



## SIYB IN PAPUA NEW GUINEA

### Historical background

The SIYB programme in PNG was established through a project funded by AusAid and UNDP, hosted by the Department of Trade and Industry through the Small Business Development Corporation, a statutory body and implemented by the ILO.

Phase 1 of the project began in 1996 and ended in 1998 following the abrupt closure of the SBDC Offices under the 1999 Budget initiatives handed down in November 1998. At that stage SBDC provided direct delivery of services through a network of branch offices in the main centres and a staff in excess of 70. The services were also provided to a network of SED providers spread all over the country, called Network Partners (NPs).

The Project was transferred to the Investment Promotion Authority (IPA) following the closure of SBDC in April 1999. During this period all branch offices were closed and all staff retrenched. All services of SBDC were cancelled, with the exception of the SIYB programme operating from IPA. Contact with most NPs was lost and very little record was kept of training activities taking place over this period, although training still continued and training material was still provided from IPA.

With the change of Government in July 1999, the new Minister for Trade & Industry directed that the Project be relocated back to SBDC. That directive was taken with immediate effect and by January 17th 2000, the project was physically relocated to SBDC office with its staff, materials and equipment. The major change being that the staff compliment of SBDC was reduced to a ceiling of 23. Following a strategic planning exercise, it was decided to no longer provide direct delivery of services, but to capacitate the NPs to undertake delivery of services on behalf and in partnership with SBDC.

During the first phase of the project, the standard SIYB training material was adapted for the PNG environment and Trainers and Master Trainers were capacitated to effectively use the training material programme with the respective target groups of the organizations (Network Partners) they represent. A data base was also created to collect data on all training conducted, and monitoring and evaluation data relating to these training services provided by NPs, their SIYB Trainers and Master Trainers.

The data base was not updated during the period of closure of SBDC, resulting in a lot of training data missing. Despite attempts to clear this backlog, the data for that period cannot be relied on as being complete.

### 1.2.2 Current developments

AusAid and UNDP provided additional funding for a second phase of the SIYB programme in PNG. This phase commenced in March 2000 and will end in February 2002. Negotiations are currently under way for a third phase focusing on establishing a broad based and more holistic enterprise development process and structure at provincial level and to address the established needs for sectoral adaptation of the SIYB training material.

A simplified version of the SIYB programme targeting Micro Enterprises has been completed during the second phase and work is under way to adapt the programme specifically for the Fisheries industry. Funding is currently sought for the adaptation of the SIYB programme to cater specifically for the Agricultural sector, Eco-Forestry and Small Building Contractors. The programme will also be pilot tested in seven Vocational Technical schools and based on the success of this pilot, will be incorporated in the curriculum for these schools.

Due to the small population of PNG, it is believed that the SIYB programme focal point will only be able to sustain itself financially if a broad base of needs can be addressed through an extended product range.

For this purpose, a not for profit company EDMAS (Entrepreneurial Development and Management Advisory Services Limited) has been registered and is being established with ownership predominantly in the hands of the private sector. Currently it is a subsidiary company of SBDC and the intention is to privatize EDMAS as soon as financial sustainability is achieved.

### 1.3 Objectives of the study.

The only formal assessment of impact of the SIYB programme in PNG has been undertaken during the project evaluation process of phase 1. Monitoring, evaluation, quality control and client visits were undertaken during phase 2, but no researched and validated information exist to determine the extent of impact with the SIYB programme in PNG. It was thus decided to do a comprehensive impact study to determine the following:

- Profile of trainees participating in the SIYB programme.
- Delivery and quality of training.
- Impact of SIYB training on the businesses of trainees.
- Extent of business start-ups following SIYB training.
- Access to start-up capital.
- Increased investment and business expansion following SIYB training.
- Employment created following SIYB training.
- Variety and quality of support services provided by NPs.
- Impact of the policy environment on the businesses of trainees.
- Employment conditions and the employee environment in businesses of trainees.
- Future expectations of trainees.

### 1.4 Methodology adopted for the study.

#### **Sampling**

It was decided to carry out the survey based on a sample regionally distributed across the four main provinces (Southern, Islands, Highlands and Momase) in which the SIYB programme is active. The

reference period was decided as four years (1997-2000). Within each of the four provinces the sample was based on the following control variables:

**a) men/women and, b) SYB/IYB workshops.**

The sample drawn within each region was based on the entire universe of the two above mentioned control variables. The total known universe of SYB participants is 1,369 distributed on 1,071 men and 298 women. The total IYB universe is 123 distributed on 76 men and 47 women. The entire universe is likely higher than 2,000 but due to low reporting by Network Partners the entire known universe is 1,492.

At a confidence level of 95% with a marginal error of  $\pm 3\%$  the total sample size for SYB is 411. This is a sample size of roughly 30% of the universe. Since the IYB universe is significantly smaller the sample size is larger. Based on the same level of confidence and marginal error the sample size is 89, which is a 72% sample of the universe.

It was decided to do this simple random sampling process to keep logistics and costs reasonable. It was acknowledged that adding additional control variables – such as project phase 1 (1997-1998) & project phase 2 (2000 –2001) as well as Network Partner who trained and perhaps rural/urban split – would increase the sample size significantly and thus also the cost of collecting data since infrastructure is poor and travel time and cost high. It was envisaged that 10-12 interview clusters, distributed across the four regions will be created, with the number of clusters per region dependent on the extent of training activity, thus the drawn sample within each region. No entrepreneurs trained in 2001 will be included in the impact assessment since time has to be allowed for impact after training.

In addition, a control group of 30 entrepreneurs for the IYB impact assessment was selected. Regional survey coordinators will be the entry point for the control group selection. In selecting the control group, the regional survey coordinators contacted organizations working in the small business development sector.

These organizations included role players such as the SIYB Network Partners, local government commerce divisions and SED organizations. The information gathered from these sources was used to create a list of entrepreneurs, of similar size and sharing similar characteristics with the SIYB entrepreneurs.

As with the IYB sample, this list of entrepreneurs was then stratified by region to correspond as closely as possible with the SIYB sample clusters. A sample of entrepreneurs was then randomly selected for interview from within each cluster. In this way, each sample cluster formed an interview cluster, containing both SIYB and control entrepreneurs. Again, this has been decided in order to keep costs within reasonable limits.

In the case of both the SYB/IYB and control samples, a 10% over sampling has been done in case some entrepreneurs were difficult to locate.

**Data collection instruments**

For purposes of data collection, a structured interview procedure was opted for. Three questionnaires were designed for SYB interviews, IYB interviews and Control Group interviews. At the request of

ILO Geneva, questions relating to the policy environment and job environment and quality were included to fit in with an international research project undertaken by them.

The SYB questionnaire consisted of 112 questions printed on 23 pages, IYB 87 questions on covering 17 pages and Control Group 66 questions covering 13 pages. The questionnaire was structured in such a way that a distinction could be made between trainees that had a business at time of SIYB training and those that did not have a business at time of SIYB training.

It was also structured to distinguish between trainees that have started a business since SIYB training and those that have not start a business since SIYB training. Due to this structuring, interviews were limited to between 45 minutes and one hour. Questionnaires attached as Appendix 1.

### **Logistical arrangements**

In order to plan implementation of the study and field work to be conducted, a workshop was arranged. This workshop was facilitated by ILO Geneva. Staff of SBDC, the SIYB Programme Office, SIYB project and a Master Trainer from each of the four regions of PNG was present. Action Plan to implement the impact study is attached as Appendix 2.

The regional division applied in PNG was used to structure the logistical and operational activities during the data collection phase. An external collaboration contract was entered into with each of the four Master Trainers that agreed to play the role of Regional Coordinator (RC). For this purpose, each RC had to develop a action plan plus budget on a set format.

The budget (and thus also the contract) was drawn up to cover all costs associated with planning, implementing and managing the total process in the region. Two staff members of the SIYB Programme Office coordinated two regions each. The SIYB project staff (2) and National Counterpart managed the total process from Port Moresby.

In order to ensure that each RC had an equal workload (number of interviews to be conducted) interviewees were swapped between regions when ascertained that they no longer resided at the address given during training. Each interviewee thus had to be contacted in advance to ensure that they were still residing at the address indicated on the attendance register and to make an appointment for the interview. For this purpose an introductory letter was sent out to each sampled interviewee and where no response was received to the letter, Network Partners were requested to make contact with the interviewee.

A total of 47 interviewers were employed by the RCs to conduct the interviews. The Project Office conducted training for the interviewing process in each region. During these occasions, all required stationary and questionnaires were distributed.

All completed questionnaires were first verified by the RCs and then delivered to the two coordinators in Port Moresby with DHL. Based on the regional survey report and acquittal of funds, final payments were made to RCs.

The SIYB Project Assistant was trained to design the data capturing forms and the SIYB Project Office captured all data.

No software or support was available in Port Moresby for purposes of analyzing the data and the SIYB Project Assistant thus had to travel to ILO Geneva to receive training for this task.

## 2. RESPONSE RATE

A total of 429 correct and completed questionnaires were received from the fieldwork. Thus a total response rate of 81%. The response rate for the different categories was as follows:

- SYB 85%
- IYB 62%
- Control Group 90%

The main reason for the low response rate for the IYB category is inappropriate training provided to trainees. This happened when a large number of members from a church self-help group were trained in IYB as part of a national convention. It was meant as an awareness exercise. None of the participants had a business or any intention to start one. After the national convention, all members went back home with no forwarding address. They could thus not be traced for interview purposes.

Copyright © 2006 Start and Improve Your Business. Last modified: 10/12/07