

## WLSME: The Women's Leadership in Small & Medium Enterprises Evaluation Activity

In recognition of the important role SMEs play in economic growth, international efforts have increasingly focused on unlocking the potential of this sector. To this end, USAID has committed \$3.5 million over a 3-year performance period to funding innovative interventions to increase the entry and growth of women-owned and women-managed SMEs in the developing world.

Each intervention will also be accompanied by a rigorous impact evaluation carried out by **FHI 360** under the **FIELD-Support LWA**. The organizations that are implementing activities under USAID's WLSME program include ACDI/VOCA with BT Fund in Kyrgyzstan, CARE in India, and GRADE/Sector 3 Social Venture Group in Peru.



WLSME India/Photo Credit: Jennifer Headley, FHI 360

Well-intentioned development programs are often implemented in the absence of rigorous impact evaluations and the presence of a counter-factual. Such evidence is particularly lacking in the programmatic field of female-led small and medium enterprises. Most evaluations in this context are qualitative in design and/or focus on processes. In the absence of more structured and controlled impact assessments, it is still unclear as to which interventions are more likely to create and grow female-led SMEs, and why.

Under the FIELD-Support LWA, FHI 360 is leading efforts to evaluate the impact of the three USAID-funded interventions that have been designed to enhance women's leadership and help them grow their small and medium enterprises. The impact evaluation will be carried out across the three selected sites and corresponding implementing organizations: India (CARE), Peru (GRADE/Sector 3 Social Venture Group), and Kyrgyzstan (ACDI/VOCA).

An experimental design will be employed at each site, involving a randomized controlled trial in which women and their businesses in intervention arms will be compared to those in control arms. Baseline data will be collected pre-intervention, and at least one post-intervention survey will be implemented 12 months after women complete their respective programs (or not, in the case of controls). Resources permitting, additional post-intervention data collection will occur 6 and 24 months after program completion. The addition of two endpoints will enhance

### Why Women and SMEs

Addressing women entrepreneurs' relative absence in the SME sector is important to the promotion of broad-based economic growth and poverty reduction in terms of higher productivity and efficiency gains. The World Bank estimates that SMEs contribute an average of 51.5 percent of GDP in high income countries—but only 15.6 percent in low-income countries.



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statistical power and permit the identification of temporal trends.

Women and their businesses will be compared along four primary sets of indicators - **entrepreneurial leadership, business skills/practices, social and professional networks, and business growth**. In an effort to enhance generalizability of the results, some of these indicators will be standardized and remain identical across the three sites. Given the distinct nature of the three cultures and types of enterprises, however, other indicators will be site/industry specific. To enhance instrument validity, all questions will be informed, to varying degrees, by formative research and subsequent pre-testing.

To better understand which components of the interventions are most effective and why, focus groups and in-depth interviews will be carried out among a sub-sample of participants at each site after program completion. In this mixed methods design, these qualitative data will serve to inform trends observed in the statistical analyses.

**To find out more about these interventions, which are not under the FIELD-Support LWA, please visit <http://www.wlsme.org>.**



## India

**CARE USA** in India, in partnership with the Loyola Institute of Business Administration (LIBA) as a subgrantee, is implementing an innovative program that promotes women's leadership and the sustainable growth of 210 women-owned and managed cashew processing small and medium enterprises.

This project conducts critical research and learning activities to disseminate and share with the development community to examine how women leaders of small businesses can better engage in the cashew value chain. The community of women producers of cashew in Tamil Nadu will provide a study population that complements existing activities and give broad scope for learning.

## Kyrgyzstan

As part of the Women's Leadership in SMEs initiative, **ACDI/VOCA**, with its partner organization Bai Tushum Fund (BT Fund), will work to reduce barriers to human capital, social capital and business information that limit the growth of women-owned SMEs in the Kyrgyz Republic by building management capacity and providing targeted training and technical assistance to women who have the potential to start up and grow SMEs. As a result of program participation, women entrepreneurs will not only be better able to grow their businesses but also increase their demand for, and access to, appropriate financial services.

## Peru

**Grupo de Análisis para el Desarrollo (GRADE)** and **Sector 3 Social Venture Group** have partnered in Peru to implement the Women Entrepreneurs Leading Development project (WELD). The objective of WELD is to improve the growth and competitiveness of small enterprises in Peru by providing targeted capacity building for women business owners. Specifically, the project will address existing market gaps in social and human capital. Participating entrepreneurs will be exposed to two separate interventions to determine which strategy – individual advising or peer working groups – is more successful in improving business practices and profitability, and increasing leadership in SMEs.

FIELD-Support LWA is a cooperative agreement between USAID's Microenterprise and Private Enterprise Promotion Office and FHI 360 and its consortium of 23 development partners. Learn more at: [www.microlinks.org/field-support](http://www.microlinks.org/field-support).

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