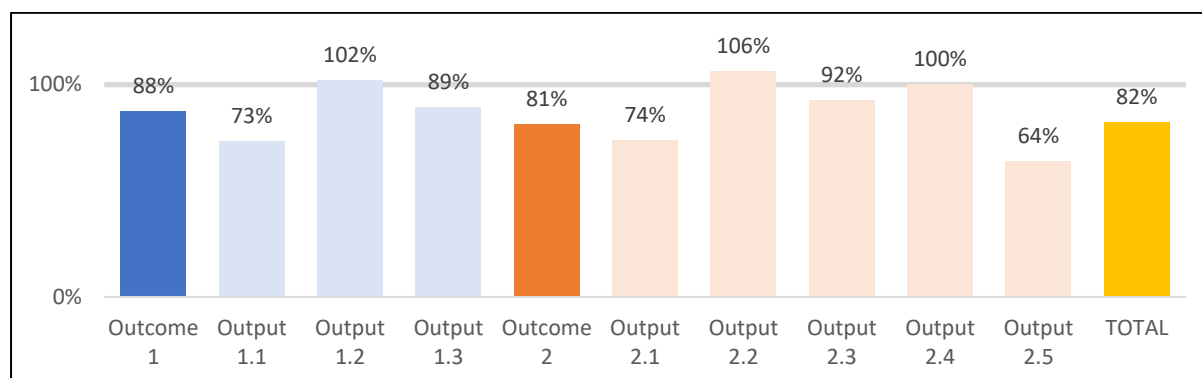


Source: Team estimates based on project data. Note: includes only USAID budget.

41 See Annex 6 for budget and cost estimates.

42 HP foundation provided 95% in kind, in the form of course material, travel, staff, and 5% in cash.

Figure 10: Budget execution as share of approved budget by output, FY1-FY6 (as of 25.4.,2022).



Source: Team estimates based on project data. Note: includes only USAID budget.

M3i has delivered outputs on a relatively timely schedule, despite various delays imposed by security concerns, political uncertainty, and the shock imposed by the COVID-19 pandemic. Despite a substantial budget cut, the project (as seen above) overall delivered training and capacity building over and above targets and with a lower budget than foreseen, albeit with an additional year to do so. Beneficiaries (youth, enterprises, institutions) and partners describe UNIDO project management as effective and transparent.

The project used cost-effective approaches to deliver results. Phase II represented a scale-up of an observed efficient project approach. First, the use of an existing learning framework and toolbox (HP-LIFE) and the consistent application of this toolbox across areas of intervention, provided significant synergies and cost savings. Second, the use of an online tool permitted M3i to provide access to a high-quality pedagogical toolbox to a large number of students. Third, the dissemination of relatable success stories through social and traditional media allowed for wide communication around project results and potential which could increase interest and take-up of training. Fourth, the establishment of regional focal points who in turn developed a local network of potential business service providers proved an efficient way of attracting coaches/trainers to the project and building regional networks. Regional focal points also possessed local, context-specific knowledge that could ensure project relevance, and assured regular project oversight.

The project has contributed to over 6,000 jobs at a comparatively favorable cost level per job created.⁴³ Using the expenditures related to HP-LIFE Aspiring (component 2.1) and DDBC/TA (component 2.3), for which job outcomes are measured, the cost per job created reaches around 1191 USD (Figure 10, a). Using total project costs (including components 1 and 2), the cost per job created increases to 1698 USD and 1918 USD, respectively excluding and including project support costs. These numbers compare favorably with other estimates on cost-per-job created in Tunisia undertaken by the World Bank⁴⁴ and are also lower than the cost levels achieved in phase 1 (Figure 11, b), suggesting that the project has been efficient in the use of resources.⁴⁵

43 Estimated using the costs for output 2.1 – HP-life training and coaching, at 3.7 million USD, and 2.3: DDBC and TA, 3.5 million USD.

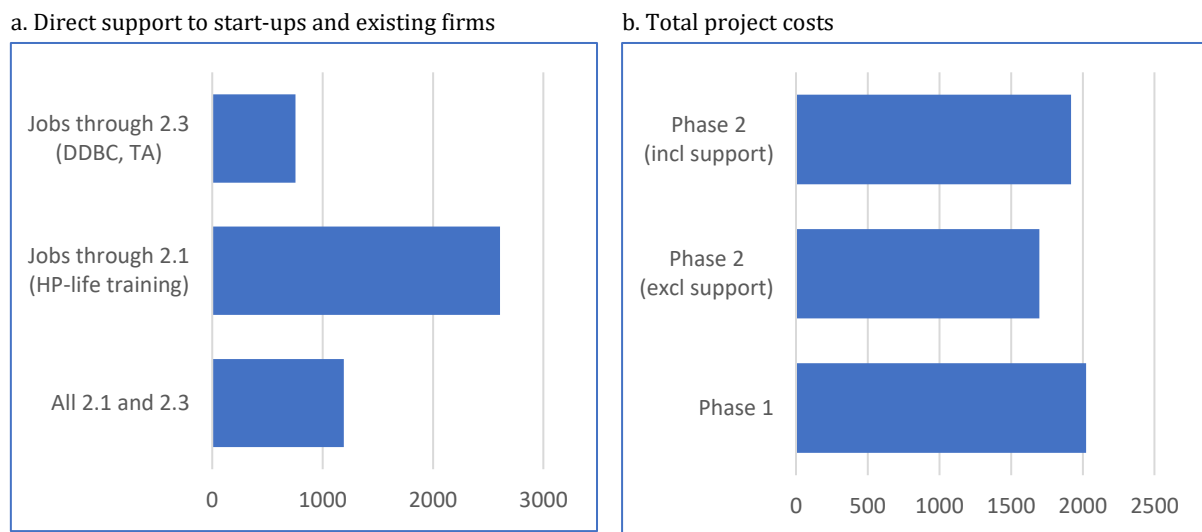
44 Note, however, that average costs per jobs do not provide a true estimate of cost-effectiveness which should include comparisons of jobs created in similar firms to estimate net additional contribution of M3i, using experimental or quasi-experimental approaches.

45 A computable general equilibrium model exercise for Tunisia suggested job creation through increased entrepreneurial activity may cost 3,000 USD per job. See Robalino, D. 2018: How much does it cost to create a job? Blogpost February 15, 2018. <https://blogs.worldbank.org/jobs/how-much-does-it-cost-create-job>. Note,

More intense support activities appear to have been more cost-effective. The cost of jobs created through HP-LIFE Aspiring Entrepreneurs is significantly higher (more than triple) than those of jobs created through the more intense coaching and technical assistance activities (Figure 11, a); that is, DDBC and TA appear to have been more cost-effective activities. However, these cost estimates do not consider that DDBC and TA also benefitted from promotional activities and events covered under HP-LIFE that served to attract beneficiaries to DDBC and TA activities.

For component 2, expenditures for DDBC and TA activities have not been separated, whether in budget or actual expenditures, although these involve different activities and target groups. Unfortunately, this represents a missed opportunity to test the efficiency and effectiveness of two quite different approaches to job creation and entrepreneurship support.

Figure 11: Cost per job (USD/FTE jobs)



Source: Team estimates based on project data, and terminal evaluation for Mashrou3i Phase I.

The project quickly adapted to COVID-19. The pandemic had several direct and indirect effects on project delivery. On the project management side, distancing and traveling rules required much activity to be moved online, which limited activity, coordination, and oversight, and the network building on the ground become more challenging for regional focal points. Workshops and training had to be moved online which caused some dropouts for the HP-LIFE aspiring students, whose motivation is generally more fragile than DDBC and TA entrepreneurs. Nonetheless, the team continued to deliver a high number of training, and coaching and other targeted support continued, some of it in person. The project also adapted its support to firms, including guidance on how to adapt to COVID-19-related challenges, how and where to access COVID-related support, and how to adapt to the digitalization of some of the BSI procedures for start-ups.

The project might have benefited from an even leaner approach, however. Project activities and objectives related to BSI support, overall youth perceptions, and enterprise TA and enterprise financing support, appear to have been more marginal than the components focusing on HEIs and youth start-ups. The spreading of scarce project management resources across many interventions complicates coordination and the development of synergies and may have contributed to the relatively weaker outcomes in relation to existing enterprises and financing.

however, that it is not easy to compare average costs per job and the measure does not provide a true estimate of cost-effectiveness.

This raises questions as to whether the additional coordination and implementation costs associated with many different interventions under one project umbrella is cost-effective.

The project team organization appears to have been efficient, achieving oversight, accessibility for partners, and local presence. The team was organized with a project team leader in Vienna, a Chief Technical Advisor and regional focal points in Tunisia, communications team members based in Vienna and Tunisia, and an M&E expert and team members in Tunisia. As mentioned, the regional focal points have played a significant role in ensuring an understanding of local context, accessibility and visibility, and local network building.

Partner collaboration and exchange have been efficient in the aggregate but have been affected by political instability and to some extent high turnover among partner focal points. Project communication has been regular and clear. At the same time, successive political crises in Tunisia together with changing priorities in the USAID country portfolio may have made communication across all partners less efficient. Although there should have been strong opportunities for synergies between USAID Jobs and M3i, the lack of a counterpart on the communication side for much of the project complicated dialogue and information sharing.

In FY2, the project set up a partnership with the German Agency for International Cooperation (GIZ) around a business plan competition, where M3i agri-entrepreneurs received support to prepare a business plan and compete for small start-up grants and access to further mentoring. The project also made efforts to coordinate with other USAID-funded projects in Tunisia, in particular the USAID JOBS (FY18-23), which focuses on updating curricula in HEIs and technical and vocational training (TVET), improved matching of youth to jobs, and providing comprehensive support to existing SMEs.

- The project has delivered job creation at what appears to be a comparatively low cost per job, with an efficient project management set-up and a responsive team. The efficiency is accordingly rated **satisfactory**.

4.4. Monitoring and evaluation and results-based management

M3i has put in place a systematic monitoring framework. An important recommendation from TE of Phase I of M3i was to strengthen monitoring and evaluation approaches to improve the basis for results-based management. The M&E activities have included preparing regular (bi-annual or quarterly) M&E work plans, supporting beneficiary selection (eligibility) and profiling, monitoring implementation, developing and adjusting data collection, evaluation and storage management tools, and ad-hoc monitoring activities such as spurious attendance in activities, data verification, and M&E training.

Project M&E shows several strengths. As per the recommendations, a Tunisian M&E expert was contracted for M3i and complemented with a junior national expert as of FY4. M&E has been systematic and fairly consistent over the period. The M&E has provided specific USAID M&E indicators (“economic growth” indicators), as well as monitoring indicators as outlined in the original logical framework.⁴⁶ A significant amount of beneficiary data has been collected and has served to estimate project achievements in terms of outputs, outcomes, and impact, which can be followed year by year. Project partners, including the Government, consider project reporting on progress timely, clear, and useful.

⁴⁶ Partly overlapping with project M&E indicators, the economic growth indicators requested by the USAID are presented for the entire project. The project’s logical framework indicators, which are more disaggregated, provide a clearer picture of differences in effectiveness between components.

The M&E team has undertaken regular quality assurance and monitoring activities.⁴⁷ Up until COVID-19 (fiscal years I-IV), the M&E team conducted workshops on M&E with the regional experts and undertook regular monitoring missions to the regions to check on and support M&E data collection. During COVID-19, the M&E team moved to online training and coaching of the regional experts, but the systematic recording of activities and results has continued. M&E has also been innovative as in FY5, additional questions on COVID were added to gauge the pandemic impact on firms.

Key tools for the M&E team have included the annual beneficiary surveys and beneficiary selection forms which have served to identify job creation statistics credibly. Every year, through the annual surveys, beneficiaries have been asked to cite current total employment numbers (by gender and by full-time – part-time) as well as those before the project. These numbers constituted the main project outcome indicator. The results and indicators presented in the annual reports and underlying data monitoring tables have been clear and following requirements set out by the logical framework, and the calculations of final FTE jobs are transparent.

No independent mid-term review was undertaken, but the project has been adapted and changed in response to monitoring and evaluation data. A mid-term review was planned for FY3 but was not undertaken due to COVID-19 restrictions. The annual reports have nonetheless consistently presented reflections on the lessons learned from project implementation and have presented actions taken for remedy. A concrete example of results-based management is an adaptation to the slower-than-foreseen development of start-ups and job creation emanating from the HP-LIFE component (output 2.1). This prompted a revision of the HP-LIFE approach, focusing on providing, *inter alia*, more intense support to students, strengthening the involvement of local stakeholders (“eco-system”) and creating more synergies with the DDBC component. These changes were implemented as of FY4 and resulted in improved outcomes.

Notwithstanding these achievements, the M&E system presents a gap between survey tools and depth of analysis. The M&E system evolved over time. This is a sign of learning by doing, but also means that monitoring information is not always comparable across years. The beneficiary surveys have evolved from short surveys directed to TA and DDBC beneficiaries (characteristics of enterprise, jobs impact of M3i, views on M3i), to more comprehensive survey instruments including detailed questions on needs, motivation, and personality traits of the entrepreneur. The wealth of data collected has not been analyzed in-depth, however, for example in reviewing how project ratings or job creation correlate with gender, location, age, or even personality traits.

The project has not consistently monitored age and gender outcomes. For example: (i) M3i has likely benefitted youth also through job creation provided by TA beneficiary firms, but these data have not been monitored or analyzed; (ii) the gender of heads of enterprise receiving TA or receiving further financing is not analyzed, and (iii) indicators have rarely been presented (in annual reports) by governorate. These are important indicators to gauge differentiated impact and identify specific versus general challenges and should be easy to collect and calculate through the annual survey instruments.

Unfortunately, there is no independent budget line for M&E activities. However, a back-of-the-envelope estimate of the minimum costs for M&E arrives at just under 0.5 million USD for the entirety of the project or 5% of the total (final) budget of 10 million USD.⁴⁸ This base estimate includes staff salaries for the M&E team and the cost associated with the annual survey. (It does not include the costs associated with non-M&E staff dedicating time to M&E – about 15% of their

⁴⁷ The TE team has been given access to a significant amount of M&E data through the UNIDO shared folder. This includes, *inter alia*, the questionnaires and data for the annual surveys for FY3-5 to beneficiaries under component 2, as well as student course evaluations (for the HEI) component.

⁴⁸ Information from the project team.

time.). M&E budgets of 5% of project costs is a commonly cited lower threshold in international development cooperation, suggesting that the investment in M&E in M3i has been well spent.

- M3i took on board the recommendations to establish a systematic quality M&E system and has provided regular monitoring, albeit not at a level of detail that could have provided more detailed information about beneficiaries. **M&E is rated Satisfactory.**
- M3i has been adapted in response to information about the lower-than-expected performance of one component and has changed in response to COVID-related challenges. The degree of **results-based management is rated Satisfactory,**

5. Conclusions

5.1. Summary of main findings

M3i, phase 2, was a two-pronged public-private partnership between UNIDO, the Tunisian Government, USAID, the Italian Cooperation, and the private company HP, running between 2016 and 2022. The project provided institutional capacity building and direct training and coaching support to aspiring and existing entrepreneurs, especially youth. The objectives were to provide youth with job creation and entrepreneurial opportunities and improve youth inclusion in vulnerable governorates.

The M3i approach was relevant to the priorities of all participating partners and complemented ongoing projects. Youth employment, private sector development, and improved skills and productivity have been on all donors' agendas and have been part of successive government's development vision in Tunisia. The project under evaluation was a scale-up of a successful first phase.

M3i has successfully and at a reasonable cost contributed to job creation for youth and women in Tunisia's vulnerable governorates through a relevant and logical design, clear targeting strategy, and efficient implementation:

- Based on clear **geographical and gender targeting**, M3i has reached underprivileged youth and has helped strengthen the economic empowerment of women. The project has rightly focused on underprivileged areas where business conditions, information, and opportunities are more limited than in the coastal regions.
- These achievements have taken place, and appear to have been sustained, during a **challenging time** including political and economic instability and a global pandemic, in no small measure due to the project's flexibility in adapting to emerging needs and in identifying and assisting in the building of resilient firms.
- M3i's approach relying on a growth mindset, effective and intense communication of success stories and role models through youth-friendly channels, selective support to high potential firms, and sub-contracting private business services providers for services, was well **grounded in research as well as in the experiences from Phase I.**
- Although cost comparisons are imprecise without an experimental design, **the cost-per-job appears low** compared to other projects.
- There is significant interest at the stakeholder level for **continued support for the project.**

Nonetheless, M3i contains components less well integrated into the project logic:

- **BSI institutional support.** The shift to relying more on private business service providers for delivering training and coaching, instead of relying on BSIs, likely raised the quality of M3i services to aspiring and existing enterprises. As recognized in the TE of phase I, BSI's quality of services is at best varied. BSIs likely face many constraints to increasing their capacity, many of which could not be addressed through M3i support. However, the lack of focus on BSIs in M3i has resulted in an unclear approach to BSI support, with limited skills transfers in terms of youth communication and outreach, even though BSI strengthening remained part of the project plan.
- **Technical assistance to existing firms was supplemented by a small subcomponent on assisting firms to access finance.** However, the finance component performed less well than others in terms of reaching targets and did not target youth entrepreneurs. Likewise, training in the green business plan was planned to be provided to a small number of beneficiaries. The value of adding such activities as a marginal intervention rather than mainstreaming is likely small.

- Project budget data do not permit **separation of resources spent on TA and DDBC activities**. TA to established (and not necessarily youth-managed) enterprises and support to youth start-ups are two very different forms of entrepreneurial support. By lumping them together the project has missed an opportunity to test the effectiveness (including cost-effectiveness) of these two different approaches against each other, informally if not rigorously.
- The innovative and intense set of **communication activities** has been one of the project's key strengths and is essential to the outreach, and uptake of services as well as to the objective of influencing youth perceptions. Despite their significance, the outcomes of the communication activities as an independent activity were not included in the log frame and have not been monitored.

The project team has been efficiently organized with a decentralized and effective regional network. Despite an underperforming expenditure rate, all components have been efficiently implemented albeit with a slight delay due to external factors. Communication has been frequent and of excellent quality. M&E has been satisfactory, in particular in regularly and consistently measuring jobs created through project support.

Project partners have been supportive and efficient, although priorities are now changing within USAID. USAID and Italy have been efficient in supporting the project financially; HP-LIFE in providing access to the HP-LIFE tool and associated capacity building. USAID has accounted for the bulk of funding towards M3i. A shift in USAID priorities has shifted focus to fostering private sector growth, partly by identifying existing high-growth firms and providing a pipeline of support with finance at the core, whereas entrepreneurship is no longer a priority.

Intensive coaching to a select number of aspiring entrepreneurs has been the most successful approach to creating jobs. DDBC activities have created many more jobs than other programs, and more jobs per firm (start-up) supported than TA-supported firms despite expectations to the contrary. TA-supported firms have been less successful in achieving job creation compared to targets. HP-LIFE training unaccompanied by further training and coaching measures have also created fewer jobs, although they have reached many more students and youth than other programs. However, the HP-LIFE aspiring entrepreneurs' component has been revised and the new approaches with some more intense additional support may work better. In addition, it is problematic to compare the HP-LIFE aspiring entrepreneurs to the DDBC entrepreneurs as the latter have been selected precisely because of their growth and job creation potential.

The comprehensive set of different interventions with different beneficiaries nonetheless complicated linkages between the components and may have limited opportunities for synergies. There have been limited interactions between components 1 and 2 in the implementation of the project, especially between the HEI component and the direct enterprise support. The combination of activities to existing enterprises and youth start-ups also added complexity, and the non-youth component did not prove as effective in reaching job targets. This raises questions as to whether the additional coordination and implementation costs associated with mixing technical assistance to existing firms (not necessarily youth-managed) and start-up support is cost-effective.

Links to other projects have been *ad hoc*. Achieving consistent coordination between different donor projects with different timelines and objectives is challenging. Given that M3i's focus (training for entrepreneurial skills and mindset) addresses only one of many constraints to business, collaboration, and coordination could help create a pipeline of project support beyond M3i's, in particular finance. Project M&E shows that beneficiaries have indeed received support from many different programs, but it is not clear whether these different supports were the result of a coordinated approach (complementary support) or overlapping in objectives and support. M3i has engaged in good collaborations (e.g., with GIZ), but on what appears to be an

opportunistic rather than strategic level. Synergies with the USAID Tunisia Jobs project and M3i were not leveraged.

External and internal factors raise risks to sustainability. Global economic turmoil and a difficult political and economic situation and the lack of a clear local institutional host to HP-LIFE training, outside of the HEIs, are raising risks to project sustainability. The lack of an institutional host within the government for M3i is a threat to scaling up or replication of the project.

M3i has established a more comprehensive set of M&E activities linked to the logical framework but has not fully explored these data to inform project management. M&E capacity building and regular beneficiary surveys have helped credibly monitoring key indicators. These statistics played a decisive role in guiding project implementation throughout the project. Quantitative information has complemented in-depth stories and strengthened project communication. Collecting comprehensive output data, as has been done, carries costs for the project and requires time and energy from beneficiaries and risks resulting in “survey fatigue”. The comprehensive data collected by the project for the annual surveys could be much more analyzed to understand, inter alia, the role of personality traits and characteristics in project success, and explore information on governorate, gender, or age. Alternatively, surveys could have been shorter and leaner. Moreover, qualitative evidence suggests that communication activities have played a significant role in strengthening project outreach, but their impact has not been monitored further by the project.

5.2. Recommendations

To UNIDO project management team: Advocate and replicate a streamlined version of the M3i approach in other UNIDO projects to create inclusive jobs. The combination of high-quality training approaches, intense coaching, public-private partnerships, active and flexible communication activities, and reliance on evidence-based approaches, has proved successful. The project team should be given the opportunity to market this approach internally and ensure that these approaches are consistently applied in entrepreneurship projects. However, the project team should consider whether some of the currently marginal activities – especially a specific finance output, and green business plans – should be mainstreamed.

To UNIDO project management team: Document and present M3i good practices and lessons learned in communications and M&E to UNIDO HQ for learning purposes. The project team should prepare short briefs and, if possible, hand-book-type material and present findings to a wider audience as these components are relevant across projects, irrespective of focus. The documentation should contain information on how the communications component as well as M&E practices were planned and implemented, and on successes, challenges, and main lessons learned, addressed to colleagues seeking guidance on the “how-to”.

To UNIDO project management team: Anchor the project institutionally in the Ministry of Education (HEI) and APII. The project team should develop a strategy for how to effectively “hand over” the project approach to the Ministry of Education (HEI) and APII. The project’s strong capacity for quality communication could be leveraged to prepare an information event for BSIs and HEIs, highlighting key pillars of the project approach, factors for success, and main challenges going forward without continued UNIDO support. Based on different (but scattered) initiatives with local BSIs, good practices or important activities could be illustrated and documented.

To the Ministry of Education of Tunisia: Sustain and replicate M3i’s approach in Tunisia. The Ministry of Education should take the lead in ensuring that the M3i approach is replicated in future youth entrepreneurship interventions. This process should include, as a first step: (i) identifying the institutional home of the M3i (Ministry of Education, or APII), (ii) identifying private or public financial support and partnerships, and (iii) identifying potential collaboration partners to strengthen services to youth with HP-LIFE as a basis.

5.3. Lessons learned

UNIDO projects would benefit from a streamlined design that focuses on one type of beneficiary or activity or provide very clear and actionable linkages between different project components. In the case of M3i, there have been very few synergies between different components and the diversification of activities has mostly added complexity. Future project teams replicating M3i should consider structuring projects to support either existing entrepreneurs or start-ups unless synergies can be identified.

Enterprise start-up training support based on good practices are effective approaches to creating sustainable new enterprises and jobs. Start-ups are fragile and generally account for significant job creation *and* job destruction. Business skills training, meanwhile, has been criticized for showing a weak effect on profits and job creation on average. Yet, DDBC - intensive training/coaching to high potential entrepreneurs at the start of their career - was the by far most efficient intervention for creating jobs in M3i, suggesting this should be mainstreamed as a priority approach to entrepreneurship support. M3i focused on good practice approaches grounded in research and previous project experiences, such as involving private sector know-how in training at different levels (HP-LIFE as well as local business experts), and focusing on developing entrepreneurial mindset, role models, vetting of high potential business ideas and individuals, intensive coaching, and modular learning approaches.

Intensive and multipronged communication activities have the potential to go beyond project reporting and contribute to development objectives. M3i shows the advantage of professional, positive, targeted information in the area of job creation and entrepreneurship. Such practices also have strong foundations in research in terms of increasing start-up and earnings, including for women, and should also be considered by future program managers in Tunisia or within UNIDO.

Project managers (sometimes) face a difficult trade-off between ensuring efficient project implementation and local project ownership and sustainability. Ensuring that good practice is transferred to local institutions and owned by them should be an implicit objective in all externally supported projects, although this was not an explicit objective of M3i. Weak capacity in public institutions makes it difficult to fully leverage these to support project implementation. At the same time, the lack of involvement of key national stakeholders results in poor institutional integration, replication, or scale-up of project approaches. This risk needs to be highlighted upfront and mitigation strategies identified.

6. Annexes

Annex 1: Evaluation TOR (see the link:

https://www.unido.org/sites/default/files/files/2022-07/TUN-120357_TOR_2205.pdf)

Annex 2: Evaluation framework

The Evaluation TOR presents 5 overarching evaluation questions. Based on the Evaluation policy, the evaluation questions have been mapped into the six DAC criteria, as follows:

1. How well has the project performed (*effectiveness*)? Has the project done the right things (*relevance*)? Has the project done things right, with good value for money (*efficiency*)? How well has the project fit? (*coherence, relevance*)
2. What are the project's key results (outputs, outcome and impact) and to what extent have the expected results been achieved or are likely to be achieved (*effectiveness, progress to impact*)? To what extent are the achieved results to be sustained after the completion of the project (*progress to impact, sustainability*)?
3. What are the key drivers and barriers to achieve the long-term objectives (*relevance*)? To what extent has the project helped put in place the conditions likely to address the drivers, overcome barriers and contribute to the long-term objectives (*relevance*)?
4. What are the key risks (e.g. in terms of financial, socio-political, institutional and environmental risks) and how these risks may affect the continuation of results after the project ends (*sustainability*)?
5. What lessons can be drawn from the successful and unsuccessful practices in designing, implementing and managing the project?

In Annex Table 1 below, more detailed guiding questions that form the basis for the evaluation are presented. Question 5 (lessons learned) is not included in the table as it forms part of a subsection of conclusions and recommendations on the basis of the analysis.

Annex Table 1: Evaluation Questions

Theme	Guiding questions
RELEVANCE	
- To what extent are <u>project objectives</u> relevant to the policy priorities of all partners?	<ul style="list-style-type: none"> ➤ Did M3 address youth skills and engagement needs? ➤ Was M3 aligned with national development priorities for e.g. regional development, youth, skills development, employment, and private sector development, as expressed in development plans and visions? ➤ Was M3 reflecting the priorities of donor partners, including USAID, UNIDO, HP and the Italian Government ➤ Are M3 objectives (including both the entrepreneurship and jobs focus, and the regional focus) still relevant to Tunisia's development challenges?
➤ How relevant was and is the <u>project design</u> for achieving objectives?	<ul style="list-style-type: none"> ➤ DID M3 identify clearly identify challenges, target beneficiaries and the program logic? ➤ Were gender and socio-economic vulnerability factored in? ➤ Was project design realistic and feasible given objectives, capacity and budget? ➤ Did project design reflect UNIDO's and other partners comparative advantage?

Theme	Guiding questions
	<ul style="list-style-type: none"> ➤ Were partner stakeholders (business support institutions, higher education institutions) the most relevant for ➤ Does the project reflect international good practice and lessons learned from other projects? ➤ Were risks and mitigation strategies identified at the design stage, including those related to political risks and capacity constraints? ➤ Did the project plan include a clear and sound M&E strategy? ➤ Did it include work plans linked to log-frame? ➤ Does the logical framework present a logical result chain with adequate and measurable indicators?
COHERENCE	
<ul style="list-style-type: none"> ➤ Did the project fit with other ongoing interventions and activities 	<ul style="list-style-type: none"> ➤ Is the project consistent with other donor interventions (complementary, synergies, or overlapping)? ➤ Did the project identify, coordinate with, and explore synergies with other projects focused on entrepreneurship, youth and skills?
EFFICIENCY	
<ul style="list-style-type: none"> ➤ Has the project done things right, with good value for money? 	<ul style="list-style-type: none"> ➤ Did the project deliver outputs according to original budget and time plan? ➤ Has co-financing and other inputs been provided as foreseen by project partners? ➤ Did the project use cost-effective approaches to achieve results? ➤ Has the project M&E been efficient and effective? ➤ Has the project been adapted based on monitoring information during implementation? ➤ How did the project adapt to COVID-19?
EFFECTIVENESS	
<ul style="list-style-type: none"> ➤ Did the project achieve its intended outcomes? 	<ul style="list-style-type: none"> ➤ What are the main results of M3? ➤ To what extent do they reflect the intended targets in relation to job creation, capacity building and youth engagement? <ul style="list-style-type: none"> ▪ To what extent is achievement attributable to M3? ➤ What aspects of M3 have been most important in driving (or blocking) results? ➤ Who has benefitted from M3? <ul style="list-style-type: none"> ▪ Are there gender, regional, socio-economic or other differences?
PROGRESS TO IMPACT	
<ul style="list-style-type: none"> ➤ What is the likely long-term impact of the project? 	<ul style="list-style-type: none"> ➤ To what extent has M3 empowered youth in these governorates with (i) entrepreneurship and job opportunities (ii) positive outlook and sense of belonging? <ul style="list-style-type: none"> ▪ To what extent is progress attributable to M3? ➤ Has the M3 approach been adopted by other training institutions or organizations (international, local) that support business or youth, in these governorates or others? ➤ What other long-term effects, unintended or intended, can be discerned?

Theme	Guiding questions
	<ul style="list-style-type: none"> ▪ For beneficiaries ▪ For other groups
SUSTAINABILITY	
What is the likelihood of benefits sustained over long-term?	<ul style="list-style-type: none"> ➤ What are the risks and key factors determining sustainability of outcomes? <ul style="list-style-type: none"> ▪ At the beneficiary level: Youth entrepreneurs sustaining activity, existing firms expanding ▪ Training institutions institutionalizing training modes and establish plan for continued upgrading of training provided ➤ What opportunities are there for M3 services to potential and existing firms to be institutionalized in business support institutions or by other means? ➤ What actions, if any, are necessary to strengthen sustainability at exit?

Annex Table 2 Interviews (online)

Surname	First name	Gender	Institution	Position
Wenitzky	Petra	F	UNIDO	Project Manager
Promberger	Stéphanie	F	UNIDO	Expert Entrepreneurship/SME
Cook	Elena	F	UNIDO	Communications expert
Bureau	Antoine	M	UNIDO	Chief Technical Advisor
Garbouj	Malek	M	UNIDO	M&E Team Lead
Hamrouni	Anis	M	UNIDO	Responsible HP-LIFE
Mhamdi	Sonia	F	UNIDO	HPLIFE Aspiring Entrepreneurs
Progonati	Ina	F	HP-Foundation	Sustainable and Social Impact Consultant
Riadh	Chaieb	M	HP Tunisia	Managing Director
Senorati*	Andrea	M	AICS Tunisia	Director
Hernandez	Luis	M	USAID Tunisia	Director, Economic Growth Office
Masmoudi	Hassen	M	USAID Tunisia	Sr Specialist, Economic Growth Office
Alimi	Abdelkader	M	Min of Edu, Tunisia	Directeur
Wajdi	Nefati	M	APII	(Ancien) Directeur de coop. intern.

**As per their request, the Italian team responded, in writing, to a written questionnaire.*

Annex Table 3: Field visit meetings

Surname	First name	Gender	Category	Gouvernorat
Ben Allala	Nizar	M	Institution/partner	Jendouba
Mejri	Noomen	M	Institution/partner	Jendouba
Ben	Leith	M	FG	Jendouba
Aloui	Rania	F	FG	Jendouba

Surname	First name	Gender	Category	Gouvernorat
Kahlaoui	Maha	F	FG	Jendouba
Jmayai	Amel	F	FG	Jendouba
Jmai	Boutheina	F	FG	Jendouba /Gharimahou
Nabie	Ouhiba	M	FG	Bousselem
Ouertani	Wided	F	FG	Boussalem
Nsiri	Khalad	M	UNIDO	Centre Ouest
Barhoumi	zied	M	FG	Kairouan
Talbi	Amir	M	FG	Kairouan
Amiri	Sonia	F	FG	Oussletia Kairouan
Nakhli	Habib	M	FG	Kairouan
Hedfi	Samia	F	FG	Kairouan
Abidi	Haifa	F	FG	Kairouan
Ousleti	Mehdi	M	Institution/partner	Kairouan
Hamdi	Seiffeddine	M	UNIDO	Kairouan
Abdelli	Mohamed Tayeb	M	FG	Centre Ouest
Mejri	Anis	M	FG	Kairouan
Zrigue	Maryem	F	Institution/partner	Kairouan
Salah	Riadh	M	Institution/partner	Kairouan
Zairi	Faycel	F	Institution/partner	Kairouan
Aissaoui	Taher	M	Institution/partner	Kairouan
Ben Belgacem	Hakim	M	Institution/partner	Gabes
Jnadi	Hanene	F	Institution/partner	Gabes
Bousbile	Mohamed	M	Institution/partner	Gabes
Jouda	Guesmi	F	UNIDO	Gabes
Hamdi	Raja	F	Institution/partner	Sidi Bouzid
Ncibi	Radhouen	M	Institution/partner	Sidi Bouzid
DHAHRI	Kamel	M	Institution/partner	Sidi Bouzid
Missaoui	Noureddine	M	UNIDO	Sidi Bouzid
Abdelli	MohalmedTayeb	M	UNIDO	Sidi Bouzid
Neciri	Khaled	M	Institution/partner	Sidi Bouzid
ohhr	Ridha	M	Institution/partner	Sidi Bouzid
Chebba	Rami	M	FG	Sidi Bouzid
Mesbahi	Fathia	F	FG	Fondok Jdid
ZIDI	Mariem	F	FG	Sidi Bouzid
Jebli	Imen	F	FG	Sidi Bouzid
Achouri	Nabil	M	FG	Sidi Bouzid
Saidi	Salem	M	FG	Sidi Bouzid
Harbit	Jamel	M	FG	Sidi Bouzid
Affi	Najwa	F	FG	Sidi Bouzid
Romdhani	Olfar	F	UNIDO	Sidi Bouzid
Neciri	Khaled	M	Institution/partner	Sidi Bouzid
Kout	Farah	F	FG	Medenine
Labiath	Jamila	F	FG	Medenine
Hamdi	Khaled	M	FG	Medenine
Benzayed	Moez	M	FG	Zarzis Medenine

Surname	First name	Gender	Category	Gouvernorat
Sahal	Sarra	F	FG	Medenine
Sassi	Anis	M	FG	Gabes
Benjemaa	Hassen	M	FG	Gabes
Dbaya	Khaled	F	FG	Gabes
Rehouma	Alaeddinie	M	FG	Gabes
Houcine	Ayachi	M	FG	Gabes
Gamoudi	Nawrouss	F	FG	Gabes
AlArbi	mahmud	M	FG	Siliana
Chebbi	salah	M	FG	Siliana
Bannoui	Sondos	F	FG	Siliana
Labidi	Faker	M	FG	Siliana
Berguaoui	Maha	F	FG	Siliana
Barguaoui	Moez	M	FG	Siliana
Kharroubi	Yosra	F	FG	Siliana
Hair	Seifeddine	M	FG	Siliana
Brahimi	Houda	F	Institution/partner	Siliana
Ajjel	Anis	M	Institution/partner	Siliana
Belaich	Mohamed	M	Institution/partner	Siliana
Saadi	Ines	F	Institution/partner	Siliana
Sayari	Brahim	F	Institution/partner	Siliana
bensmail	Randa	F	Institution/partner	Siliana
Hannachi	Najah	F	UNIDO	Gafsa
Yaakoubi	Mona	F	FG	Gafsa
Sghair	abdelfattah	F	FG	Gafsa
Nasser	Hassan	M	FG	Gafsa
Rached	MedSaid	M	FG	Gafsa
Naifer	Samah	F	Institution/partner	Gafsa
Khalifa	Makram	M	Institution/partner	Gafsa
Mhamdi	Sonia	F	Institution/partner	Gafsa
benJanet	Nabil	M	Institution/partner	Gafsa
Kacem	Amel	F	UNIDO	Zaghouan
Bouazzer	Malek	M	FG	Zaghouan
Ben Hammed	Helmi	M	FG	Zaghouan
Hadriche	Youssef	M	FG	Zaghouan
Ben Dhia	Mohamed Ali	M	FG	Zaghouan
El Hafi	Ali	M	FG	Zaghouan
Jlassi	Sameh	F	FG	Zaghouan
Sallem	Manel	F	FG	Zaghouan

Annex 3: Output and outcomes ratings

Quantitative indicators are rated according to UNIDO's guidelines (see UNIDO evaluation manual), unless commented.

Annex Table 4 Colour coding:

Highly unsatisfactory	Unsatisfactory	Moderately Unsatisfactory	Moderately Satisfactory	Satisfactory	Highly Satisfactory
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Annex Table 5: Component 1. Ratings

Output	Indicator	Cumulative Oct 2016 - August 2022			Target by 2021	% of target reached	Comment
		Total	Fem	Male	Total		
1.2	No. of BSIs strengthened in areas around entrepreneurship - enterprise creation	48	0	0	43	112%	The output targets are more than met, but outcome level indicators are lacking. The TE analysis indicates that although BSI representatives rate trainings favourably, BSI involvement has not been consistent and has been individual rather than institutional in nature.
1.2	No. of trainers and entrepreneurs trained in green business plan	104	29	75	40	260%	
1.3	No. of training providers equipped with IT to support HP LIFE trainings	28	0	0	14	200%	
1.3	No. of local trainers trained/certified in HP LIFE	41	1	3	45	91%	
1.3	No. of educators trained in HP LIFE from Higher Educational Institutions	223	110	113	145	154%	
1.3	No. of educators from HEIs that have integrated HP LIFE into the curricula	46	17	29	28	164%	
1.3	No. of students reached through integrating HP LIFE into the HEIs Curricula	1942	1208	734	5000	39%	Target was not met. However, the project measured only students directly trained and did not report on students reached indirectly through courses.

Source: Elaborated based on project M&E and TE data collection.

Annex Table 6: Component 2. Ratings.

Output	Indicator	Cumulative Oct 2016 - Aug 2022			Target Total	% Target reached	Comment
		Total	Fem	Male			
2.1 & 2.2	No. of new HP LIFE platform users from Tunisia	34253	0	0	No target		No target. HP Foundation reports that the number of users is highly satisfactory and that fluctuations in users can be traced to the timing of M3i training of trainers.
2.1	No. of start-ups enabled through HP LIFE	279	27	23	380	73%	
2.1	NEW FTE jobs created by start-ups launched following HP LIFE	1114	641	304	1810	62%	
2.1	No. of aspiring entrepreneurs trained in HP LIFE (F2F, ARGC, thematic tables)	8803	4382	2763	5000	176%	
2.1	HP LIFE beneficiaries that found employment	296	12	16	450	66%	
2.2	New entrepreneurship courses available in French and Arabic	13	0	0	1	1300%	
2.3	NEW FTE equivalent jobs created following Technical Assistance (TA)	780	447.5	135	1410	55%	
2.3	No. of Existing Enterprises assisted through Technical Assistance (TA)	130	0	0	150	87%	
2.3	Start-ups launched through Deep Dive Business Coaching (DDBC)	540	0	0	310	174%	
2.3	NEW FTE jobs created by start-ups launched through DDBC	3862	1754	1075	2330	166%	
2.3	No. of existing enterprises assisted through Mashrou3i that accessed finance for their growth phase	18	0	0	15	120%	Target was more than met. However, the target value appears very low given that all TA targeted firms are in a growth phase and (presumably) need finance.
2.4	No. of national and international investors that supported existing enterprises enrolled in Mashrou3i components	12	0	0	5	240%	

Source: Elaborated based on project M&E and TE data collection.

Annex Table 7: Component 1 and 2. Communications. Ratings.

Output	Indicator	Total	Fem	Male	Target Total	% Target reached	Comment
1.1	No. of BSIs assisted in communication with youth	145	0	0	14	1036%	Aside from participation and coordination along events, BSIs have not received specific assistance to improve communications around youth.
2.5	No. of public communication video clips and success stories	656	1	1	200	328%	Output targets are more than met, but there are no outcome level indicators monitoring communication. However, TE analysis reveals strong support for the quality of highly strategic, innovative and systemic project communication efforts among beneficiaries and project partners alike.
2.5	Surveys with youth in 14 governorates	23	0	0	3	767%	

Source: Elaborated based on project M&E and TE data collection.

Annex 4: Budget (actual) and cost-per-job

Annex Table 8: Actual Expenditures.

By results	USAID	HP*	Italy	Total
Outcome 1	1 037	345	24	1 406
Output 1.1	318	0	17	335
Output 1.2	7	345	0	353
Output 1.3	712	0	7	719
Outcome 2	7 812	600	410	8 822
Output 2.1	3 375	300	0	3 675
Output 2.2	501	300	0	801
Output 2.3	3 108	0	392	3 499
Output 2.4	0	0	18	18
Output 2.5	829	0	0	829
TOTAL excl. support	8 850	945	434	10 229
Support (13%)				1 330
TOTAL incl. support				11 558

Source: Elaborated based on project M&E and TE data collection. As of April 22, 2022.

Annex Table 9: Cost per Job: Estimations

	No. of jobs	Cost	USD/FTE job
All jobs (2.1 and 2.3)	6025	7 174 511	1191
Jobs through 2.1 (HP-LIFE training)	1410	3 675 227	2607
Jobs through 2.3 (DDBC, TA)	4642	3 499 284	754
Phase 1 total project cost	1654	3347748	2024
Phase 2 total project cost (excl. support)	6025	10228640	1698

Source: Elaborated based on project M&E and TE data collection.

Annex 5: Bibliography and project documentation

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Project documentation
Project document Mashrou3i
Annual Reports FY1-FY5
Annual Work Plans FY1-FY6
Bi-weekly report to donors FY5-FY6
M3i Communication Strategy 2017
M3i Communications Activities 2022
NCS meeting agendas and minutes
M&E documentation: inter alia questionnaires, data for annual surveys FY3-5; student course evaluations (for HEI component).
Budget and actual expenditures data