



NATIONAL BUSINESS INITIATIVE



FINAL REPORT OF AN END-OF-PROJECT EVALUATION OF THE YOUTH ENTERPRISE VOLUNTEER MENTORING PROJECT

A joint partnership business development and support project of the National Business Initiative with the Nations Trust

Sponsored by:

City of Cape Town
Royal Netherlands Embassy
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Jan Beeton

12 May 2006

Executive Summary

The YEVM Project took place over a period of 22 months between August 2004 and June 2006, managed and delivered jointly by the National Business Initiative and The Nations Trust, and sponsored by the City of Cape Town, the Royal Netherlands Embassy, the Small Enterprise Development Agency, the Swiss-South Africa Cooperative Initiative and the W K Kellogg Foundation. There were a number of other agencies and corporations who also gave their support to the project, including the Afrikaanse Handels Instituut, Bowman Gilfillan and Ernst and Young.

Prior to the inception of the project in August 2004, several months were spent by the project partners in project planning, together with documenting models and processes to be used in the project. Recruitment of volunteer mentors commenced in October 2004, targeting companies through the NBI, and others in the development sector, to identify volunteers with prior mentoring and small business development experience. Mentors were signed up by the project from March 2005. Clients, granted loans by the Umsobomvu Youth Fund and Unilever, were recruited from the inception of the project from a pool of 500 clients earmarked to be included in the project.

The primary objective of the project, as stated in the terms of reference for the evaluation agreed by the project partners and other key stakeholders, was to provide at least 150 mentors to 200 new youth enterprises, in order to grow the businesses in size, and increase their profitability. A secondary objective was to test the hypothesis that volunteer mentorship is a value-adding and cost-effective intervention for a micro lending agency such as TNT that seeks to promote youth enterprise in particular.

The numbers of clients and mentors actually interviewed, either in focus group discussions, pair guided discussions between one entrepreneur and one mentor, as part of business visits made by the evaluator, or in individual interviews, was relatively small by comparison with the samples planned. The intention was to interview all 200 young entrepreneurs (100%) and at least 25 mentors (25%). In the event, 44 entrepreneurs (22%) were interviewed and 14 mentors (14%). Three of the five sponsors of the project were interviewed, as well as the five key project staff members from the NBI and TNT. Telephone interviews were also held with two staff members of Bowman and Gilfillan, who ran legal clinics for project clients, and provided follow-up consultation services. Although the clients numbers interviewed were small, the quality of the data gathered was considered by the evaluator to be of an adequate standard from which to derive her findings and draw some useful conclusions. The number of interviews held with mentors was, however, considered to be on the low side. Furthermore, interviews were only held with mentors who were active on the project. Valuable data was gathered from the donors and staff members interviewed which, in the evaluator's view, compensated to a certain extent for the lack of substantial numbers of mentors interviewed. In the evaluator's view, further research could be considered with the remaining clients and mentors on the project before any future project was planned and implemented, to further substantiate the findings of the project, the conclusions drawn and the recommendations made.

Whilst the project provided a great deal of learning, and although there were small pockets of success along the way, which may warrant further exploration in a second pilot project in the future, the evaluation points to the overall conclusion that the initial pilot project did not succeed in achieving its objectives. 101 volunteer mentors (or 67% of the 150 targeted) were recruited. 200 youth enterprises (100%) were recruited. Only 36 mentors were in active relationships with clients at the end of the project. The majority of the mentors recruited were either inactive or deregistered. No firm evidence was produced by the project that clients or their businesses had grown in size, or improved their turnover or profitability.

Whilst working with a mentor was voluntary for clients, there appeared to be a keen willingness on the part of the majority of the entrepreneurs interviewed to work with mentors. There was also evidence, however, that mentors experienced problems with client commitment to the mentoring process. The evaluator interviewed five mentors and clients who were in active relationships at the time of the evaluation. Whilst these relationships appeared to be working, there was no conclusive evidence concerning the growth of the entrepreneurs and their businesses as a result of the support provided. 72% (144 of 200) of the youth enterprises were without a mentor at the end of the project.

There were problems and weaknesses in project management and delivery which contributed to the objectives not being achieved. Some of these could be linked to factors outside the control of the project partners, others were not. Significant external factors were organisational disruptions, with discussions and negotiations taking place concerning a merger between TNT and Umsobomvu Youth Fund throughout most of 2005. The merger was concluded early in 2006. Internal staff turnover, together with HR difficulties of a serious nature, also affected the ability of the project to achieve the outcomes intended. Problems resulted with the effective functioning of the project structure. Insufficient staff capacity, which exacerbated difficulties in the project structure with delegating work functions and activities, a lack of clarity concerning roles, responsibilities and reporting lines, as well as challenges relating to the partnership between a developmental NGO and a business NPO, were considered key here.

There were also operational dis-junctures in the project, with time lags and delays, for example, in the recruitment and matching of clients and mentors, which was done on an on-going basis throughout the project. There were also issues concerning the selection of clients and mentors for the project. Although clients underwent a selection process for the granting of loans, no selection process was undertaken for qualifying to receive a mentor. Mentors who applied to become part of the project were registered on an all-comers basis. They proceeded to induction without a clear initial selection process in place. Diversity proved to be an issue arising from the evaluation, to which the project could have paid more attention in the selection of mentors. Lack of availability of mentors, changes in mentors' personal circumstances and loss of interest on many mentors' part, were all issues arising from the evaluation, which pointed to the need for a more careful selection of mentors. Evidence from some mentors concerning the lack of client commitment to being mentored also pointed to the need for a client selection process to identify those clients who not only agreed to be mentored, but also might benefit more from the mentoring process than others.

The evaluation also pointed to questions about whether the relationships between clients and mentors were possibly more about on-the-job training or coaching than mentorship, and whether this might have contributed to a loss of interest of mentors in the project. Mentoring is considered to be a fairly high level process which may not be appropriate for lower level businesses and inexperienced young business people, who predominated in the project. There was some evidence, for example, that mentors were being used by clients to provide elementary business start up information and basic skills training, rather than acting as guides and sounding boards to make inputs for improved decision making by business owners.

Finally, no comparative impact assessment data comparing employment, turnover and profitability of businesses and entrepreneurs' personal growth at inception and end of the project was available at the conclusion of the project.

A key learning point arising from the findings of the evaluation for the evaluator was the need to link business planning in any future project to a clearer understanding of, and strategy concerning, what kind of clients can best be served by what kinds of business development and support services in order to grow in size and profitability, together with what businesses might benefit more by the provision of mentors to achieve these objectives, and what kinds of mentors are more likely to succeed with these clients.

The main recommendation made by the evaluator was that the project should move into a second pilot phase for a minimum period of 3 years to test the project hypothesis further, once the weaknesses of the project had been addressed.

Key elements of the ultimate success of a future project for the evaluator would be a project marketing strategy and plan designed to recruit sufficient volunteer mentors, who would be suitable to work with largely historically disadvantaged businesses and communities, the careful selection of young entrepreneurs who would be committed to the mentoring process, and would be more likely to benefit from it, in order to achieve the objectives of the project, and sound project management and implementation, which would include on-going comprehensive formative and summative assessment of the impact of the project. In the evaluator's view, attention should also be paid to the body of international literature that exists concerning mentorship programmes with youth-at-risk, and the use and management of volunteers.

Introduction

The background to the project

Over the last decade, the **National Business Initiative (NBI)** has gained widespread recognition and respect for its ability to use business leadership and resources to help meet the challenges of a nation in transition. The cornerstone of NBI strategy is based on the belief that **investment, job creation and economic growth** are the critical challenges facing South Africa over the next decade. These challenges are reflected in interventions and programmes that the NBI undertakes, including support for the development of small business in the country. One of the key obstacles preventing the government, and other concerned stakeholders, from tackling the challenges mentioned above is the huge lack of skills at different levels of the population. There is also a marked imbalance in the skills levels of differing groups. The NBI *EnterPrize* programme, run by the NBI for the past four years to promote job creation through the stimulation of small business development, owes a large part of its success to tangible inputs such as prize monies, but also to softer issues such as the unique volunteer model adopted by the competition, transferring skills to small businesses by means of mentoring and coaching. The *EnterPrize* programme was sponsored by some of the same sponsors now sponsoring this project, such as the Royal Netherlands Embassy. Two years into the *EnterPrize* programme, however, the NBI felt that it was not enough, and that more was needed than just a focus on business planning. The feeling was that work needed to be done in the real world of small enterprise development, doing the real thing. It was the successes achieved in the competition, together with TNT's prior experience of mentoring with small business on the ground, that prompted The Nations Trust, an agency specialising in micro-loans lending to small businesses, to approach the NBI to propose a dedicated small business development mentoring project for youth entrepreneurs, using a combined loans and volunteer mentoring model.

During 2005-6, with funding from the Small Enterprise Development Agency, the Royal Netherlands Embassy, the W K Kellogg Foundation, the Swiss-South African Co-operative Initiative and Cape Town City Council, and support provided by Bowman Gilfillan and the Afrikaanse Handels Instituut, amongst others, The National Business Initiative (NBI) and The Nations Trust (TNT) then jointly implemented a *Youth Enterprise Volunteer Mentorship Project* for emerging young entrepreneurs who had taken business development loans with TNT. The principal objective of the project was to assist 200 new young enterprises with TNT loans to grow in size and profitability, by providing them with 150 experienced and knowledgeable mentors from the corporate and development sectors. The project represented the third phase in mentoring activities delivered by TNT, making use of volunteer mentors with small business development and mentoring experience, as well as specific business skills and knowledge. In the first phase, which commenced in 1995, the mentoring activities made use of community leadership volunteers (this was the era of civic mobilisation, when government was focusing on the 'buy in' of communities in the country). This was not particularly successful because community volunteers lacked the necessary business skills and experience to be effective mentors. In 2000, the focus on mentors shifted, in the second phase, to recruiting from the ranks of loans officers, business trainers and SMME development consultants, who were paid a stipend. The approach failed for a variety of reasons. It was partially successful, but mentor motives and competence persisted as a worrying factor. There were also not that many 'full-time' mentors available who would 'work' for the stipend offered. (There were better paid programmes available – namely the Thuso and Sizanani programmes (Khula and banking sector respectively) in the market).

The philosophy of the project

The project aimed to support and grow small businesses established by young previously disadvantaged black South Africans between the ages of 18 and 35 (the current age definition of 'youth' in South Africa). The project was introduced *inter alia* to test the hypothesis that youth entrepreneurs and their businesses would fare better if loan activities, such as those offered by The Nations Trust (in conjunction with the Umsobomvu Youth Fund and Unilver) were linked to mentoring support, such as that offered by The National Business Initiative. The project partnership believed that mentoring support should be offered on a voluntary basis in order to avoid the potential complexities associated with paid mentorship, such as raising donor funding to pay the mentors, and any possible conflicts of interest that might arise. Further thinking behind the project was that voluntary mentorship offered by experienced and skilled professionals was an effective way to transfer the business knowledge and skills acquired by business people and other professionals in their careers over many years to inexperienced young business people. These young entrepreneurs, together with their businesses, stood to benefit enormously from the process in terms of their own personal growth as business people, and the growth in income, profitability, as well as the employment creation potential of their businesses. Spin offs of the project would be the contribution made to the creation of a culture of business volunteerism in the country, and the creation of a corps of experienced volunteer mentors available to help others who were less fortunate than themselves.

Evaluation background

As required by the agreements between the NBI, TNT and its sponsors, the project was due for evaluation at the end of the project early in 2006. The sponsors felt that this would be a good time to evaluate the project, although the project would only end in practice in June 2006, after an extension of time had been given to compensate for delays at inception with implementation. Donor funding cycles would also be re-starting for the next financial year at this time, and decisions would be needed concerning whether the project should continue and whether to make new funding available to it.

This evaluation took place between March and April 2006 in both Johannesburg and Cape Town. It was conducted over a period of approximately 4 weeks by an independent development consultant contracted by SSACI, in accordance with the terms of reference for the evaluation agreed by the sponsors and the project partnership. **(Appendix A)**. The report that follows is the outcome of the evaluation and its findings. The fact that the project was still running until June 2006 should be borne in mind in assessing the information given in the report. Numbers could have changed by the end of the project and further results might still have been achieved.

Objectives and scope

The evaluation was planned to be largely summative, (post-project assessment), and for accountability to the sponsors. However, it could also serve a formative and developmental function to inform decisions about the future of this model of lending tied to mentoring. The main uses to which the evaluation was likely to be put were:

1. To inform a decision by current and prospective sponsors on whether, and to what extent, to fund TNT in 2006 and beyond
2. To inform a decision by TNT and NBI on whether, and to what extent, this project should be replicated or followed-on in any way
3. To inform decisions by TNT and NBI regarding the development of their lending and mentoring model, and the improvement of the planning and implementation of similar programmes in the future; and
4. To support future proposals by TNT and NBI to other potential donors.

In essence, the sponsors required the evaluation to answer four key questions:

Did TNT and the NBI do what they were required to do in terms of their obligations to the sponsors? (In other words, did the various inputs, services and activities, required by the contracts between TNT, NBI and their sponsors, take place, and was the project income and expenditure within budget?).

Was the project done well? (In other words, was the mentorship programme, the application of the underlying project philosophy, its mode of delivery, its value, relevance and practicality to participating entrepreneurs, and its impact on their businesses, effective?).

What was the learning for the NBI, TNT, the sponsors, entrepreneurs and mentors from the experience?

How should the NBI and TNT modify or adapt the programme in the future?

Evaluation methodology

In terms of the proposal submitted by the consultant, it was agreed that the work should take place in three phases between March and April 2006. **Phase 1** was a familiarisation phase during which the consultant interviewed key project staff in Johannesburg and Cape Town at TNT, as well as at the NBI, concerning the project, as well as sponsors, one entrepreneur and mentor, and the professional service providers supporting the project. The results of these interviews were used to construct an evaluation framework design and a range of evaluation instruments to be used in the fieldwork.

Some key project documentation was provided to the consultant for study (the project business plan, the project documentation manual, project progress reports, mentor reports, and a report on the legal clinics conducted in Johannesburg and Cape Town by Bowman Gilfillan). **Phase 2** was a fieldwork research activity, during which a series of focus group discussions were held with a sample of project youth entrepreneurs and mentors in both Johannesburg and Cape Town. In addition, a number of pair guided discussions for observation and data gathering were held between one entrepreneur and one mentor, who had not worked together in the past, to explore specific issues which were the subject of on-going debate on the project. Visits were also made to a selection of young entrepreneurs' businesses in both Johannesburg and Cape Town. Finally, project records and documentation, as well as the mentor and client database built as part of the project, were to be reviewed at this stage. **Phase 3** was the final stage of the evaluation, during which the findings of the evaluation were collated and analysed, and a comprehensive report developed with conclusions and recommendations. Two summary reports were also compiled for the benefit of the project mentors and young entrepreneurs. The evaluation concluded with a presentation of the main report to the stakeholders.

A preliminary project evaluation framework design was submitted by the consultant, and approved by the client as part of the project evaluation proposal (**Appendix B**). A final framework was submitted and approved after the completion of Phase 1. (**Appendix C**).

The findings of the evaluation

Question 1: Did TNT and NBI do what they were required to do, in terms of their contractual obligations to each other, and to the sponsors?

The contractual undertakings regarding the respective roles and activities of the project joint partnership (TNT and NBI) were contained in the *Memorandum of Understanding between the National Business Initiative and the Nations Trust Youth Enterprise Finance* dated June 2004, as documented in the *Business Advice and Support Services Volunteer Mentoring Programme Documentation Manual*. The contractual obligations between NBI and its sponsors, and TNT and its sponsors, were contained in the contracts agreed between RNE and SEDA and NBI, and between SSACI and the Kellogg Foundation and TNT. These roles and activities are summarised in the table that follows, and an indication given (using a rating scale) of whether, in the evaluator's view, they were carried out by the responsible partner/s or not, and how well. In some instances, roles and activities were the responsibility of one partner working in partnership, or in conjunction, with the other. In these instances, an indication is given concerning whether the partners jointly carried out their responsibility, and how well. The table is followed by brief footnotes giving the evaluator's reasons for her ratings (where relevant). The table reveals a mixed picture of results. A few obligations were carried out well or fairly well, many were done but not so well, some were not done at all.

Roles, inputs, services and activities	Carried out or not? (scale used 0 = not done, 1= done not well, 2= fairly well 3= well, 4= very well)			Outputs
	TNT	NBI/TNT	NBI	
Develop a project plan for the first year (NBI)			3	<ul style="list-style-type: none"> Business plan
Initiate the project fundraising drive (NBI & TNT)		3		<ul style="list-style-type: none"> R1 757 600 total projected project funding required Note: a rating has been given as a result of the project partners written response (see Addendum) An end of project consolidated project finance report was not available for the evaluation
Develop mentor recruitment strategy and plan (NBI)			3	<ul style="list-style-type: none"> Mentors marketing & recruitment Companies marketing (flyers & presentations) Marketing materials (letters to companies, and other literature)
Recruit volunteer mentors/coaches nationally (NBI)			3	<ul style="list-style-type: none"> 150 mentors/coaches (101 achieved) Completed mentors profile and registration forms
Prioritise 200 clients for mentoring support (TNT)	3 2 3			<ul style="list-style-type: none"> 200 youth enterprises over 21 months with an annual turnover of R30 000 – R150 000, loans between R1500 – R50 000, 18-35 years of age, and SA citizens or legal residents Successful loans granting and management Comprehensive and up to date client loans files containing all documentation kept according to project partners written response (see Addendum)
Design and apply a framework and methodology for engagement between mentors and clients and mentors and NBI and TNT ((NBI and TNT)		3		<ul style="list-style-type: none"> Framework documents Mentor and client relations manual Development workshop for mentors
Develop a data base of clients and mentors (Dimension Data in conjunction with TNT and NBI)		2 2		<ul style="list-style-type: none"> To be developed within a 3-month period Database records and reports on mentors and clients (not seen)
Manage the mentor database and be accountable to the companies from which the mentors were drawn and to the individuals (NBI)		1		<ul style="list-style-type: none"> Sound working relationships maintained
Manage the overall project objectives and be accountable to the stakeholders for client and mentor numbers, enterprise growth, quality of mentoring process, problem solving, matching, and so on (TNT)		1		

Roles, inputs, services and activities	TNT	TNT/NBI	NBI	Outputs
Develop mentor and client induction programmes (TNT)	1 2			<ul style="list-style-type: none"> ▪ Induction programmes and materials ▪ Written agreements between TNT and mentors (not seen)
Manage the mentor/coach-client relationship (Mentor managers, TNT)	1			<ul style="list-style-type: none"> ▪ 1st meeting mentors/clients concerning the business plan and the rules of the relationship ▪ Document of mutual understanding signed, agreeing a meeting schedule, as well as focal areas of exchange between mentor and client
Develop an effective mentor report back framework (TNT)	2 2			<ul style="list-style-type: none"> ▪ Mentor reporting guide ▪ Monthly report template
Manage the mentor reporting system for monitoring progress of the enterprises (TNT)	3 1 1			<ul style="list-style-type: none"> ▪ Baseline reports produced (client & business data and start-up challenges (not seen)) ▪ Monthly mentor progress reports updating business and mentoring programme performance ▪ Cash-flow, sales and financial record keeping of each enterprise to be recorded in the reports
Develop an information management system to assist tracking of clients progress (TNT)	1 0			<ul style="list-style-type: none"> ▪ Information management system ▪ Clients progress regularly tracked and reported to stakeholders
Develop and implement an appropriate project MIS system (TNT)	3 2			<ul style="list-style-type: none"> ▪ MIS system documented (business plan) ▪ Regular reports to stakeholders
Promote and advocate the role of the project (TNT)	1			<ul style="list-style-type: none"> ▪ Strategic communications and information dissemination to companies and other role-players
Take responsibility for the overall coordination of the project including general project management, financial and fiduciary management and submission of reports as required by sponsors (Ashley du Plooy, Director, TNT)	2			<ul style="list-style-type: none"> ▪ Analyses and reports of income & expenditure against budget to be produced as required by sponsors and others ▪ End of project full financial report ▪ Reports submitted as required by sponsors ▪ External audit conducted of the project finances ▪ Project Management Committee meetings attended ▪ Management meetings minutes ▪ Regular projects reports to the TNT Board

Roles, inputs, services and activities	TNT	TNT/NBI	NBI	Outputs
Take responsibility for the daily management of the programme including recruitment, registration, and induction of mentors, client-mentor matching, support to mentors and clients, general project administration, record keeping, including monthly tracking of business data and mentorship inputs, progress and impact reports (Noko Maoka - Manager of Business Advice and Support Services, TNT)	2			<ul style="list-style-type: none"> ▪ Project management and administration records, files and reports documenting the project and its progress (not seen) ▪ Mentors time sheets and registers ▪ Mentor completed registration and matching documentation ▪ Mentor impact assessment documents and reports
Trustees project management (TNT Board)	3			<ul style="list-style-type: none"> ▪ Trustees meetings minutes

Footnotes: Brief reasons for the ratings (where necessary)

Business plan: The plan could have been improved by including a detailed breakdown of the budget. In addition, the communications strategy and project management action plans could have been more specific and integrated with regards to time-frames, deadlines, resources needed and persons responsible for tasks.

Loans granting and management: There was evidence in the evaluation of poor client communications and slow processing of loans, client dissatisfaction with the terms of the loans as well (interest rates, length of loan period and loan sizes)

Mentors/coaches recruitment: Approximately 67% of the mentors numbers targeted were obtained (101 of the 150 targeted).

Mentors guide (framework and methodology): The materials might have been even better if they had included information on the definition of mentoring and discussed in detail the mentoring process with articles and case studies. All documentation and forms relevant for the mentors could also have been included (for example the mentor reporting guide). This comprehensive document should have been available separate to the general documentation manual.

Mentors and clients database: The database only became fully functional by December 2005. There were technical problems which led to the NBI not being able to access it for some time via the Internet at the beginning of the project. They were able to access data however. According to project staff, the database is cumbersome to use, and limited in terms of its reporting capabilities. For example, the production of comparative data on the improvement in clients' businesses on an on-going basis cannot yet be done. The database was only updated every 6-8 months. It should have happened every 3 months.

Mentor database management, and accountability exercised to companies and mentors: According to mentors interviewed, communications between the NBI and mentors could have been better. Most mentors did not know much about the project overall. There was evidence of role confusion between the NBI and TNT. Mentors in both Johannesburg and Cape Town complained of lack of regular communications and feedback on the project, as well as on their mentoring reports.

Project objectives overall management and stakeholder accountability issues: This is reported on in detail below under Question 2. The issues worthy of mention briefly here are: lack of mentoring impact assessment data available on the businesses as a result of inadequate submission of comprehensive monthly mentor reports, as well as problems in this regard remaining unsolved. Insufficient project mentor management capacity due to high staff turnover and hr difficulties exacerbated the problems.

Mentor and clients induction programmes: Major problems, according to the mentors and entrepreneurs interviewed, were: The programme for mentors was too short. There was no induction programme for clients. Clients' knowledge of the project overall and stakeholders was sketchy. There was no orientation component in the programme concerning diversity. According to the mentors and clients interviewed, not all of them took part in an induction programme. Not all mentors had signed agreements with TNT. (And see comments above for mentors guide).

Management of the mentor-client relationship: Not all clients and mentors took part in a 1st introductory meeting. No one interviewed mentioned the rules of the relationship or minimum standards to be met as part of the introductory meeting or signing a mutual understanding document.

Mentor reporting system management: The monthly mentor report template did not adequately address the areas of cash-flow and financial record-keeping. Insufficient reports were submitted by mentors.

Daily management of the programme: Overall, the daily activities of the project were managed fairly well, given that there were project staff difficulties and shortages. The lack of staffing resulted in the mentor management roles in Johannesburg and Cape Town being handled by Noko Maoka, as YEMP Project National Manager, as well as the YEMP Gauteng Regional Manager. This resulted in a range of problems regarding issues such as mentor and client induction and orientation to the project, and, in particular, client communications.

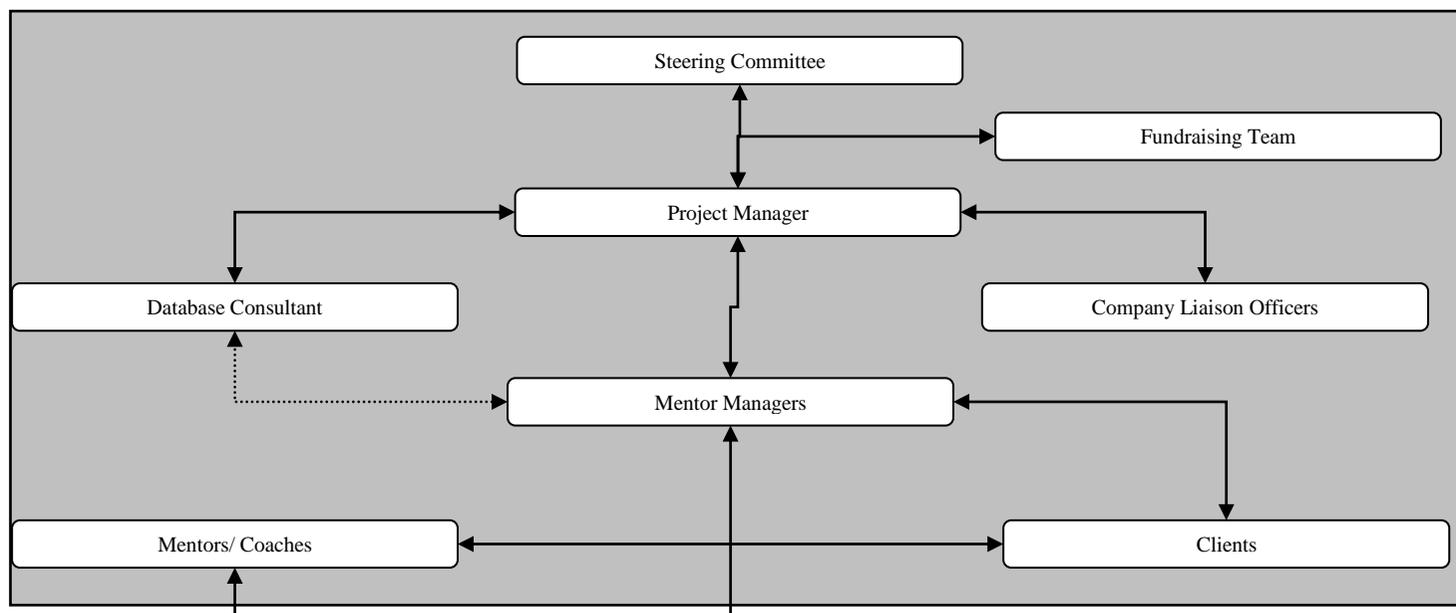
Question Two: Was the project done well?

The answer to this question depends, in a nutshell, on what you look at. The project has yielded very mixed results. Some things were done better than others, and some things did not happen, with quite serious consequences for the project's ability to demonstrate its effectiveness.

1. The mode of delivery of the project

1.1 The project steering and management structure

The project business plan dated 7 July 2004 includes an organogram of the project structure (as below).



1.1.1 Project structure difficulties, staff turnover and the effects on the project

From discussions conducted with staff interviewed at TNT and NBI, as well as sponsors, it is evident that the project structure did not work well. Roles and responsibilities at the joint project management level were not clear, nor were the reporting lines. Key changes in staff occurred at the level of the mentor managers. There were problems at this level in both the TNT Johannesburg and Cape Town offices, due to turnover of staff, and hr challenges relating to lack of performance, which resulted in the termination of employment of the relevant staff. The outcome of these difficulties was that both TNT offices were left without mentor managers. A decision was made as a result of these difficulties that Noko Maoka should manage mentors in both Cape Town and Johannesburg, as YEMP National Project Manager, as well as continue in his role as YEMP Gauteng Regional Manager. This decision was influenced by the merger discussions starting at the time between TNT and UYF, and a hiatus in funding due to the merger talks, which could only be addressed once the merger had taken place. In hindsight, this decision did not work well for the effectiveness of the project management and implementation (see below).

The mentor managers appointed to the project (and subsequently replaced by Noko Maoka) were also the TNT business advice and support services officers (BASS officers), supporting non-project clients, as well as project clients, and managing and supporting the YEVMP mentors. According to one respondent this caused other problems as well, "Mentoring is part of the unit, but at times it seems like it is just mentoring in the BASS unit, which also provides other forms of support".

There were also staff turnover issues at the NBI, as well as of other key staff at the TNT Cape Town office, which contributed to the difficulties. The NBI project manager left the organisation and then returned at a later date. The person appointed to replace him was not effective. The Regional Manager at the TNT Cape Town office also left the organisation.

These problems and difficulties, together with the decision that Noko Maoka should have multiple roles, had a significant influence on the effective management and delivery of the project. Entrepreneurs and mentors in focus group discussions talked of confusion about who to talk to about what. There was also role confusion between the loans officers and the mentors. Some respondents thought the loans officers were the mentors. Respondents reported quite long time delays matching clients and mentors and problems with induction. The mentorship issues were not always related to the lack of available mentors. One pair discussion conducted in Cape Town, for example, revealed that neither the mentor nor the client was matched, but both had been waiting to receive a mentor or client. One mentor in Johannesburg said there had been a six-month delay in assigning him another mentee, after his first mentee. He also felt his first mentee did not need a mentor. These issues are addressed in more detail later in the report. Mentors in Cape Town talked about long time delays between being signed up and being assigned mentees. 'We've seen a lot of new faces in the Cape Town TNT office. We were not informed about who they are and what they do. This creates a gap with TNT. The whole place changed and I didn't know, but someone else said they knew. A lot of people left and we didn't know the reasons and what came out of the investigations. I had a mentee and everything fell through at the end of 2005. We (mentors) are meeting for the first time today at this discussion. It is difficult to go to your mentee and say everything is fine if you don't know'. Both clients and mentors talked about the demotivating effect of these problems.

In contrast, some members of a mentors group conducted in Johannesburg had experienced few of these problems, and did not even seem to know much about them. Two were of the view that they were part of the project just for the client and preferred to leave the project issues to the project management. (Both these mentors were in settled relationships with their mentees, which appeared to be working well).

1.1.2 Complexity of the project structure

Some respondents felt that the project structure was complex. A donor and staff respondent, for example, felt that the roles and responsibilities at the operational level needed clarifying, and clear planning and implementation needed to be done around these roles and responsibilities. According to the donor interviewed, these issues appeared not to have affected relationships on the project, however, which, in her view, appeared to work well. She felt that this was not because of the structure, but in spite of it. Her feeling was also that the structure was too informal and would need to be more formal, and roles and responsibilities much clearer, if the project expanded. The role of project sponsors, for example, was not clear from the current structure. Another comment by a staff member was that the current structure did not allow for delegation. There also appeared to be no active steering (governance) committee for the project, although the structure allowed for this. In the evaluator's view, there should have been active governance of the project by a team made up of representatives of all the key stakeholders, including mentors and clients, to oversee the management and implementation of the project, and hold the relevant staff accountable.

She also feels that the mentor managers should have been replaced and should have worked solely on the project and not with other TNT programmes as well. Finally, it is her view that there should have been one person wholly and overall responsible for project management to whom the person responsible for project implementation should have reported.

1.2 The partnership between NBI and TNT

A donor respondent felt that there had been good teamwork, with good inter-personal working relationships, and no sense of friction or conflict about what needed to be done. According to her, the team members had compensated for each others' weaknesses in their work together. Evidence gathered indicates that discussions took place every 2 weeks between the project partners for problem solving and management information reporting. Minutes were kept of these meetings. Accountability from this level was in place, with reporting to each partner's Board, as well as the sponsors, every six months. The foundations had been put in place well, according to a staff member, and everything had been well documented with agreements and contracts in place. There was a business plan, a documentation manual, and project models and processes. A staff respondent felt that NBI had done a good job, given the staff turnover and subsequent problems they had experienced. In this respondent's view, NBI had been an asset to the project with its high profile, business orientation and business-mindedness. It had been attractive to others because of this. The NBI also has international business links which are beneficial for youth entrepreneurship in South Africa. The same staff respondent also felt that 'TNT does more on the ground, but NBI has the business finesse', but that there had been a shared vision between NBI and TNT, with developmental insight on the part of the NBI.

In contrast, there were other donor and staff respondents who felt that the partnership and consortium had worked only to a certain extent. It had had its challenges in the area of innovation around collaboration between a business oriented NPO and a development NGO. The arrangement had saved on management costs, however, concerning the sharing of resources and skills. The donor respondent felt that the partnership had worked better in this area. The staff member felt that the partnership had not been 'as smooth as it might have been'. There were issues concerning mentor matching, mentors not available at the recruitment phase, and time lags at the implementation phase. NBI and TNT had succeeded, however, in building a database of mentors and clients together, which could be improved in the future. Another staff respondent said that managing the partnership had not always been easy. There had been confusion and unnecessary complexity, the allocation of tasks was not always easy, and he felt that roles and tasks must be allocated better next time around. No one had apparently dodged responsibility or accountability, however, using this as an excuse.

The overall conclusion drawn by the evaluator was that the partnership did not work as well as it could have. She sensed frustration on the part of some staff and donors interviewed with how the partnership had worked in practice with project implementation. She also sensed tensions and frustrations between the project partners in organising the logistics of the evaluation fieldwork with mentors. In her view, the partnership would probably have worked better, if the NBI had been appointed as overall project manager, with TNT project staff reporting to them, for project implementation.

1.3 The management of the project

This role was shared between the NBI and TNT. Ashley du Plooy, Director, TNT, and Xolile Caga, Project Director, NBI, were the staff members accountable for project management overall. NBI was responsible for business planning, project marketing and communications, and mentor recruitment. TNT was responsible for project implementation. The evidence gathered concerning the management of the project revealed a very mixed picture of results.

1.3.1 Factors influencing the effectiveness of the project management

Organisation governance

According to a donor interviewed, difficulties affecting TNT as a whole from late 2004 through 2005, which were handled and eventually remedied by the TNT Board, had a major effect on the whole organisation, including the project. All services, including the project, were affected, staff did not know if they had jobs and they became de-motivated. There were on-going interruptions for key staff which took them away from their normal job functions and responsibilities. These interruptions happened over a fairly long period leading up to the merger announced between TNT and Umsobomvu Youth Fund early in 2006. The effect of these issues on the efficiency and effectiveness of the project management and delivery, the delayed time-frame of the project, as well as the results it was able to achieve, should not be underestimated.

Project structure difficulties and staff changes

These have been reported on in detail above. They had a significant effect on both the speed and capacity of the project to deliver at the operational level. One staff member interviewed went so far as to say 'I felt 2 wrong decisions were made. The work should not have been rushed, and more staff should have been brought in at the time of the loss of the mentor managers. Someone was to start in March 2006 as a mentor manager, but then the UYF merger started to become a reality and this stopped this person from being brought in'.

1.3.2 NBI project management

According to a staff member interviewed, 'What NBI has done, TNT would not be able to do. They without doubt added value to the project. They showed that the project could work, tested the vision and they got corporate support. They had a corporate membership base and were able to market the project to this base'.

Project marketing, communications and recruitment of mentors

According to the same staff member, however, NBI did not spend enough time working out the logistics of the planning in the business plan in detail. They did not factor the planning sufficiently into operations by, for example, specifying the numbers and kinds of companies to be targeted and contacted about the project, in terms of a clear marketing strategy. According to this same respondent, 'A 'hit list' of corporates and mentors should have been developed, and reporting should have taken place against progress with the list'.

From the documented evidence made available to the evaluator by Ernest Mamabolo of the NBI (on recruitment planning and follow up, examples of presentations made, flyers, letters, and listing of companies approached and contacted), the marketing and recruitment activities undertaken appeared, however, to have been pro-active and of a high standard. Recruitment planning focused on the use of advertising and the media, as well as direct approaches to companies. 140 NBI membership companies were approached, as well as approximately 50 non-member companies through the NBI contact database. Presentations of the project were made to companies who expressed an interest. The presentations were of a high standard and were tailor-made for the company being presented to. For example, with larger companies, presentations focused on the longer term benefits of participating in the project in terms of their CSI initiatives. Furthermore, according to the NBI, they primarily targeted 'hot' companies, or companies they thought might be willing to take part in the project. The fact that 67% of the 150 mentors targeted for the project (101) was achieved provides evidence that the marketing and recruitment undertaken worked, at least in terms of generating the majority of the number of mentors needed. It is interesting to note that the majority of the mentors eventually registered appeared to have come from non-member companies of the NBI, and NBI membership companies who became part of the project did so mainly under the umbrella of their CSI initiatives.

According to Ernest Mamabolo of the NBI, the activities undertaken could have been better if there had been one overall marketing strategy and if both project partners had been active in implementing the strategy. According to him, TNT's role in marketing the project and recruiting mentors was exercised mainly in the bi-weekly meetings between the project partners, where marketing and recruitment were discussed, and in taking part in some of the presentations made to companies. In the evaluator's view, there may have been a lack of clarity about what the role of the NBI was to market the project and recruit mentors. It appeared that they may have undertaken primarily to market the project and recruit mentors from within their own constituency of company membership of the NBI, as well as through their contact database. According to the NBI, TNT also had a role to market the project and recruit mentors. From the findings of the evaluation, it was clear that there was no overall comprehensive marketing strategy, dovetailing the roles of the NBI and TNT. The evaluator's suggestion is that, in any future project, a workshop of all project stakeholders, including mentors and clients, could be conducted to address the issues, and build a comprehensive and appropriate strategy.

A question that arises here for the evaluator is whether the NBI would want to be responsible for such a strategy, or whether they would constitute one partner in the marketing of the project and the recruitment of mentors within their own constituency only. The responsibility for project marketing overall might better fall to a marketing specialist working as part of the project, or contracted to it.

A second key question for the evaluator as a result of considering the marketing and recruitment work done was whether there was too much of a focus on generating the numbers of mentors required, to the detriment of considering whether the companies and organisations approached were likely to produce the right kinds of mentors appropriate for the project and the businesses supported. In her view, the design of a comprehensive marketing strategy, supported by marketing material and literature which focused on attracting the right kinds of mentors, was as important as generating the numbers of mentors needed.

Ideas generated by the evaluation for marketing any future project, and recruiting mentors

A mentor in the Johannesburg focus group commented as follows: 'My mentoring has nothing to do with my company – I got an e-mail from a friend. I mentor as an individual'. This approach could perhaps have been built on more as part of the marketing, to encourage existing project mentors to recruit more mentors from amongst colleagues, friends and acquaintances. Although it appears that this was part of some of the recruitment planning, it was not clear whether it happened in practice enough. Another commented 'There is no PR that I can see, communications, a newsletter, advocacy, case studies of mentors. There could be linkages with strategic external stakeholders like the Institute of Directors and the DTI Helpdesk at CIPRO (the Companies and Intellectual Property Registration Office). Pamphlets promoting awareness of the project could be distributed and companies invited to put information about the project in their newsletters. There could be links on strategic websites, and a project website with case studies of mentors'.

The suggestion of ideas like these indicated to the evaluator that the visibility of the project was perhaps not as high as it could have been in the marketplace. Project visibility based on good branding and positioning of the project would be valuable areas to focus on in the design of a marketing and communications strategy and plan of any future project, particularly as a basis for successful mentor recruiting. In this regard, sponsors felt more could be done to brand companies, sponsors and project partners as a team on the project. Two mentors in the Johannesburg focus group discussion said as follows: 'Marketing and communications need to be done on a competitive basis – there are a-lot of organisations out there, all of them using political issues to satisfy donors'. Another mentor said, 'This project is at the heart of the new SA economy. It needs to be more pro-active and a lot more in the news'. Other respondents (staff members and mentors) felt that the net needed to be thrown very wide, to talk to 20 people, for example, to get one good mentor. Suggestions were that recruitment could be done on-line and via e-mails, and that one way to get more mentors would be to increase the pool with mentor trainees, as well as expert mentors and mentors who could mentor more than one mentee. One respondent said 'I know a lot of people who might become mentors, but I won't do it unless the programme works and is seen to be a success'. The importance of good project management and implementation is very apparent from this comment, as well good branding of the project, to attract good mentors.

Acknowledging and thanking mentors for their contribution came up often in the focus groups and other discussions, not just to recognise and encourage them, but also to gain more awareness of the project by encouraging mentors to recruit other mentors. Simply sending them an SMS on their birthday would be a way of saying thank you.

Donor communications

One NBI donor said 'We do not feel we have been looked after at all by NBI. Communications have been poor and confusing. We feel we are not up to date on the project. The system needs reports. There have been conflicting time frames. Communications should be adequate but not frequent. Donors can be told that not everything is going well'. Another NBI donor said that their reports were not as they required. No outcomes or outputs had been addressed. They also asked whether the second report due was the same as the evaluation. A TNT donor said that they felt communications generally had been poor, and they did not know much about the activities of NBI on the project.

The evaluator is of the view that since the contractual obligations of the project partners to donors were clearly stated in the agreements, these problems should not have occurred. With regard to donors feeling that they did not know what was going on concerning the project and the project partners' activities, her suggestion would be to engage in on-going communications with donors between the dates specified for reporting as well. This could be done by means of updates on a website (with e-mail notification to donors that a project update was available on the website), or by means of a short monthly e-newsletter to donors and others.

The profile of the project

One staff member respondent queried whether it was appropriate to create an up-market profile for the project. He felt that this created unrealistic expectations on the part of mentors about the project and the clients. The mentor development seminar had been held at an up-market venue, whereas the clients served were at the bottom of the economic spectrum. The seminar itself, however, had been very successful. The evaluator's view is that the type of venues used for mentors' events was less important than ensuring that mentors were adequately inducted and oriented to the project, and had realistic expectations about it.

1.3.3 TNT project management

Interviews with staff, sponsors, mentors and clients yielded a mix of strengths and weaknesses concerning TNT's activities as a joint manager of the project.

Internal and external general communications

TNT general communications with clients, mentors and others were not as good as they could have been. There was evidence of confusion and a lack of knowledge about the project, the different stakeholders and their roles. Young entrepreneurs in one focus group asked 'What project?' They did not seem to know that they were part of the project. Another go ahead young entrepreneur in Cape Town commented 'If I knew who the funders were, I might be able to get work from them – I have the drive to do this. I could refer to the project and its supporters when I network'. One young client asked if the mentors charge. Another did not know they were supposed to have a mentor. Clients overall felt it was very important to have information on the project, the staff and sponsors. 'They are helping us and we want to say thank you to them. I can give this information to others, it must be a chain – I mustn't eat alone. If I know what is under the table, it motivates me, I feel I am not forgotten, people are there to help'.

In contrast, there were more positive comments about communications. Two sponsors reported having been on a trip to visit project businesses in Johannesburg and Cape Town. SMS communications had also been introduced with clients and mentors from the National Office. The Cape Town office of TNT in particular was singled out with regard to communications with clients. Some comments received were 'I have had lots of interaction, staff pop in, I attend meetings, I get invites, and help with printing my invitations. Leandy doubles as a loans officer and as a mentor for me'. 'Yes, I do feel part of the project family – things are getting better'. 'I feel very familiar with this project – I phone and they say feel free to ask and if we can help, we will'.

Some valuable suggestions for solving problems were that there could be a project customer care line and a call centre for customer information, complaints and queries. There could also be a clients' newsletter every two months, which could be posted out with client loan statements, to keep them updated about the project. The evaluator is of the view that much could have been achieved by keeping in touch regularly with project stakeholders in terms of building team spirit, and a sense of identity with, and commitment to, the project. A short well presented newsletter sent out by mail and e-mail would have been a cost-effective and valuable way of doing this. In any future project, this could be the responsibility of a specialist marketing and communications staff member, or a contracted consultant, working in terms of an agreed communications strategy and plan.

Communications between clients and loans officers

A particular area of concern was how loan officers appeared to be interacting with clients. The project functioned in terms of a model combining loans and mentoring and it was, therefore, considered appropriate by the evaluator to include clients' views in this regard in the evaluation report. The perceptions of loans officers influenced client views concerning the project overall, and were given as responses to a question asked by the evaluator concerning how they felt about the mentoring project and whether they felt it had worked.

There were comments such as 'The loan officers harass for the repayment – all the time – one client was told that if they did not pay, they would be taken to a lawyer – he was 1 month in arrears – I am scared now – it was also a young person speaking an older person like this –

the loan officer was rude – I am not happy about it’ and ‘I paid R10 000 in advance and cancelled the debit order into the loan – they phoned me for an instalment – even after paying R10 000. I felt insulted – I will not pay in advance anymore’. Another client said ‘If the loan is up to date, you still get phoned. I feel like I am a bad payer and a failure. They must be respectful and first ask if there is a problem. They should also phone and say well done, when things are going well – or send an SMS – congratulations – this will motivate me to keep paying well’. Another client said ‘I was told by my loans officer that if I don’t pay, I can’t have a mentor’. On the brighter side, there were clients who said if you are paying on time, there are no problems and ‘if you get a good one (loan officer), there are no problems with communications.’

In the evaluator’s view, these problems need urgent attention by TNT project management staff. Staff members were at pains to point out to the evaluator that loan repayments had nothing to do with the mentoring activities, and that mentors had been instructed not to focus on loan repayments as part of their activities with clients. In the evaluator’s view, it appears that the loan officers need further training with regard to the issues, to guide their communications with clients. The point made about the need to encourage and congratulate clients for good repayments on loans was well taken by the evaluator.

Client Selection

There was some evidence that the critical area of client selection for loans could be improved. Since the project followed a joint loans-mentoring model, it is safe to conclude that weaknesses in one part of the model would affect the other parts. One question asked by a staff member was whether enough information was given to the prospective client up front before the loans application and selection process. ‘We need a model for loans selection that combines pre-loan criteria + marketing by TNT of the pre-loans criteria to be met + realism on the part of clients and selection panel members’. According to this respondent, ‘The questions you ask in the selection process are critical. The questionnaire is of lesser importance. You need to build a picture of the applicant, a profile of his or her community links, and family, and, for example, what tools were used to build their shack, if the person wants to be a carpenter. Experience of business is a bonus on top of this’. According to this same respondent, there were limited skills for loans writing in the TNT Cape Town office at the beginning of the project, which resulted in some wrong clients being granted loans. In the evaluator’s view, these are important comments to note for the effect they might have had on the success of the mentoring process with these clients. A poorly selected client would probably remain a poor client, whether s/he was given a mentor or not.

It furthermore appeared that no focus was placed on the selection of clients for loans linked to the mentoring process. Since the project was based on a joint loans-mentoring model, the evaluator questions the validity of the approach taken. In her view, it increased the risk of failure of the mentoring relationship between client and mentor, as well as the risk of failure of the project overall by not making mentoring compulsory for clients granted loans, and by not exploring the selection of clients who might be more likely to benefit from mentoring than others. In her view, if this had been done, the chances of achieving the project objectives of growing the businesses in size and profitability might have been better.

Information generation and recording

Evidence has already been presented concerning information generation, recording and management under Question 1 above. Issues concerning a lack of adequate mentor reporting and information generated concerning project impact are fleshed out in this section of the report.

An electronic database of 500 clients, and 101 mentors was built as part of the project. The database included baseline reports for 200 clients prioritised for the project at inception (updated early in 2006, but not on a comparative basis), client and mentor profiles, and mentors reports concerning their activities with clients. This was a definite achievement by the project partners. According to staff members interviewed, however, the system could not generate comparative reports tracking client and business growth from the inception of the project through to the end. It would have been an expensive undertaking to introduce this capability, as well as to provide remote access to the database by mentors and clients. In the evaluator's view, this was a major weakness, which impacted negatively on the whole reason for, and value of, the project. The project needed to be able to generate this information on an on-going basis, in order to take it to the market and sponsors as evidence of the effectiveness and success of the project, as well as secure further sponsor, and other strategic stakeholder, support. According to staff respondents, the database was urgently in need of improvement in the following respects:

- An investigation needed to be conducted into how the system could be upgraded and linkages created to the Internet and a website, in order for mentors to upload their reports directly to the database, or via a website
- The database needed to become a network accessible by all staff in the Johannesburg and Cape Town offices, as well by mentors and clients, sponsors, and the project partners
- The website needed to be able to generate notices to mentors and others that new reports were on the system, via e-mail or SMS, or by messages on the website
- The system needed to be able to generate comparative reporting concerning the impact of the project regarding entrepreneurs' and businesses' growth.

From the comments made, it was clear that respondents were of the view that any future project should strive to make record-keeping and impact assessment activities as paperless as possible. This would have obvious advantages in terms of productivity and speed, a reduction in manual administration work, staff time spent on project administration, as well as improvements in data gathering and client tracking.

Mentors' reporting

According to both staff and mentors interviewed, this was a major weakness in the performance of the project. The template used for mentor reporting needed upgrading to include the business success indicators agreed for the measurement of the growth of the businesses (employment creation, increase in profitability and turnover). Cash-flow and financial record-keeping headings were not included as part of the the template.

Mentors' reporting was not good. A number of reasons were given for this. The lack of time afforded by the minimum of 3 hours required monthly to mentor clients, mentors forgetting, or just not completing reports, were all given as reasons. A review of the file kept at TNT offices of mentor reports confirmed these problems. For the one-year period April 2005-March 2006, there were less than 50 reports on file, many of which were not complete. A staff member commented on this by saying 'To some extent this compromised us – we didn't get the information we wanted out of the project concerning impact'. By their own admission, mentors did not always cooperate in terms of submitting adequate reports consistently. One mentor said 'I don't always get my mentor reports in on time – I am meeting my objectives with my mentee however'. Another mentor said that he always wrote his reports after a client visit, but he did not submit them because TNT never replied to them. In contrast, another mentor said 'Don't go softly on us – tell us what you want and we will give it to you'. A senior staff member on the project supported this view, 'It was our fault, we went too softly on them'. One of the mentors in a group said he did not understand the importance of submitting his reports on time because there was no feedback from TNT. A telling comment was 'My good will as a mentor is not enough – I can be full of goodwill and not a good mentor – there are no checks on me as a mentor'.

There was evidence that these issues were addressed by TNT with mentors by means of discussions, however, and that reporting was looked at on an on-going basis, and continually improved and adapted. One mentor said 'It is not unfair to have the expectation of reports and reports in on time – even on 3 hours – but we cannot always get the reports in – we do meet and discuss it though'. TNT was also updating the client base-line reports on the database at the time of the evaluation, to capture information concerning business performance and growth. This was done via the loan officers, and by means of client visits, to compensate for the lack of adequate data provided by mentors during the project. Comparative reporting concerning business growth was still not possible, however, from inception of the project to the end, because the database was unable to generate such reports. The activity was furthermore a snapshot survey, but indicates that TNT was attempting to do something about the issues.

Management reporting

From the information gathered, TNT fared better here, but improvements could still be made. Bi-weekly partnership meetings between TNT and NBI were held and minutes kept. Reports to sponsors were submitted within the time-frames stipulated. One donor commented that reporting was adequate, but not elaborate. Project reports were submitted at TNT Board meetings. Every quarter, progress reports were submitted to the TNT Director for inclusion in Board meeting packs. The Director also read the six-monthly reports submitted to donors.

A question that arises here for the evaluator, however, is whether progress reports should have been submitted to the Director on a monthly basis, as the person accountable for the management and coordination of the project at TNT overall. This may have resulted in better project progress management monitoring and problem solving. Furthermore, it appears that the Director was not always present at bi-weekly management meetings because of pressure and workload. This might have compromised the effectiveness of the overall management of the project.

A major weakness of the management reporting, in the evaluator's view, was the inability to report on client business growth as a result of the project to project stakeholders, because information was not generated.

An interesting comment received from a staff member at TNT on this was, 'There was a recruitment focus on the project, not a delivery focus. This could explain the lack of emphasis on success indicators, and on MIS tracking clients' progress'.

A key question concerned how the various management reporting activities was utilised internally and externally to feed information upwards and downwards. Little information was generated on the issues. No formal project formative evaluation appears to have been done. Building institutional memory on innovative projects is, however, vital. So is influencing external role-players. Key questions and issues which came out regarding the issues from the mentors' group focus discussion held in Johannesburg were:

1. How do we feed into policy processes and national initiatives – from the NBI perhaps – to agencies like JIPSA – from the bottom? We are spending and utilising valuable resources for this project and must get information upwards to the highest levels
2. There needs to be follow up on mentors reports to capitalise on the information generated, and to give feedback to mentors, which can in turn be fed back to clients. Both mentors and clients need to be kept in the loop concerning the progress and impact of the project.

In the evaluator's view, these are key issues, which should receive more attention by the project partners in any future project. Keeping mentors and clients informed about the progress of the project on an on-going basis had a major role to perform to build commitment and provide the motivation for effective performance. Furthermore, the project offered the potential to contribute in a significant way to innovative thinking for the development and success of small businesses in South Africa amongst young people who are severely affected by unemployment. For this reason, it should maintain a high profile with policy and decision makers in any future project.

Loans

This is reported on in so far as it relates to perceptions regarding the effectiveness and success of the joint loans-mentoring model, as well as the project overall. It was highly significant that the first responses to questions posed to clients in focus groups about whether they thought the project had worked were consistently their dissatisfaction with the loans system and the terms of the loans granted. Whereas it may not have been possible for TNT to operate outside the general framework laid down for the granting of loans as part of the project, the evaluator feels that the information given below provides the opportunity for the project partners in any future project to address improvements with the relevant role-players.

The nature of the loans granted

Issues regarding the loans granted were highly contentious amongst mentors, clients and other stakeholders alike. Simply put, the high interest rates, loan sizes and repayment periods were seen to be counter-productive on a project which purported to be about access, empowerment and support for the development of youth micro and small enterprises.

According to one respondent, the project was missing the very object of its existence. The current micro-lending model was not working and there was essentially currently no difference between consumer loans and business micro lending. NGO involvement in access to finance on this basis was questioned, and the likelihood of loans being made more effectively on a commercial basis was muted. In their written response on the issues, TNT commented that they needed to make concessions around the terms of the loans in order to grant loans at all to clients.

The different effects of these problems on the project were identified as excluding potential clients who really needed access to loan finance, but who could not provide security, and placing a limit on the growth potential of some businesses, which needed larger loans at the start-up phase (construction, housing and infrastructure provision were mentioned in this regard). Many clients felt that they were working more to repay the loan, than to grow their businesses. Possible solutions to the problems were seen as: a business insurance facility that underwrites loans, grading loans from small to larger as required by different kinds of businesses, and applying hard business indicators strictly on large/r loans (cash-flow, turnover, employment creation and profitability).

The loans process

The loans process was a major issue mentioned by many clients, which affected both their perceptions of the project, and their commitment to it. The slow pace of processing loan applications was mentioned many times by clients. No evidence came out, however, whether this was a key factor contributing to time lags concerning mentor matching, and getting the mentoring process started quickly. This was probably because there were also delays in bringing the mentors on board. The question is nonetheless valid and should be given serious consideration for any future project.

The major issue for clients who were concerned about the slow pace of the granting of loans was the hiatus created with suppliers and the loss of business opportunities for which the loan was required. This was made worse by the fact that clients could not access the finance granted directly. The loan was paid direct to suppliers for purchases made. There was a difference, however, between TNT and Unilever loans, which were granted to female entrepreneurs only, and placed directly into their bank accounts. Another difference was that Unilever clients were entitled to a rebate for repayments made on time. A comment from one client indicated, however, that on the speed of granting loans, there was no difference between TNT and Unilever. 'My loan took 1 year and 2 months to come through. I signed a contract 3 times. I asked about it but got no reply – it was a Unilever loan'.

Clients also felt that they were being treated as children by not being able to access the loan directly after approval. 'The loan is put in TNT's account to pay suppliers – the attitude is you need to learn about money'. 'Business is about current money, not locked up money' and 'Even if there are repeat loans with TNT, it makes no difference – still there are problems and the loan is not released to the client'. One client summed the issues up by saying 'If financial management is in their hands and not ours, isn't this counter to the spirit and philosophy of this project – the development of business and business people?' Solutions to the problems were seen to be: TNT liaising between clients and suppliers more, and more quickly, and clients having direct access to the loan, submitting purchasing receipts to TNT once they had made use of it.

Other relevant loan issues

A particular problem raised by Unilever clients would need to be addressed and solved quickly by any future project. The lady entrepreneurs supported by Unilever who attended the focus groups tended to be stronger clients with businesses showing the potential for growth quite quickly. They also tended to be over the age of 35, with several in their 40s and 50s. This raises questions about how they might obtain a further loan, if a Unilever loan was not given again. The age limit for loans from TNT is 35 years of age. Further problems were described as follows: 'I was told that if I paid on time, I would get a discount on my loan repayments, a % back on my loan repayments. When I asked about this, I was told they had made a mistake'. Incentives available for the speedy repayment of loans have obvious implications for the financial health and potential growth of businesses. Another problem was described by a client as follows: 'My business plan was changed by a loans officer and it was no longer tailor made for my business – and it has loopholes now. My business plan was based on my research – when it was changed, it lacked all the overheads- I needed to work twice as much as a result'.

Financial Management

An evaluation of the project fundraising, the cost-effectiveness of the project, and whether income and expenditure were within budget, was not possible because a final consolidated project budget and financial report were not available at the time of the evaluation. A sponsor commented, however, that "TNT has not done too badly in this area. NGOs have financial accounting complexities, this is common knowledge'.

Discussions with respondents concerning the estimated cost to the project of R8-9000 per client (total projected fundraising divided by 200 clients) elicited the following comments: 'R9000 per client budgeted is high, a lot may have been absorbed in planning, preparations and logistics, which were difficult, lengthy and subject to delays'.

With regard to adjustments to be made in the future concerning the budget, respondents had the following comments: 'Redirect finances in the future into capacitating the client-mentor relationship with development and training services. This is a high risk market. We can lower the risk, any advice is worth it.' This was supported by another respondent who said he felt that more money should be spent on assessing, accrediting and certificating a core of qualified mentors and coaches for the project. In the evaluator's view, the quality of the mentorship project would stand to benefit enormously from such a development, and could very well attract more mentors into the project. This comment may also represent a solution concerning how to lower the interest rates on loans by reducing the risk, provided that a successful result in terms of business growth can be demonstrated.

Another respondent talked about redirecting more funding into marketing. In view of the comments made earlier in the report about the need for a comprehensive strategy to market the project and recruit mentors, as well as the need to recruit a specialist staff member responsible for marketing, recruitment and communications, this comment should, in the evaluator's view, receive serious consideration as part of any future project.

2. The philosophy underlying the project

Discussions with project partners, staff, sponsors, mentors and clients revealed a wide range of views concerning the current philosophy underlying the project (see the *Introduction* to the report). Key questions arising from these discussions which challenge the current philosophy are identified in this section of the report. In the light of these questions, the evaluator is of the view that the current philosophy of the project should be thoroughly interrogated by stakeholders as part of planning any future project. She proposes a way forward with this in the final section of the report which deals with how the project partnership should modify and adapt the project in the future. The current philosophy has had a profound effect on how the project has rolled out. This is addressed more under Question 3 below in the report.

What was the purpose of the project and who did it target?

Although the primary objective of the project was clear, (to give mentoring support to businesses to grow in size and profitability), there were respondents who appeared not to agree with it (or maybe did not know about it, or even understand it). Some fairly similar views expressed were that the project was about

- Innovation in business development for young entrepreneurs
- Getting youth businesses going for career exploration
- Financing a business and giving support.

One mentor interviewed felt quite strongly that 'If the business is still running, and the loan is being repaid, this is sufficient. Projects should not lay down expectations of employment creation, improvement in turnover and increase in profitability. The measurement of the project should be a sustainable sound business which supports the client and his/her family in the first year. The expectation is sustainability, not profitability'.

Other respondents' answers were more clearly related to the primary objective agreed for the project. Related answers were that the project was:

- A financial investment to provide space for business learning and skills transfer to young people for the creation of sustainable businesses which survive beyond the first year
- Assisting emerging businesses to get better

The make up of businesses in almost any small business development project is roughly 80% survivalist to 20% businesses with the potential to grow. The current philosophy of the project identifies 'small businesses established by young entrepreneurs' as the target group for development.

Emerging entrepreneurs, established businesses, survival businesses, informal, formalising and formal businesses were all targeted by the project. Some stakeholders believed that this was what the project should be doing. It should be inclusive, not exclusive. In contrast, another view was that mentoring should be used to grow only businesses that show the potential to make it. 'Mentoring is an expensive investment, mentor skills must be used optimally. Leave survival business support to someone else'. This view was supported by other respondents who said 'Mentors create 5 years of knowledge in a short time. We flout every rule of learning when we do this. People need to crawl before they can run. The process can work if other things necessary for a client to be good are present' and 'We continue to apply products intended for the top of the market at the bottom. We kill businesses when we do this'.

In the evaluator's view, since the primary objective of the project was to provide mentoring to businesses to grow in size and to improve profitability, more attention could have been paid to selecting only clients for loans and mentoring who demonstrated potential in terms of the objectives to be achieved. Key questions requiring answers in this regard are

- What kind of youth enterprises benefit from what kinds of business development and support services?
- What is mentoring?
- What kinds of young entrepreneurs and businesses have the potential to make the best use of mentoring support?

In conclusion, a separate issue of relevance to the philosophy of the project was raised by one respondent concerning the upper age restriction for the project. Her view was that it needed to be open to older people as well. (There were in fact people much older than 35 on the project, predominantly Unilever clients). She asked the question 'Do I stop being disadvantaged over the age of 35?'

Does volunteering work, or is it short-changing clients?

Stakeholders' views on the issue ranged from (yes), volunteering works and it adds value, to (no), it is not that successful, it is not a business-minded approach, and it is not fair to clients. Views in favour of volunteering were based on issues like volunteers care for clients, not about themselves and their organisations, because they are not being paid. In addition, they felt that volunteering contributes to creating a social, as well as an economic, movement around small business development. It is of value because micro clients cannot afford to pay for business development services, and it will (paradoxically) create sustainability for the project.

Less positive views were more about productivity and performance. Volunteers (particularly corporate volunteers) are often not available, and have very little time to give to mentees. There is no line relationship in organisations where they work, and they cannot be held accountable for their performance. A project staff member admitted that 'Paid mentors might yield a higher impact'. A client said on the issues: 'A voluntary mentor won't work for me – I want my own mentor for as long as I want him – I want a referral from TNT and will pay him. Maybe, it could be added to the loan.' Another client said 'Volunteer mentoring does not work – I need training – deep extensive training – or a full time mentor – if I could access one, I would pay him'.

In contrast, a mentor said 'Mentoring must be voluntary - paying for it kills it. I use my investment income to finance my volunteer mentoring'. Someone else said 'Mentoring works very well in countries like the UK on voluntary basis because public transport is available. Mentors are available and accessible round the clock'.

In the evaluator's experience, volunteering can work very well. It is, however, a business discipline all of its own, requiring specialist knowledge and management skills to do it well. Selection of volunteers is an area which needs careful attention to build a corps of the right kind of people with the right mindset and characteristics. Corporate business people may not be the right people in the main to become dedicated volunteers. Creating the right working environment to motivate volunteers and build commitment is also important, in the evaluator's opinion. This needs to be underpinned by a volunteering policy agreed by all the stakeholders, as well as contracts agreed with volunteers which detail their working conditions, and any benefits offered. She feels that specialist skills may need adding to any future project in order to improve effectiveness in these areas, as well as the management and performance of the volunteer corps.

Is what the project doing really mentoring, or is it more about coaching, or even on-the-job training and support?

Many views were expressed during the evaluation fieldwork about the support currently being given to clients. Clients and mentors discussed with the evaluator what they thought mentoring was. Some (mainly clients) felt it was about 'developmental hand holding'. Others (clients and mentors) felt it was about giving guidance to a business owner to grow his or her business, which s/he could act on or not as they wished. 3 hours per month was considered to be adequate to do the latter. One respondent said 'Mentoring is not about creating dependency through development'. Another mentor's view was that mentors become more basic business advisors or trainers on the project because businesses were predominantly operating at lower levels, and needed more directive support. A mentor observed by the evaluator in a pair guided discussion with an entrepreneur had this to say 'The mentoring programme is a support programme, not an advisory programme for beginners'. Another mentor said that he felt entrepreneurs were often using mentors to get basic business information instead of adding value to the business. He suggested that clients should have received some preparatory induction and training, before they entered into mentoring, concerning basic business information, and what mentoring is. He felt that mentors were not there to be advisors on basic business start up issues. Clients comments concerning their mentors (see below in the report) quite frequently focused on specific skills transfer between 'mentor' and client. In the evaluator's view, this may have been more coaching, or even on the job skills training, than mentoring.

During her discussions with clients and mentors, the evaluator developed a strong sense that mentors may have been acting more as on-the-job trainers, or even coaches, with young business people who were largely inexperienced in business and had rudimentary business management knowledge. Since the samples of clients and, particularly, mentors interviewed for the evaluation were small, the evaluator proposes that further dedicated research should be done on the issues. In her view, the project stakeholders should then explore these issues further in the design and planning of any future project. She also feels that they should clearly define for themselves what they believe mentoring, coaching and on the job training are, as well as other forms of business development and support (such as business incubation).

Different kinds of businesses and clients may need different kinds of development and support services, or a combination of services, to achieve the intended objectives. More is said about this in the section of the report below which addresses the learning for the stakeholders from the project.

3. The quality of the youth enterprise volunteer mentorship project

This section of the report looks at the different elements of the implementation of the project in detail. It describes the evaluator's findings concerning the mentor and client selection process, the client and mentor induction programmes, the matching process, meetings and development seminars held for both clients and mentors, and the mentoring process itself. The evaluation revealed a very mixed picture concerning these activities.

3.1 Numbers and breakdown of the project mentors

101 mentors were registered as part of the project. The table below gives a breakdown of these mentors by location (Johannesburg and Cape Town), and their current status on the project.

Mentor Category	Gauteng	Western Cape	Total
Mentors matched and active	23	13	36
Mentors matched but inactive	20	0	20
Mentors inducted but not matched	5	2	7
Mentors not inducted	10	3	13
Mentors deregistered	14	11	25
Total	72	29	101

Of the 101 mentors registered on the project, it should be noted that a total of only 36 were active at the end of the project. Another 40 were inactive. Of these, 20 were inactive for personal reasons (for example, not available). 20 were inactive but waiting to be inducted or matched. 25 of the 101 were deregistered (they were either no longer interested, or not available). An additional 20 mentors could, therefore, have become active, if they could have been inducted and matched.

3.2 Some characteristics of the mentors interviewed

Interviews were conducted with 14 volunteers in focus groups or pair discussions in Johannesburg and Cape Town. Of the 14, 5 were corporate consultants (tax, accounting and management), 1 was a lawyer, 3 were development consultants, 1 an entrepreneur, 1 a government department employee, 2 were development practitioners and 1 a project manager in the construction field based at a university. Almost 36% of the mentors interviewed, therefore, were corporate consultants. This is discussed further under mentor matching below. In the evaluator's view, all the mentors she met were dedicated and committed. They all had specific business experience and skills. Some also had prior mentoring and SMME development experience. One or two did not appear to have the right inter-personal skills, however, to be good mentors (poor listening ability, top-down approach). These observations were mainly made in the mentor-client pair guided discussions conducted between mentors and clients. At least 3 of the mentors in a group of 5 interviewed in Cape Town were new to the project (about 1 month), although they had signed up some while ago. This is because of the problems experienced in the Cape Town office with staff turnover and the associated time lags in matching mentors with mentees. All the mentors met in the Cape Town office were either coloured or black people who were mainly either management consultants or development practitioners. One was a lady who has been with the project since 2004. The mentors in Johannesburg were mostly white, all male, and mostly corporate. 1 was a black mentor. Interestingly, the writer met 5 mentors and clients separately in groups who were matched. She felt the matching of these clients and mentors had been done well. No evidence was produced, however, about the quality of the remaining 31 active matches. Likewise, no information was gathered about the mentors who were not active on the project.

3.3 Selection and registration of mentors

It was obvious from the information gathered that there were challenges concerning the selection and registration of mentors. There were communications mix ups at the beginning of the project, with mentors thinking the *EnterPrize* programme was continuing when the new project started. They, therefore, did not arrive for induction because they had already been working as part of the *EnterPrize* programme. It took 3 meetings before they came into induction with the new project and, according to the respondent, became de-motivated with all the mix-ups. It appears that all comers were registered. Some weeding appears to have taken place at the induction phase. At least one mentor withdrew at this stage saying she felt she was not suitable. Two or three mentors were withdrawn from the project.

According to a staff member interviewed, a decision was made to tackle the more sensitive issues, such as diversity, at the induction phase (issues such as race, level and status of volunteers, and cultural diversity). In the evaluator's view this was a mistake. In her view, selection and induction became confused, with possible negative consequences for the project. There should have been a checklist of the criteria agreed for mentor selection, and this should have been strictly adhered to in the selection process. Effective selection of mentors was a key issue for the success of the project. One donor respondent's question (which is telling on the issues) was '*How quickly did they get into it and how quickly did they give up?*'

Comments were made by staff and donors that corporate people probably didn't make good mentors on a project serving clients at the bottom of the business spectrum. Suggestions were made that small business owners (who might even have been clients of the project) would probably have been more appropriate. The writer observed that there were at least 5 clients she met who might fit in this category. 3 of them told her that they would like to be mentors on the project later on. A mentor himself said in one group *'Are corporate mentors the right people – no one has told me about the differences between the corporate sector and the businesses at the community level'*. The feeling was expressed more than once in groups that the selection process was critical. Mentors must be people who could give fresh insight, but at the right level.

There were also mentor comments in Cape Town about the communications concerning selection coming from Johannesburg. The feeling was that the selection process for Cape Town should have been managed and controlled in the region. Comments from quite a few clients about the selection process addressed the time delays with getting a mentor, the lack of communications about the delays, and their frustration with the wait. One client respondent said 'I waited for a mentor for 10 months – Noko said he had sent someone but I did not see this person – I have decided to walk away from the mentoring and carry on with my business'. In the evaluator's view, attention needed to be paid to speeding up the selection process. The question arises of why clients were waiting for mentors, when at least 20 were available and waiting for induction and matching.

3.4 Induction and orientation of clients and mentors

There was evidence that some induction programmes had taken place for both clients and mentors, but that the quality of what had been done, and the numbers of programmes delivered, could have been better. Client induction was first done in March 2004 and clients were promised mentors at that time. The mentors only started arriving, however, 6-7 months after the promises had been made. Clients had forgotten the mentors by that time and it looked as though they knew nothing about them.

A number of clients interviewed had not attended induction and others had complaints about what was covered by the induction programme. Some comments were 'My induction was not a happy experience – they didn't tell me anything about the business or process' 'I was told I would get a mentor – but it was not explained to me what mentoring was'. 'There was no induction – no orientation – no invites sent to me – no attendance at meetings – I only saw a loans officer and had a loan interview'. 'I was not oriented or inducted to the project'.

The issue of induction and orientation is an interesting one. Whilst some induction was done, it appears that orientation was not. Client commitment on the project had been a problem. Key issues concerning commitment are knowledge and understanding. A significant comment made by one staff member respondent in this regard was 'An important area is to prepare the client for the mentoring relationship. This is an institution they are not used to – getting something for nothing, and how to make use of it, and take maximum benefit from it. This needs some working on with most clients'. In the writer's view, the attention paid to this at the induction phase was minimal.

Most of the clients she met during the evaluation did not have a good understand of mentoring, volunteer mentoring, or the objectives of the project in this regard. One client said 'I don't know the role of the mentor, I'm not paying him, I don't know what his role is'. Other clients quite often said 'I don't feel part of this project's family'. The implications of this comment for client commitment to the project are obvious.

In contrast, there were other clients who said they had attended an induction programme, were happy with it and felt they did understand the project and the mentoring component. The only conclusion that can be drawn from this evidence is that induction programmes were not held for all the clients, and that some clients' expectations of the induction they received were met, whilst others' were not. In the evaluator's view, this evidence points to the need to revisit the contents and quality of the induction programmes offered to clients in any future project.

Comments received from mentors about the induction pointed to problems rather than satisfaction with the programme. Some felt the programme was too short (2 hours) and did not address issues they felt were important. Such issues were bridging the gap between the 1st and 2nd economy, cultural gaps, the mentor's business sector v the client's business sector, and the expectations of the client and mentor. One mentor said he was told in the induction that the project was a new one and there was no body of experience to draw on. Another said 'I was told not to wear a suit, it would be intimidating – I ignored the remark'. This is a significant remark. It appears that no work was done on diversity in the induction programme. This is an important omission to draw attention to. Issues of gender, race, cultural differences, age, religion, politics and disability are all relevant in this regard. In the evaluator's view, the omission should receive attention in any future project. Some mentors had not been to a township before taking part in the project. Many had no experience of the differences between developed and developing businesses and the personal circumstances of clients. There were issues concerning status and 'do-going' attitudes. In the evaluator's view, issues concerning diversity can effectively be addressed with training. Reinforcement of initial training should also be built into subsequent project activities, such as meetings and seminars. In the process, relationships are strengthened and trust developed. More is said about diversity issues below in the report where the matching process is addressed.

In conclusion, one mentor felt that mentors themselves should be mentored for a while before they became active on the project. Experienced mentors could have been included in induction programmes to talk to new mentors. The writer got the impression that mentors did not even know each other from the groups she met in Johannesburg and Cape Town. This approach could also have been used with more experienced clients presenting to new clients in induction programmes. It was apparent from group discussions that both clients and mentors were keen to work more with each other. More is said of this below in the report.

3.5 The client- mentor matching process

Some useful comments were received on how the matching process worked in practice, and how it could have been improved. Although it was, by nature, a process that could not be rushed, some respondents felt that it was too slow and that there was no sense of urgency about it, even though the majority of clients were without mentors on the project and had been waiting for a long time. The availability of mentors, the hr challenges that arose on the project, and subsequent time lags, are all issues that need to be taken into consideration here in evaluating these comments.

One or two mentors and clients referred to the fact that the process was too 'fussy'. One comment was 'I feel there is too much fussiness about matching, and not enough on the urgency of mentees' needs – causing time lags in matching'. One or two clients felt that it was not necessary to match on area of speciality. One client who wanted to open a driving school had been told that she had to wait until someone was found with driving school experience. She disagreed. She would be happy with a mentor with good business skills and acumen. Another comment was 'Matching is not important on business sector – I don't need to be an upholsterer to mentor an upholsterer- it's about matching people'. Although the evaluator does not agree with this comment, she empathises with what was driving it – the need to get on and find mentors for clients quickly.

One astute respondent asked 'Is a personality test done for matching? And matching on personal backgrounds?' This could very well add to the success of the matching process. Another felt that successful matching 'is as much about the client seeing the value of the mentoring as anything else'. This mentor also felt that mismatches occurred where the client was not honest about his or her business, and where hard work or her part was lacking. This destroyed trust, in his view, and the relationship would then not work.

In the evaluator's opinion, these are all issues that could have been covered in much more depth in the induction process with clients and mentors, and reinforced in follow up meetings and workshops.

Did the matching work?

There was a fair amount of divergence amongst the project stakeholders concerning whether the matching worked or not. Some think it worked well because Noko Maoka demonstrated particular strengths in this area. One staff member respondent said 'Noko works with mentors at induction and gets to know them. He sits on loans panel as well. He has developed a good understanding of clients and mentors. He does the matching based on his knowledge and documentation from both sides using loans application documentation and mentor registration forms' He himself said ' I am a mentor currently, I like it and am good at it, but I am sensitive about it. It is difficult, but I am committed to it'. The writer agrees with these views. In the work she has done with Noko Maoka during the evaluation, and from many discussions with him, she observed his enthusiasm in this area and his ability to match clients and mentors well. He knew the clients and the mentors very well. Some clients in groups commented that they were happy with their mentors, where they had them. Some comments were: ' I was well matched with my mentor – and am happy – we have similar business interests – and are in the same field'. 'I am happy with my mentor – he has the right skills'. The few mentors in active relationships interviewed also felt that the matching process had worked. In contrast, there were donor respondents who felt it had not worked because only a very few successful matches were active at the end of the project.

The evaluator's view is that the matching process worked quite well on the matches that were active, but the fact that there were so few active matches between clients and mentors (36), detracts from the success of what was achieved. During the evaluation fieldwork, the writer met five mentors and clients separately who were matched. Her impressions were that they had been well matched and the relationships were working well on 2 matches (Alexander Misch and Cindy D'Bete, Jack Dormehl and Molly and Lawrence Buthelezi).

There were, in her view, also good matches between 3 other clients and mentors who had recently started working together (Emil Marais and Warda Albertyn, Wayne Johnson and Heather Adams, Virgilio Da Molo and Paul Molepo). It is worth noting that most of the businesses in these matches were operating at a higher level than the majority of the entrepreneurs on the project. Ms D'Bete and Mr Vilakazi were operating close corporations, an accounting services consultancy, and a training and development consultancy, respectively. Both had 3 employees. Mr Molepo's security business was also registered as a close corporation and he had 7 employees. Mr and Mrs Buthelezi's catering business was likewise registered as a close corporation and they had four employees. Ms Albertyn's business was registered as a cc as well, and she had 3 employees. Ms Adams was an informal sole proprietor operating a retail footwear business. Her turnover was about R10 000 per month.

Diversity issues

For a number of donor, staff, client and mentor respondents, diversity was a major issue in the mismatch between clients and mentors. When Noko Maoka was asked how many mismatches he thought there had been on the project, however, he said probably about 10. The evaluator met 4 mentors (approximately 28% of the sample of 14) during the fieldwork who had requested re-matching. Comments made by both clients and mentors, and donor respondents, addressed diversity in all its forms – developed business and developing business, gender issues, colour and race issues, and the concomitant issue of cultural diversity. Some significant comments were 'There were cultural issues too – mentors mainly white-clients black – it became a top down relationship – white saviour-black struggler'. 'There are some black mentors but not many'. 'Can KPMG advise on managing a tuck shop?' 'There was alot of mismatch – on character and expectation issues – small micro businesses are not challenging enough for some mentors'. 'We need people who understand us better' 'I need someone who understands my business background'. 'They don't have the experience of what we have been through.' My mentor was bad- I said I need a car to run my business and she said: what are you going to do, steal it?.' 'I am fully conversant with working with people with no money. How many are?'

When one client was asked who she thought would make a good mentor she said 'Someone from my own community with business skills and knowledge – someone who specialises in what I do, and has good skills, someone who knows the community and has an understanding and respect for it' 'You need to be careful who mentors at the micro level – and with start ups, it can't be 'souped up' varieties – must be able to get to the right level –survivalist businesses are trying to make a bit of money – not high profits'.

Some other comments from clients and a donor were: 'My mentor has great business knowledge but is not a specialist in my field. I taught her – my mentor was not good enough'. "I saw a business where it was not working. The mentor's attitude was I am doing you a favour – I am way above you. It was a hair salon – the mentor was talking about himself, not the mentee and his business. He was on a power trip, according to the mentee. This could be about different cultural background or other issues. It could be a lack of commitment on the mentor's part'.

On the issue of gender, one interesting finding was that some clients who did not have a mentor would prefer a male mentor, even if they had no community knowledge. The reason for this was that they thought males had more skills and experience.

Amongst clients with mentors, however, this was not an issue. The proof of the pudding was in the eating, it would appear! The assumption that female clients prefer female mentors was not verified by the evaluation. Often, females too preferred a male mentor.

The solution to issues like these would seem to lie in casting the net widely to find a range of different kinds of mentors for different kinds of clients. From the number of comments received on the issue of diversity, it appeared to the evaluator that this was a significant issue for the effectiveness of the matching process. It also appeared not to have been given sufficient attention. In the evaluator's view, in any future project, it would need to be drawn through the whole process of selection, induction, matching and the relationship between the client and the mentor, and addressed in different ways at each stage.

To end this section on a more positive note, one donor respondent felt that white-black mentorship relationships work better where there is some common ground between the two. She said as follows, 'What I saw on black and white (in a mentoring relationship) was that they had common backgrounds (university education). The business relationship can get more personal, and even become a friendship where there are common backgrounds. Another one was a white mentor- black mentee. They go for dinner to discuss the business, and the mentor takes her to forums with him. It is a business relationship with value added'

Should mentees be able choose their own mentors, or mentors choose their own mentees?

The overall finding on this question, posed to clients, mentors and staff members, was probably not, simply for logistical reasons. It would be a difficult process to manage, and might add to the time taken for the matching process. The evaluator, whilst agreeing with this, feels that the fact that quite a few clients said they would have liked to choose their own mentor probably indicates that they were not happy with the mentors chosen for them. This information is reinforced by the fact that these comments often came from clients with mentors. Clients without mentors were happier to have their mentors chosen for them.

Some clients and mentors were adamant, however, that they did not want to choose their own mentors and mentees. They felt that they did not have the skills to do this and that it would take too much of their time. A staff member made a good point when he said that, with TNT matching the client and mentor, there was a third party involved, who could assist when problems arose. Some clients in different groups said that they would like to have chosen their own mentor shared between a number of clients and to have shared the costs of paying him or her. One commented that this would have been like the UYF voucher programme, where entrepreneurs were able to choose their own service providers. This comment is interesting to note, given the forthcoming merger between TNT and UYF.

Prioritising matching on the urgency of needs of clients

This issue came up in different guises. There was a feeling amongst some mentors and clients interviewed that matching could have been done more efficiently and with more speed by doing it differently. Before outlining some of the mentors' thoughts, some comments from clients follow to set the scene. One client said 'I don't want a mentor – just money, and meetings to attend – but with good advance notice'. A mentor said 'My mentee did not really need me – we had a few interactions which were useful – and then he fell away – I got another mentee 3 weeks ago after a 6 month gap. The client told me he had been waiting for a mentor for between 1 and 2 years. We need to prioritise on mentees, those who need it most urgently get it first. Some clients do not need mentors at all'. Another mentor said 'Prioritise on mentees – those who urgently need a mentor, those who should get one later on, those who do not need mentors'. And another said 'If there are only a few mentors and more clients, our approach needs to change – not 1-1 mentoring'.

Some interesting thoughts on how it could have been done came up from mentors in the Cape Town group. One mentor suggested that there should have been what he called classes of mentors (categories). Some mentors could have specialised on, for example, motivation, some on legal issues (like Bowman Gilfillan), some on employing staff, some could have been industry specific. Mentors could have been rotated around clients as needs dictated. Another suggested that each client could have had a full time mentor and the client could also have had access to other mentors as well. For example, if s/he felt they needed training on motivation, they could have joined a group with a mentor who specialised in this area. In this way, the matching process could have been more **client problem specific**. This might have been a more flexible system, which others (non-project clients) could have joined in as well to reach more young business people who were not part of the project.

In the evaluator's view, these ideas have merit and should receive consideration as part of any future project. In her view, the recruitment of sufficient numbers of the right kinds of mentors could continue to present challenges.

3.6 The mentoring process

Mentors understanding of the mentoring process and the level of commitment displayed

From the discussions that took place with the mentors interviewed, the writer formed the impression that most of them understood the process well. This finding is in line with a comment made by Noko Maoka that '*80% of mentors get the process – 20% need training*'. In the evaluator's view, a distinction needs to be drawn between these findings, however, and the question asked earlier in the report concerning whether mentoring in the main took place on the project, or whether it was more about coaching and on-the-job training. In her view, the fact that mentors appeared to understand the process did not mean they were all able to deliver mentoring to their clients. These issues have already been addressed in the report under the section concerning the philosophy of the project (on page 29) and are not restated here.

She was most impressed, however, by the commitment, enthusiasm and energy that the mentors interviewed displayed towards the work they were doing on the project. The fact that they were prepared to come into a focus group discussion on a Saturday morning (in Johannesburg, at 8am) underscored this impression. On a less positive note, her observation of a couple of mentors, in the pair discussions and in groups, was that some were more top-down than others, probably quite directive in their inter-relating with mentees, and not very good listeners. Whilst a directive style may have been more warranted with some clients than others (they may in fact have welcomed it), there was always a risk that clients became dependent on mentors to run their businesses. One mentor put it this way 'The more you get involved, the more dependent the client becomes – the mentor then starts to drive the business and the client gives effect to what you say'. Another mentor said 'The client wants you to make a difference in his life'. It is probably better to say, however, that the client should want the mentor to help him or her make a difference in his/her own life. Happily, most of the mentors interviewed appeared more focused on what the client wanted the mentor to do for them than on what they wanted to do for the client.

There was an interesting debate in the Johannesburg mentors group about how they mentored their mentees. One mentor explained his approach as follows: 'Mentoring is about how the client can use his skills optimally and get assistance on everything else'. Another mentor said 'I take a different stance – I work on the levers to pull to improve the business – and those to leave alone – I don't get involved at the micro level – I work on strategy for her to apply'. This debate indicated that different approaches and styles were used by different mentors with different kinds of clients. The higher the level of the business, the less the mentor needed to engage at the micro level. The fact that a number of mentors were spending in excess of the 3 hours minimum required by the project with their clients might indicate that there were more lower level businesses in the project requiring more direction from mentors, than higher level businesses requiring only some facilitation. The question has already been asked earlier in the report whether this in fact would constitute mentoring. The mentor who said he did not get involved at the micro level was working with a client who was operating at a higher level. (His client was Ms Cindi D'Bete. Her business story is included with those attached to the report as **Appendix D**. These 5 stories were written by the evaluator as a result of her visits to clients and their businesses as part of the evaluation).

Did the mentoring process work?

Mentor views

14 mentors were interviewed in both Cape Town and Johannesburg. Of this total, 6 were new mentors (5 were in Cape Town) who had either not yet seen their mentees, or had only been active for a very short time. Of the other 8, only 3 were in effective mentoring relationships, which appeared to be having an impact. 2 had just started with new mentees after their previous mentee relationships had ended (one was not needed, and the other had asked for a re-match), 2 did not currently have a mentee, and 1 was in a relationship that was not working. From this small sample, it is possible to say that the mentoring process did not work on any scale. A comment made by a mentor in an active relationship that appeared to be successful was 'My expectation was that I would get a mentee setting up a business and I would see growth in income, profitability, etc. I have seen this – there have been purchases and loan repayments on very little income. The working capital cycle was discussed and the client applied it with great success, and is generating a huge increase in income and turnover as a result.'

There is cash in the bank. I am involved in the strategy dimensions as well – goal setting, objectives, and monitoring – have you met it? What now? What do you think?

Client views

Clients interviewed expressed a mix of views about whether the mentoring process had worked or not. A range of both positive and negative comments are given below.

Negative responses

- 'My mentor used to appear out of the blue – made meetings, and then didn't pitch up'
- 'My mentor would only meet me at the mall – not at my business – it was a lunch meeting and we had to share costs at her request. We met once at my business, then she vanished – now we are meeting again'
- 'The mentor did not deliver what I expected – I want my business to grow. I need sustainability from the mentor'
- 'My mentor is holding a lot of information back from me because of where she comes from – but she didn't tell me where she comes from. She is in the same field'
- 'I had a mentor and have now lost her. She had problems- I have not told TNT – she does not come now. I don't know if the mentor reported to TNT that she is no longer coming'
- 'I had a mentor but now they don't come anymore'
- 'I phoned and left messages – the mentor did not respond'
- 'My mentor has just started up an NGO, so I don't want to bother him'

From this selection of comments, it may be concluded that, whilst some mentoring relationships were active, they were not always successful. It is difficult to know from these responses whether some of the issues were the fault of the mentor, however, or the client not being committed to the relationship, and the mentor losing interest, or both. The responses were not probed since they were given in an open forum and it might have been difficult for the client to admit possible fault. Comments made by mentors about their clients indicated that, at least in some cases, clients were responsible for the problems. Some comments were 'Between meetings, telephone calls are not happening. Other meetings are not happening'. 'Clients are not proactively contacting mentors. The mentor makes contact, not the clients. Maybe this is a cultural thing. But mentors prefer clients to phone them to avoid creating dependency'. Some of these issues appeared to be about trust and unrealistic expectations of the relationship on the part of the client. With some of the responses, the difficulties of working with volunteers were indicated.

Positive responses

- 'Yes, our expectations of the mentoring process have been met. We were given room to grow as people and to grow the businesses'.
- 'The mentor does not judge me, is open to me and very helpful. It took time to understand my problems and help me out. My mentor advised me concerning customer relations, customers should be able to depend on me. I should buy direct from suppliers, my mark up should be less when operating as a distributor. My mentor helps me with finding the right suppliers. I did gain quite a lot'.
- 'I want to thank my mentor for the style he used to help me. He got involved in the finance of my business. There is room for improvement however – the mentor could help me with bookkeeping and stock management and give me financial formulas to use'
- 'My mentor helped me to negotiate with my employees – I wasn't able to do this'
- 'My mentor has helped me most with financial management, auditing and managing the business'
- 'My mentor and I phone each other and see each other always. My mentor has been there for me'
- 'I am happy with my mentor – I like my mentor – I am enjoying the shoulder – he doesn't stress me – but I realise there's only so much he can give me'
- 'He helped me most with getting the business started and to run the business in a professional manner'
- 'I had a mentor for 7-8 months – then she moved away – she came every month – we had meetings and phone calls, where shall we meet? She had other clients, so we also met as a group. We worked as a team. She always came to my place and phoned to ask me if I was ok. My mentor was like my mother – she was always there. She was a person to moan to. She listened to me and helped me through it. She phoned to congratulate me and encourage me, she helped me through a lot'

These comments were encouraging, and demonstrated that some of the clients interviewed benefited from active and successful relationships with mentors. Clients were able on the whole to be quite specific about the kind of benefits they received, and to indicate what else they would like. The remarks indicated to the evaluator that the quality of mentors who were active on the project was probably quite high.

Ashley du Plooy, Director, TNT, was of the view that the mentoring activity worked. He said as follows: 'The process is about transferring skills and business advice, and about business friendship. The project has worked at this level'. The evaluator supports his view for those relationships she experienced which were active and appeared to be working. In her view, a distinction must be drawn, however, between what worked on a very small scale and whether volunteer mentoring as a business development and support service for youth entrepreneurs overall works. In her view, further dedicated research would be needed with greater numbers of mentors and clients on the project to draw firm conclusions one way or the other about what support actually took place, and what worked with whom.

Time allocated to mentoring (minimum of 3 hours) and the length of the volunteer mentoring relationship (1 year)

Differing views were expressed about whether the minimum of 3 hours per month was sufficient for successful mentoring outcomes with clients. Some people felt it was, others felt that 8-10 hours per month would probably be better.

Many mentors interviewed appeared to have spent many more hours with clients than the minimum. The issue of dependency of clients on mentors came up, in this regard, where more hours were contributed by mentors. The point was made that mentoring is not about creating dependency. In the evaluator's view, this could also indicate that more was happening in the relationship than mentoring. This has already been addressed earlier in the report.

On the issue of the length of the mentoring relationship, views were that one year was probably ok if the business was doing well, but not enough if it was not succeeding. A comment from a client was 'As long as we are paying off the loan, the mentor should be there'. One very useful comment was that 'Dependency is not a factor of the length of time of the relationship'. According to a staff member interviewed, mentors tended to put most hours in up front with their clients (in the region of 20 hours) and less at the end (16 hours). In this way, they prepared for the relationship to end.

In the evaluator's view, since mentoring is not about creating dependency, or directing or training clients with regard to running their businesses, but about acting as a business friend and a sounding board for the client concerning their own decision making and actions, three hours minimum per month and one year spent with clients was more than adequate support.

3.7 The management of mentors and clients

Client management

The evaluation indicated that there were weaknesses in this area which would need attention if the project was to work better in any future follow up. Noko Maoka commented as follows 'The focus is more on mentors than clients in the project. Questions are asked about mentors not the clients. **Clients being mentored** would be a better focus. It is like this because of the YBI affiliation – they talk a lot about mentors'. There was evidence of clients not honouring meetings arrangements with mentors, and not making telephone calls to mentors between visits. One donor respondent felt that, to some extent, this killed the energy on the project. Consideration could have been given to some kind of penalty for not honouring undertakings as part of the agreement signed between TNT and the client. The client could, for example, have been asked to pay the mentor's travelling costs, where meetings were not honoured.

The evaluation also indicated that liaison with clients after the granting of the loan needed further attention. Although there was evidence that loan officers visited clients, and that Noko Maoka accompanied mentors on the first visit made to a client, once the mentoring arrangement commenced, there was also evidence that this did not always happen. One client commented 'I need to feel at home – there needs to be a courtesy call from TNT once I get the loan. Someone must also come and see me'. Noko Maoka said that he made himself available for the first meeting between the client and mentor, but if the mentor declined the offer, he respected this. Building sound TNT-client relationships was a critical aspect of the project to win clients' support and commitment to the mentoring process. Good client liaison and management were key elements in order for this to happen. In the evaluator's view, addressing the weaknesses in the staffing capacity of the project, in order to release Noko Maoka to attend to his management functions, would probably have been the primary solution here.

Management of mentors

Lack of staff capacity also proved to be an issue for managing mentors. One comment received was that Noko Maoka did not have enough time to work with mentors. He was dragged into implementation and away from planning and management at the end of 2004 when hr problems and staff turnover occurred. Another issue mentioned were that there needed to be formal agreements between clients and mentors, in addition to the agreements signed between mentors and TNT, including a code of conduct and rules governing their relationship. The issue of mentors not receiving payment came up in one mentors' group discussion. Related issues were the difficulty of managing and holding mentors to account when there was no payment, and building the mentor's accountability by covering some basic expenses. One staff comment here was 'Since mentors were not paid, you cannot put pressure on them. We do hold discussions with them, however, and things usually improve'. A comment made by a mentor in the Cape Town group was 'I want to put back in – I have hope to move forward – I am here to move forward and make a difference – the environment has to be right for me to do this. Incentives are needed to make people want to stay – what can TNT offer with regard to a stipend, travel and telephone expenses? A contribution to the mentor's costs would make him or her more accountable. TNT could hold mentors to account. The current agreement is difficult to enforce, it is a voluntary relationship based on trust'.

These points are important and should be addressed by any future project. It should be noted that the mentors met in Cape Town were not employed by large private companies. They were mainly development practitioners, self-employed consultants, and a government employee. Volunteer schemes do normally offer some compensation to cover the expenses of volunteers' work. According to TNT, stipends were available to mentors to cover basic expenses, but they did not make use of them. Since they were not included in the agreements signed between mentors and TNT, it could reasonably be concluded that they did not know about them.

Mentors in Cape Town suggested that there should be monitoring of mentors, and performance evaluation monthly. Formal reports should be written and a discussion held once a month at TNT at mentors' convenience. They also felt that the mentoring programme should be more formal with deadlines for reporting on progress with mentees. They requested a list to be distributed of all the mentors on the project for networking between mentors. Overall, they felt that the management of mentors in Cape Town was not yet back on track after the problems experienced with staff turnover and changes. The Johannesburg group of mentors, however, in the main, did not express particular concerns with how they had been managed. Comments in this regard were 'I have no particular issues with the management of mentors – I am client-focused in my work on the project. The management must decide what must be done and then communicate with the mentors'. 'With regard to the management of the mentors, I was just left alone. I know Noko, I could have asked'. One mentor in this group did, however, comment that he was not receiving any feedback on his reporting, which was of concern to him. His comment was 'I do not get feedback on my reports to TNT – I would like to know that my reports are being read and analysed and taken up, that statistics are being kept and learning points captured. I would like to know that I am part of building a knowledge base. I am not being asked any questions as a result of my reports'. In the evaluator's view, the lack of dedicated mentor managers for most of the project was the main reason why these issues were seen as problematic by respondents.

Finally, one mentor felt that there should be a separate office (or screened off corner) with a desk and two chairs and computer facilities with access to the Internet (wireless if possible) for mentors to meet with mentees at the Johannesburg TNT office. (There were such facilities at the Cape Town office). The availability of computer facilities would also have exposed clients to 21st century technology and a more business-like approach.

3.8 Mentor and client development and training seminars, meetings and other events

Training and Development

Evidence gathered indicated that both clients and mentors needed to be engaged more with regular training and development workshops. They should perhaps have been invited to make presentations at these workshops as well, sharing their knowledge and experience of the project with each other. A mentor in Cape Town commented 'Nothing has happened with the training and development of mentors (in Cape Town) since 2004'. There was positive feedback from respondents concerning the development seminar held for mentors in Johannesburg. Another respondent said 'Mentors are high level people, but have the expectation in the project of becoming better mentors. Capacity building is needed and has started to be done at quarterly seminars. The Vice President of a coaches and mentors association in SA was recently invited to address mentors'. A question for the evaluator is why separate meetings of clients and mentors were held. So much more could have been achieved in her view by holding joint sessions for clients and mentors, in terms of issues like building trust and developing team spirit between them.

Meetings

There is evidence that insufficient meetings of clients and mentors were held. Most clients who commented on this said they had only attended one meeting since they had joined the project (the legal clinic). Some clients said they had been unable to attend, but had received invitations. The location of meetings was an issue here. Some respondents felt that more meetings should have been held in areas and at venues that were more convenient for clients. The evaluator agrees with this comment.

Client- and mentor-driven networking and learning forums

Several ideas came up regarding mentors and clients working together and leading their own forums for networking and learning in any future project. In Cape Town, there were even offers by people to take the lead on this (Warda Albertyn (client forum) and Emil Marais and Henry Esau (mentors forum). TNT would be asked to support where this was needed, with, for example, venues for meetings. TNT and NBI would be invited into the forums on a quarterly basis. Both clients and mentors felt that they could benefit a lot from each other with exchange of information, learning from one another, and business networking and trading.

In the evaluator's view, such forums would improve the sense of belonging of both mentors and clients to any future project and help them to create a sense of being a team. The forums could represent clients and mentors to one another, and to the project partners, and they could hold joint meetings from time to time. There could also be networking between the Johannesburg and Cape Town structures. Mentors in the Johannesburg group felt that such structures could assist to feed information into the larger environment (via the NBI). One comment was 'We could disseminate information and lobby the banks about loans rates. We could feed information up into the larger economy, and tackle the issues. In this way, project learning would become an agent of change. We would need more links with the NBI to do this. We could set up an association of mentors to mentor each other as well. There is a lot of scope for skills transfer'. The evaluator feels that these ideas are extremely valuable and should be explored as part of any future project.

Events

An annual awards ceremony was discussed with all groups, as part of the evaluation. There was a lot of support for such a ceremony and for making awards to both mentors and clients. When asked what mentors and clients would like as prizes, the ideas suggested were: cash, a training bursary, business equipment, a holiday, free office/business space for 6-9 months, an *Enterprise Zone* TV slot to talk about my business, a bakkie or car, a business trip overseas for networking and marketing my business, a statue, plaque and money, a book, newspaper and TV coverage of my business, a newspaper article about me and my business, presentation to the Deputy President, advertising, an exhibition stand and business expenses to promote my business at a major local or international exhibition, or a meeting with well known business people like Saki Makozoma. There was a suggestion about holding social events that clients would pay to attend. A meal could be served, and dress would be formal. There could for example be a clients' Gala Evening with music and dancing, sponsorships and prizes, with donors present and the project partners. Tables could be arranged so that clients and mentors were mixed with donors and staff, with the aim of getting to know one another better. In the evaluator's view, these activities could be the responsibility of a marketing and communications specialist employed or engaged by any future project.

3.9 Professional training, advisory and support services

Several important points were made by mentors in Cape Town about the provision of professional training and support services for clients and mentors. These points were:

- The mentor needed to work with specialist professionals in his or her mentoring of clients. Technical and professional advice should have been given by a specialist or an expert. In this way, mentors would have been protected against liability for advice given to clients.
- There should also have been a voluntary agreement between clients and mentors to the effect that the mentor could not be held responsible for the failure of the business.
- Mentoring is different to professional advice – did clients know this?
- Delegation was needed in the mentoring process concerning specialist skills. Professional service providers were needed to do this.

It is clear from the points made above that the benefits of professional providers making their services available to the project were not limited solely to education, training and development, and professional follow up advisory services.

Other important points relating to the issues were raised in discussions by other respondents. For one donor respondent there was a question concerning whether many, or even any, of the entrepreneurs needed such high-level support, and to avail themselves of follow up services. He said 'These are really quite high-level services, which may not be geared to the needs of the micro-entrepreneur, especially in the informal sector'. An interview with David Geral of Bowman Gilfillan revealed, however, that one or two clients in Cape Town had made use of their services after a legal clinic conducted by BG in Cape Town. Project staff respondents had this to say:

'The NBI believes in an integrated approach when it comes to entrepreneurship promotion and small business development. The Youth Enterprise Volunteer Mentorship Programme is also based on an integrated approach. This entails loans, mentoring (generic support), and access to specialised professional services (training component). The provision of specialised professional services is one of the innovations of the programme. As the programme is run as a pilot, the introduction of these services only came about during the running of the programme and was in part used to test the appetite for services. Based on the feedback to date (on the legal clinic conducted), it seems that there is a need for this support, and we plan on introducing these in a more structured manner in the event of the pilot being scaled up in the future. Some of the benefits to the entrepreneur are: services reach all entrepreneurs, including those with no need for or access to a mentor, the service is free thus enabling entrepreneurs to access this critical support, and the workshops 'fill' the gaps in areas where mentors might not have the skills/knowledge to assist the entrepreneurs'.

'As we scale up delivery of micro enterprise finance for youth start-ups, it will become an increasingly tall order to find a one-on-one mentor for all our clients. As such, we need to consider a compromise situation whereby not every client would have the benefit of a dedicated 'business friend'. I consider the mentorship programme to provide the following: advice, friendship, skills transfer, markets and programmatic support for the delivery institution. In our prior assessments of the recurring problems experienced by our clients, we have been able to develop a tentative top 7 list of common (recurring) challenges. Marketing and financial admin and planning certainly top the list, but legal challenges are certainly within the top 5. As such, the BG 'deal' allows us to cover a major theme across-the-board. If we could find similar company-wide or industry-wide deals for marketing support, financial admin and planning, etc, then we are well on our way to addressing almost all clients' most pressing challenges. There will always be people who will need and benefit from the all-round dedicated mentor, but we have to see how we can seriously escalate the recruitment and management of one-on-one mentors'.

Comments received from clients during the evaluation indicated that those who attended found the legal clinic valuable. A total of roughly half the project clients attended the clinics in Johannesburg and Cape Town. One client said 'The legal clinic was an excellent workshop'. Their comments were borne out by the report concerning the legal clinic compiled by the NBI. In a telephone interview with David Geral of Bowman Gilfillan, he said that they were very happy with both the organising of the workshop and communications with NBI and TNT. He felt the sessions in Johannesburg and Cape Town had been successful and that they were of value to clients.

The writer is of the view that it may be too early to pronounce on the value of professional development and advisory services to clients as part of the project. Further work of a pilot nature may first need to be done.

In terms of the comments relating to the use of such services to complement, or even replace, mentors, the writer feels that these have merit. Mentors raised important points concerning protection against liability for business failure. The possibility of not being able to provide volunteer mentors for all clients is also an important one, and a very real possibility. It will be recalled that, earlier in the report, the writer recorded the suggestion of the mentors in Cape Town that teams of mentors could be recruited specializing in different business skills. Such teams could rotate around the clients, as they expressed a need for such services. Needs-based training workshops could also be held. These ideas are very similar to those outlined in the second comment above.

4. The value and relevance of the project to participating entrepreneurs, and the impact and practicality for their businesses

4.1 Numbers and breakdown of clients on the project

Currently, there are approximately 500 TNT loan clients targeted as part of the project. 200 of these clients were targeted to receive mentors as part of the pilot project between August 2004 and June 2006. The table that follows gives a breakdown of these clients by location.

Clients	Total (March 2006)
Johannesburg	140
with mentors (active)	23
with mentors (inactive)	20
without mentors	97
Cape Town	60
with mentors (active)	13
with mentors (inactive)	0
without mentors	47
TOTAL	200
with mentors (active)	36
with mentors (inactive)	20
without mentors	144

The table indicates that the project fell short of the target projected of 200 clients with active mentors. Approximately 18% of the total possible clients were in an active mentoring relationship at the end of the pilot project. Another 10% had mentors matched with them but mentoring was not taking place for one reason or another (mentors were not available or had lost interest). **72%** of the total clients targeted did not have a mentor at the end of the pilot project.

4.2 Forms of clients' businesses

Form of businesses	All clients	Clients with mentors
Close corporation	30%	60%
Pty (Ltd)	0.25%	0%
Sole proprietorships (mostly informal)	66%	35%
Partnerships	2.75%	5%

The table above shows that the majority of clients were mostly informal sole proprietorships (66%), followed by close corporations (30%). It should be noted that, according to project staff, the allocation of a larger percentage of mentors to close corporations was coincidental. The majority of businesses were in the services and retail sectors. There were very few manufacturing businesses (which traditionally have the most potential to create employment for others).

4.3 Some characteristics of the clients interviewed and their businesses

34 clients completed a written questionnaire as part of focus group discussions in Johannesburg and Cape Town. 17 had mentors, 17 did not. (The remaining 10 clients in the total sample of 44 were either interviewed in pair discussions, on business visits, or as part of the familiarisation phase. The questionnaire was not used in these meetings). Only clients without mentors were interviewed in Cape Town.

A breakdown of the status of the businesses of clients interviewed is given below. Two tables are given, one of clients with mentors and the other of clients without mentors.

Clients with mentors

Business status (Johannesburg)	Client numbers interviewed
Formal/formalising	
Close corporations (with employees)	8
Partnerships (cc)	1
Sole proprietorships (cc)	1
Total	10
Informal	
Partnerships	0
Sole proprietorships	7
Total	7

Clients without Mentors

Business status (Johannesburg and Cape town)	Client numbers interviewed in Johannesburg	Client numbers interviewed in Cape Town
Formal/formalising		
Close corporations (with employees)	2	7
Partnerships (cc)	0	1
Sole proprietorships (cc)		1
Total	2	9
Informal		
Partnerships	0	1
Sole proprietorships	2	3
Total	2	4

As the tables above indicate, formal or formalising businesses outweighed informal businesses in the group discussions. There were **21** formal (operating from leased premises), and formalising businesses (operating from home). There were **13** informal (non cc) businesses operating as partnerships or sole proprietors (from home). This was surprising given that informal businesses far outweighed formal and formalising businesses as part of the project.

The reasons for this might include the inability of informal sole proprietors to leave their businesses, a greater interest by formal and formalising businesses in the evaluation, or even problems with transport to attend the group discussions (there were train strikes at the time of the fieldwork).

Not all the clients were in the age range 18-35. Several female clients with Unilever loans were well over the age limit (in their 40s and 50s). There were a number of clients who had grown up in families in business. They received their first business training in this way by helping out in the family business. Clients without mentors often appeared less confident and assertive than clients with mentors. They very often took longer to complete the questionnaires than clients with mentors. There were also more clients (without mentors) in Cape Town than Johannesburg (with and without mentors) who gave the impression of being more pro-active about their businesses and more 'business-minded'. These findings might warrant further research with more clients to inform any future project.

4.4 Clients' views about whether they had benefited from the project

From the discussions with clients in the focus groups, slightly more clients were negative than positive regarding whether they felt they had benefited from the project. Examples of the positive and negative comments received are given below. No distinction was made between clients with mentors and those without. Comments by clients with mentors were, however, included earlier in the report. Furthermore, the majority of negative comments received indicated that the main reason was the fact that clients did not have mentors. The comments came from informal, formalising and formal businesses. The comments are given solely to illustrate how clients' views about the project varied quite widely, and to add interest to the report.

Positive responses

- 'The project really helps us.' (All members of one focus group who also had negative comments to make)
- 'I would not be here today in business except for this project'
- 'This is a very good project. The banks would not look at us. This project is helping us to build the nation – but the interest rates on the loans are too high'
- 'The project has woken me up – I was wearing blinkers'
- 'I am happy with the project for its response – the loan was granted very quickly – I took the loan as bridging finance and paid it off immediately. Maybe the loan was quick because of my history of paying it back quickly'
- 'My expectations were around financing and I have not been disappointed'
- 'My expectations were around a loan and someone to help me – I am happy and hoping that someone is still coming'
- 'TNT really believed in me – I got good support'
- 'I was desperate – I walked every day to TNT – they helped me a lot'
- 'I was given a head start by TNT – then my business was taken into business incubation as well – 8 months after the loan, I applied for VAT registration' (furniture manufacturer in Cape Town)
- 'We are grateful for the project – it is empowering'
- 'There is flexibility on repaying the loan, there was space and comfort on this project. I am very happy with the project'.

It was difficult to elicit responses that were any more specific than those given above, probably because the clients had already completed their questionnaires before the discussions took place. The comments should be read in conjunction with the analyses of the findings of the questionnaires which follow below. Many of the comments given above related more to the loans part of the project model than to the mentoring process.

Negative responses

- 'My wife is working for the TNT, not her business' (problems with the loan interest rate)
- 'I will not borrow from TNT again – I will save money to grow my business in the future'
- 'There is a demand for this project in rural as well as urban areas. The project has not served these areas'
- 'The project is too limited – it should be available to people over 35 as well'
- 'I tried my luck – but there were problems which I didn't expect'
- 'We want mentors. We missed out in Cape Town a lot. This was a major weakness. The project must go on for this reason. Where's the mutual interest. We paid back the loan. If you talk empowerment – do it!'
- 'My business is not operating right now' (This client in Cape Town was very angry about this. He felt it was TNT's fault. On further investigation, it appeared that that the cause of his problems was poor loans writing by a loans officer who subsequently left TNT)
- 'This project is easy to access. It is easy to access finance, but more responsibility is needed on the part of the project. TNT should guide more. My mother guided me. I did not have a mentor. TNT must ensure that the business plan is rolled out. They must monitor this'
- 'The lack of mentors has been a problem and they must know their field'
- 'I was told I would get a mentor. When I phoned about it, they said we will come back to you and never did – other clients have had the same experience'
- 'Staff turnover affected the slow progress of getting mentors in place'
- 'TNT only visited once – the loans officer. I did not have a mentor. There was staff turnover and a lack of communications in the Cape Town office'
- 'I would like to be seen as a TNT client – but they did not provide a mentor so I moved out and found my own business support services. I would like to be part of this family'
- 'We need to be treated as adults. If the project is based on disadvantage and disempowerment, then let it be like this, don't put more obstacles in the way. We need the loans system to be revised, to make things easy and quick, and make more money available for more people'

The majority of the responses related to not having mentors on the project. There was a lot of dissatisfaction expressed by clients in the group discussions about not having mentors after being promised them.

4.5 Findings concerning the impact of the project on the growth of clients and their businesses

The 34 clients interviewed in group discussions were asked to complete a 3-page written questionnaire, giving a profile of themselves as the business owners, and of their businesses. They were also asked to give a self-assessment of their business skills and knowledge, as well as the growth of their businesses, at the beginning of the project and at the end, using a range of key business success indicators. All the questionnaires completed were analysed by the evaluator. The findings are given below. It should be noted that the total client sample of 34 was small and the research conducted was purely informal to compensate in a small way for the lack of comparative impact data available on the project. The findings and 'conclusions' are tentative (experimental). They were generated more to identify possible questions for further research, than to provide categoric answers. They should, therefore, be treated with caution. Much more in depth formal research with a larger sample, would be required to verify the findings. The analyses produced are simple. Correlations of the findings with the clients' and businesses' data captured by the questionnaires were not made because of the tight timeframe from the end date of the fieldwork to the deadline for the production of the final report and its presentation to stakeholders. A computerised database for data capture and analysis, as well as the generation of more complex reports would also have been necessary to do this. There was insufficient time for this to be done.

4.5.1 Clients with mentors in Johannesburg (Total responses = 17)

Indicator	Number of clients reporting growth
Marketing and advertising	2
Market opportunities and networks	4
Customer relations	2
Financial management	7
Net profitability	3
Cash flow healthy	3
Money in the bank	2
Employment growth	3
Business expansion plans	1
Personal skills	5
Realistic expectations of self and business	1
Operational ability	3
Business management knowledge	4

Business skills	4
Recordkeeping	3
Unemployed to self-employed	11
Employed to self-employed	4
Underemployed to self-employed	1

Footnote to table:

Monthly sales and annual turnover figures are not included in the table above. The figures given were excluded on the basis that they were unreliable. Only one set of figures was given by most respondents, and the figures for monthly sales very often did not equate with annual turnover figures.

4.5.1.1. Analysis of the tentative findings

- (i) All three clients reporting improvement in cash flow were Unilever loan female clients.
- (ii) Both clients reporting improvement in money in the bank were also Unilever loan female clients.
- (iii) 41% reported improvements in their financial management skills
- (iv) 29% reported improvements in their personal skills development
- (v) 23% reported improvements in market opportunities and networks, business management knowledge and business skills.
- (vi) 18% reported growth in their profitability.
- (vii) 18% reported clear growth in employment of between 1 and 7 employees.
- (viii) 18% reported improvement in their operating ability and recordkeeping skills.
- (ix) 65% of the respondents (11) were unemployed before they became self-employed.
- (x) 24% (4) were employed before they became self-employed.

4.5.1.2. Tentative conclusions for further research**Client improvements**

It is apparent from the data given above that improvements might have taken place in the areas of **financial management and other business skills**, as well as in **business management knowledge and personal skills**. There may, therefore, have been skills and knowledge transfer between mentors and clients. The fact that only 18% reported an improvement in operating ability and recordkeeping, and even lower percentages reported an improvement in profitability, and growth in employment, however, counter-acts this finding.

It should be stated, however, that it can take some time before theoretical skills and knowledge are successfully applied in practice. Questions for further research arising from these findings could address the tentative link between the presence of a mentor and skills and knowledge transfer to clients, as well as the time lag between possible skills and knowledge transfer and successful application in the business.

Business growth

Only 18% of clients reported improvements in cash flow, profitability and money in the bank. 7 businesses reported that they had more than 1 employee (2-7 employees). Only 3 of these, however, reported growth in employment from the time they became part of the project to the end. In some cases, only one figure for employees was given on the questionnaire, and it was not clear whether this related to employees at the start of the project, or at the end.

4.5.2 Clients without mentors in Johannesburg and Cape Town (Total responses = 17)

Indicator	Number of clients reporting growth
Marketing and advertising	3
Market opportunities and networks	5
Customer relations	1
Financial management	3
Net profitability	5
Cash flow	1
Money in the bank	5
Monthly sales	6
Annual turnover	6
Employment growth	10
Personal skills	2
Realistic expectations of self and business	7
Operational ability	5
Business management knowledge	3
Business skills	4
Recordkeeping	5
Unemployed to self-employed	11
Employed to self-employed	4
Underemployed to self-employed	1

Footnote to table: 2 groups of clients without mentors were interviewed in Cape Town (11 clients) and one group without mentors in Johannesburg (6 clients). This should be taken into account when reading the findings and the conclusions that follow. The inclusion of 2 groups in Cape town and one in Johannesburg may have introduced a specific variable into the findings concerning location.

4.5.2.1 Analysis of the tentative findings

- (i) 59% of the total interviewed reported growth in employment from the time of joining the project to the end.
- (ii) 41% reported an improvement in their expectations of self and the business.
- (iii) 35% reported growth in both monthly sales and annual turnover.
- (iv) 29% reported growth in market opportunities and networks, and an improvement in profitability, money in the bank, operational ability and recordkeeping.
- (v) 65% reported moving into self-employment from unemployment
- (vi) 24% reported becoming self-employed after being employed
- (vii) 24% reported an improvement in their business skills
- (viii) 18% reported an improvement in marketing and advertising, financial management and business management knowledge.

4.5.2.2 Tentative conclusions for further research

Client improvements

The primary finding here was that most of the clients without mentors experienced an improvement in realistic expectations of self and the business after becoming part of the project. This indicator did not feature at all with clients with mentors.

Since clients did not have mentors, the receipt of the loan from TNT might have been the main determinant for this finding. It may be possible to say that the receipt of the loan brought home the reality of running a business to the majority of the clients, particularly as they were 'on their own', as it were, without mentors. 29% reported an improvement in their operating ability and their recordkeeping, which was higher than for clients with mentors. Between 18% and 24% reported an improvement in their marketing and advertising, financial management, business management knowledge and business skills. Overall, this was lower than for clients with mentors, with the exception of marketing and advertising. There may be any numbers of reasons for these findings. They raise the following questions for further research. Clients without mentors might have been more disposed to overestimating their business abilities and skills because they were without mentors (they perhaps didn't know, they don't know because there was no one with skills and knowledge there to compare themselves with. They might have been more pro-active, or less dependent, than clients with mentors, simply because they did not have a mentor to rely on, or back them up, with decision making and action. The findings might, however, indicate that there were more clients in the joint Johannesburg-Cape Town sample who were more naturally business-minded than the clients interviewed with mentors in Johannesburg only.

It is also interesting that the clients without mentors reported a lesser improvement in business and financial skills and business knowledge, than clients with mentors. This might be ground for further research concerning the most likely benefit to clients of mentoring being transfer of business skills and knowledge.

Business growth

Questions for further research could address the fact that the majority of the clients without mentors (59%, or 10 of 17) reported growth in employment in their businesses of between 1 and 7 employees. This finding was much higher than for clients with mentors in Johannesburg. The fact that clients interviewed were in Cape Town as well as Johannesburg might be the reason for this. It should be noted that clients without mentors generally reported better on this indicator than the clients with mentors. More clients without mentors clearly stated employment at the beginning of the project and at the end than the clients with mentors. This finding should, therefore, be treated with caution until further and more formal research was done. 14 of the clients without mentors in Cape Town and Johannesburg reported having between 1 and 7 employees, which was also higher than clients with mentors in Johannesburg (7). 8 of these businesses were in Cape Town and 6 in Johannesburg. The same number of businesses in both groups reported no growth in employment (4). 35% reported growth in monthly sales and annual turnover in their businesses and 29% reported growth in market opportunities and networks, profitability and money in the bank. The fact that only one client reported an improvement in cash flow, to some extent, however, counter-acts these findings, unless most income was generated only at certain times. This might very well be the case with businesses in Cape Town with peaks and troughs in tourism, and even with the recent power cuts. These findings were higher than for clients with mentors in Johannesburg. Further research would be needed to verify the findings and their reasons. Some of the reasons might be the same as those suggested for the improvements reported by clients with mentors. The conclusions drawn here can only act as a basis for generating questions for further formal research.

4.6 Mentors' assessments of the growth of their mentees and their businesses

Mentors were also asked to complete a 3-page questionnaire as part of focus group discussions, providing a profile of themselves and the organisations they came from. In addition, they were asked to assess the development of their mentees and the growth of their businesses during the mentoring relationship. They were also asked to assess their own mentoring roles, and to give one example of an outcome or output as a result of their mentoring of clients.

10 mentors were interviewed in focus groups in Johannesburg and Cape Town. 4 of the mentors in the Cape Town group were newly matched with their mentees and felt unable to give responses concerning their clients' growth, and that of their businesses. 2 of the mentors, who were also newly matched, (1 in Johannesburg and 1 in Cape Town), gave responses based on one introductory meeting with their mentees. They were, therefore, not able to answer all of the questions. The table that follows is based on the responses given by 6 mentors. (5 of the mentors were in Johannesburg and 1 in Cape Town).

Indicator	YES	NO	UNSURE
Is self –employment an option for your mentee?	5	1	
Does s/he have money in the bank?	3	1	2
Has the annual turnover of their business grown?	4		2
Is the business profitable?	5		1
Has s/he employed others?	6		
Is the business continuing?	6		
Is the mentee able to support him or herself and their family?	6		
Is the mentee repaying the loan?	4	1	1
Has your mentee grown as a person?	3		3
Has you mentee become a better business person?	5		1

Whilst the answers given by this very small sample are statistically unreliable, they nevertheless indicate that their mentees appear to have benefited from the mentoring relationship, and the businesses may have grown. It is difficult to say with certainty that the client developed and the business grew, however, because of the mentoring relationship. One mentor interviewed said he felt his client and their business would have grown whether he was there or not. Much more in depth research would be needed on the issues.

The table below outlines the mentors' responses to questions about the performance of different roles with their mentees, as well as their reporting and communications activities with relevant TNT staff.

Did you do the following?	YES	NO	Example of an output or outcome
Make proactive and regular contact with your mentee	6		Monthly/weekly meeting Regular contact by phone Appointment made for next meeting
Problem solve with the relevant person at TNT	2	4	Communications about under-financing HR strategy development

Develop a set of tasks, strategies and competencies for the success of your client	3	3	Strategy developed to become a mini-market Working capital management strategy developed Profitability analysis produced Buying association strategy developed
Assist your client with access to business opportunities and networks	4	2	Introduction to new services Involved client with YBSA & organised a YBSA event with the mentee as a panel member
Provide a baseline report on your mentee and regular progress reports to TNT	2	3	Regular progress reports submitted Used report to measure improvement
Take part in orientation, induction and development programmes for mentors run by TNT	3	2	Nothing mentioned

The responses given indicate that mentors were, by and large, active in the relationship with their mentees. They discussed the business with them, made suggestions and strategised with them. Not all mentors gave examples of outputs or outcomes of the work being done. This may indicate that some mentors were activity- rather than output/outcome- focused. An area of concern was the finding that the majority of the mentors did not appear to have had regular contact with TNT. It also appears from the responses that most of the mentors did not produce baseline reports for their mentees, and/or they did not write regular progress reports. These findings are in line with evidence produced earlier in the report.

4.7 Loans repayments

Noko Maoka, YEMP national project manager, TNT, commented during the writer's interview with him that 'Repayment of loans is good –but this is a secondary factor in my book'. An analysis of the current client loans schedules for both TNT and Unilever loans was made as part of the evaluation. The findings are summarised in the table below. The findings confirm Noko Maoka's comments. Repayment of loans by both clients with and without mentors was good, and that repayments for clients with mentors were only slightly better. From the data given below, it can be concluded that there was no direct link between mentoring received and the high percentages of clients repaying their loans well.

1. UYF loan clients without mentors (Total = 489)

Loan repayment status	Client number	Percentage of total
In progress	234	48%
Account closed	128	26%
Demand letter/lawyers handover	122	25%
Rescheduled	5	1%

2. UYF loan clients with mentors (Total=46)

Loan repayment status	Client number	Percentage of total
In progress	28	61%
Account closed	8	17%
Demand letter/lawyers handover	10	22%

3. Unilever loan clients with and without mentors (Total= 10)

Loan repayment status	Client number	Percentage of total
In progress	7	70%
Account closed	2	20%
Demand letter/lawyers handover	1	10%

4.8 The portfolio at risk for the total TNT clientele compared with the portfolio at risk of clients receiving mentorship

The information given below was provided by Noko Maoka, YEMP National Project Manager.

1. Total Portfolio (at 31 March 2006)

Loans over 29 days in arrears	R3292 417.43	=	58%
<hr/> Total Portfolio	<hr/> R5675 855.09		

2. Clients with mentors (at 31 March 2006)

Loans over 29 days in arrears	R247 474.44	=	40%
<hr/> Total Portfolio of mentored clients	<hr/> R612 898.44		

Since TNT loan officers were responsible for ensuring the effective repayment of loans, it cannot be stated that mentoring received by clients was the primary reason why there was a better rate of repayment of loans by project clients with mentors than by TNT clients as a whole. It should also be noted that most clients, whether mentored or not, were repaying their loans well.

CONCLUSIONS

Question 3: What can TNT, NBI, sponsors, mentors and entrepreneurs learn from the experience of the project?

In this section of the report, a review is given of the evaluator's key learning concerning the strengths and weaknesses of the project, what succeeded and what did not, using some key indicators. This is followed by identifying and briefly discussing the key learning points she identified from conducting the evaluation.

3.1 Project key success indicators

	YES	NO	DON'T KNOW
Were the client numbers reached?	√		
Were the mentor numbers reached?		√	
Was the hypothesis proved that youth clients with loans fare better in business with mentoring?		√	
Were clients willing to work with mentors?	√		
Were volunteer mentors available to work with clients?	√		
Did the volunteer model work?		√	
Did the mentoring model work?		√	
Was there job creation?			√
Did the businesses grow?			√
Did the project partnership work?		√	
Did the project structure work?		√	
Did the joint project management work?		√	
Did the overall project implementation work?		√	
Was the selection of mentors good?		√	
Was selection of clients for mentoring done?		√	
Was client tracking done?		√	
Was the survival of businesses good?	√		
Were loans repayments good?	√		
Was the philosophy underlying the project effective?		√	
Was the mentor matching successful?		√	

Were there good numbers of clients with active mentors?		√	
Were the majority of clients happy with the project?		√	
Were the majority of sponsors happy with the project?		√	
Were the majority of mentors happy with the project?		√	
Were the project partners happy with the project?		√	

3.2 The key learning points

From the assessment given above, it is clear that something, or some things, did not work about the project. The project demonstrated that clients were willing to work with mentors and that mentors were available and willing to work with clients. Whether there was growth of clients and businesses was not established. Where there were successful mentoring matches experienced by the evaluator, the relationships appear to have worked. The fact that there were so few of these successful matches working well on the project demonstrated that something was wrong. Some of the key learning points for the writer about why the pilot project did not work well overall are identified below. No one factor can be isolated as the main reason in her view. If the project were to continue in the future, an integrated and systemic approach would need to be taken to address the challenges.

3.2.1 The conceptualisation of the project

Although it was apparent to the evaluator that the stakeholders were not all aligned around what the project was trying to do, the objectives of the project were clear from the beginning. The project was about supporting youth enterprises with mentoring to grow their businesses in size and profitability. The learning about the lack of alignment was, therefore, related more to stakeholders not all being in agreement with the objectives, than the purpose itself not being clear. The lack of agreement about the objectives came from views such as the project should not have applied hard economic indicators to businesses being operated by youth entrepreneurs, which were predominantly survivalist and informal. For these respondents, the fact that the majority of the businesses had survived beyond the first year of operation, and were providing employment and income for entrepreneurs to support themselves and their families was sufficient evidence of its success. Other views related more to the project being a learning opportunity and experience for young entrepreneurs to develop their skills and knowledge in order to grow their businesses in the future, as well as about the project being more career exploration for young people to make a decision based on the experience gained from the project about whether they wanted to be self-employed.

The evaluation, however, was about whether the two objectives identified for the project were achieved. It was not about whether stakeholders agreed with the objectives or not, although these areas of lack of agreement have provided learning for the conceptualisation of any future project. In the evaluator's view, the objectives were not achieved. A key question for the evaluator concerning why they were not achieved relates to whether mentoring was in fact an appropriate support service for predominantly young inexperienced business people operating at a fairly low level to achieve the project objectives.

She raised three key questions in this regard in the report concerning 1) what kind of youth enterprises benefit from what kinds of business development and support services, 2) what is mentoring and 3) what kinds of young entrepreneurs and businesses had the potential to make the best use of mentoring support in order to achieve the objectives of the project.

The evaluation indicated that the support given by mentors to clients might not have been just about, or even about, mentoring. It is probable that there was, at least, coaching support, as well as on-the-job skills training going on as well. This happened because there were in all likelihood differing needs for support by different levels of clients and businesses supported by the project. Lower level clients and businesses which predominated in the project (informal sole proprietors) appeared to need the mentors more to give them basic business education and information and to provide direction about their business decision making, as well as general and specific skills training and coaching, in the absence of more appropriate services to assist them. The clients who utilised the mentoring component in a more appropriate way were probably few and at a higher level. This might explain at least one reason why most mentors were inactive on the project. They might have left the project or lost interest because their expectations were not met. Weaknesses in project management and implementation could also have contributed to this result. It should be stated, however, that since the samples interviewed of clients and mentors for the evaluation were far smaller than intended, there is probably ground, and the need, to conduct further research around the issues with the remaining mentors and clients on the project. A primary value of the evaluation is that it has identified questions and areas for further research to be conducted. These questions and issues have been identified throughout the report. The conceptualisation of any future project would depend to a large extent, in the evaluator's view, on the answers provided by the further research.

3.2.2 Project planning, management and implementation

The failure to achieve the objectives of the project, although the purpose was clear, also provided learning for the evaluator about the project planning and practice. There were issues concerning the marketing and communications strategy and plan for the project, and about the recruitment, selection, induction, and matching of mentors and clients. In the evaluator's view, the conceptualisation of the project had a significant influence on how the project rolled out in practice. The marketing and recruitment plan was based on the provision of volunteer mentoring support for the youth enterprise sector broadly defined on the hypothesis that youth businesses might grow better with such support provided by mentors with business experience and knowledge. Clients were recruited or prioritised from amongst 500 clients granted loans. They were not selected on their potential to benefit from the mentoring process in terms of the objectives to be achieved. This was in line with the broad conceptualisation of the project. Mentors were mainly recruited from the membership network and contacts database of the NBI. They were skilled in and knowledgeable about business and some had prior mentoring and small business development experience. All comers were selected and registered. This too was in line with the broad conceptualisation of the project. There was no selection process based on their suitability to work with mainly inexperienced youth entrepreneurs starting or running fairly low level businesses in developing communities.

There were many disjunctures concerning the project. There were delays and time lags, and a lack of clarity about the roles and responsibilities of partners. Action plans contained in the business plan lacked detail and were produced in isolation of one another. There was insufficient detail in the action plans about who was responsible for what and what the deadlines were. (Further more detailed activity plans were produced monthly by the project partners, however, which were followed up in their bi-weekly meetings).

It is clear to the evaluator that, based on the re-conceptualising of the project, revised project planning and practice would follow. Elements in the revision of the project planning for the evaluator would be to produce one overall integrated planning framework in which roles and responsibilities were clearly defined and assigned, as well as synchronising time lines for the tasks to be performed. The marketing of the project and the recruitment and selection of mentors and clients would be based on its re-conceptualisation, to target clients in line with the objectives to be achieved, as well as volunteers who were not only skilled and knowledgeable, but also suitable for the clients to receive support. The volunteer corps might comprise a mix of mentors, basic business educators, skills trainers and coaches, or one or the other, depending on the needs and levels of the clients and businesses to be served. They most certainly would possess the personal characteristics and skills to work with clients and businesses from historically marginalised and disadvantaged communities.

3.2.3 The volunteering model

There was very clearly a debate amongst the project stakeholders about the merits and demerits of volunteering. Mentors did volunteer for the project. They came in quickly, but it looks like they also departed quickly. Only 36 of the 101 mentors recruited were active at the end of the project. Even if all those waiting became active, still almost half of those recruited were inactive or deregistered. There was no clear learning about the issues from the evaluation for the evaluator. Project practice issues relating to the marketing of the project, the recruitment of mentors, and project staffing capacity, management and implementation made it difficult to determine whether volunteering on a project like this one could work or not. Improvements concerning the issues are clearly needed as part of any future project. Only after this has been done, could clearer conclusions be drawn, in the evaluator's view, about the benefits and success of the project volunteering model.

3.2.4 The project structure and partnership

It is clear that the structure did not work well, and that it had a significant impact on how the project performed, and what it was able to achieve. The structure caused confusion about project roles and responsibilities. It lacked clear reporting lines between the mentor managers (critical roles) and the project management role shared between TNT and NBI. There were problems with communications at the partnership and implementation levels. Quite a lot of this can be traced back to the project structure. There is a saying that 'form follows function'. For the writer, this is the key learning point here. The structuring of projects takes place best after strategy development. The optimum mode of delivery can more easily be determined in this way. Informal structures, which do not accommodate the need for delegation and specialist functions, are common in NGOs (mainly because of lack of resources). They will not work once a project is expanded for delivery on a larger scale.

3.2.6 Whose business is business development?

At the risk of being contentious, NPO/NGOs are often not geared in terms of their values, capacity and management performance to deliver successful business development. In the experience of the evaluator, the desire to be 'developmental' and 'transformative', often acts counter

to effective performance. Development, even on a pilot basis, can, in her view, only be effective, however, if the principles of sound project management are followed, like any other business. If NGOs advocate the importance of sound management skills for establishing and operating successful small businesses, they must demonstrate them. They must be effective role models. In the writer's view, the project management failed to achieve this. The evaluation has shown that there were weaknesses in the management of the project. Some of the reasons for this were not within the control of the project partners. This has been addressed earlier in the report. But some were. The failure to take effective measures to produce information about the impact of the project concerning the clients and the growth of their businesses is a major example. The failure to secure the right kinds of mentors needed by clients was another.

3.2.7 Did the project work?

This is a difficult question to answer simply. As the writer has pointed out earlier in the report, it depends on what you look at. If the project was about learning about innovation in business development, learning there was. There was learning about whether the project models can work, as well as about how to effectively deliver the innovation intended. If the project was about supporting businesses with the potential to grow and increase their profitability, there was no evidence that this happened. If the project was about supporting businesses to be sustainable, survive, and repay their loans, then the project worked better. There were many problems relating to planning, structure, management and implementation. Some can be laid at the door of the project partners. One or two cannot. Did the project work? Taking all the elements together and reflecting on the key learning points discussed above, the writer is of the opinion that, by and large, it did not.

This is not to say, however, that the project could not succeed in the future, provided that the key learning points are taken to heart and applied in any future programme which may follow from the pilot. The project was in its infancy in a pilot phase. The problems, weaknesses and failures need to be addressed. Good results need to be demonstrated on an on-going basis in terms of a clear understanding about how the project should be designed to achieve its objectives. It needs to demonstrate these results before it can be expanded for delivery on a larger scale.

CLOSING WORDS

“Mentoring was generally unsuccessful if there existed social distance and mismatch between the values of mentor and mentee, presence of inexperienced or untrained mentors, mismatch between the aims of the mentoring scheme and the needs of the person being mentored, and conflict of roles. It was clear from all of these discussions, that mentoring was not a straightforward concept”

(Quote from a review of international research into youth mentorship programmes – www.yesweb.org/gkr/lessons)

Recommendations

2. How should TNT and NBI modify or adapt any future mentorship programme?

Suggestions and proposals have been made throughout the report on many issues. This final section of the report will confine itself to key recommendations made for the improvement of any future project, addressing the key learning points from the discussion above.

Recommendation One

The project should be followed up with a second pilot to build on the model and further explore the hypothesis that volunteer mentorship is a value-adding and cost-effective intervention for a micro lending agency such as TNT which seeks to promote youth enterprise, provided that the lessons learnt from the experience and this evaluation report, are acted upon. The design of the future model should be preceded by further dedicated research proposed around the questions and issues that have been identified by the evaluation. The pilot should run for at least 3 years to test the validity of the model, provided that satisfactory results are produced from year to year. The project should also continue in order to meet the expectations of clients on the pilot project who remained without mentors at the end. Popularising and institutionalising the model should be part of a second pilot. This would best be achieved by the development of strategic links and feedback mechanisms between the project and key players in the micro-lending and small business development sectors. SEDA could be one of these agencies. The agency is currently working on the development of a mentoring model as part of its activities.

Recommendation Two

Vision and mission statements should be crafted to add to the design and development of the purpose of the project, as well as to guide its future planning and practice.. This could be done in a comprehensive formal strategy planning session over 3-5 days, engaging all the stakeholders in the project including the past sponsors, the project partners, key loans and project staff members in Cape Town as well as Johannesburg and appropriate mentor and client representatives. A strategy should be hammered out in terms of the vision and mission statements, on which a business plan is then based, making use of an integrated planning framework. The strategy should clearly identify the project aims (its broad areas of work), derived from the mission, in addition to its objectives. The integrated planning framework should include an information generation and dissemination model, both within and outside of the project. (strategy + planning + information generation + reporting + feedback). It should also seek to formally integrate the key functions of recruiting, selection, induction, matching and communications, clearly identifying the respective roles of the project partners.

Recommendation Three

The project partnership and structure should be revisited in the light of the conceptualisation and design of the future project. This should be done as part of the development of the new business plan. A more formal structure should be considered, with expanded capacity for delegation, and specialisation in the marketing, volunteer management and mentorship disciplines.

Recommendation Four

Better use of available technologies should be made to improve the information generation, information management capability, as well as the efficiency and productivity of the project with regard to reporting activities and communications.

Recommendation Five

With regard to the delivery of the project, suggestions and proposals have been made for improvements relating to recruitment, selection, induction, matching, management, and communications with mentors and clients, throughout the report. These suggestions and proposals should receive attention as part of the project design, strategy development and business planning processes. A key issue which should inform the process is more emphasis on 'clients being mentored', rather than on mentors per se. This would shift the focus from activities to the outputs and outcomes required by the project. It would also create links between the activities of the project concerning clients and mentors (development and professional services support, meetings, training workshops and so on). This in turn would build on the relationships established between mentors and clients in the pilot project, and start to create a sense of belonging to the project, with mentors and clients working as teams, separately and together. This has largely been missing in the project to date. A second key issue which should inform the process concerns the management of diversity on the project. This has been addressed in detail in the report.

Recommendation Six

With regard to the management of the project, training in project management, or advanced project management, should be considered for relevant project staff (maybe they could receive mentoring as well). A marketing and communications strategy and plan should be put in place, creating links and partnerships with a wide range of business organisations and agencies, other mentoring activities (particularly mentoring and coaching training and development providers), as well as more non-NBI companies, to generate suitable mentors for the project. Consideration should also be given to sources of mentors other than companies and development institutions and agencies. Employed advanced post-graduate students doing MBAs, retired business people, international business volunteers, local volunteer organisations, such as Rotary, and trainee mentors could all be considered. With regard to trainee mentors, a scheme could be introduced for current mentors on the project to mentor and develop other mentors. This could include drawing from the ranks of the current clients, once they have completed repayment of their loans and would be interested in mentoring others. Other business development agencies might also be a source of mentors – organisations like Endeavour- who target the development of higher level small businesses.

Recommendation Seven

The further testing and development of the mentoring model should give consideration to the accreditation and certification of mentors. This could have several benefits. The quality of mentors could be further improved, and a core of qualified mentors developed. This in turn could help to attract greater numbers of mentors to the project, with demonstrable and concrete benefits for them in taking part in the project. A mentoring specialist post (or posts) created as part of the project structure could be responsible for this formal training and development programme.

Recommendation Eight

Consideration should be given to introducing basic business education, with materials developed for this purpose, to prepare clients for the mentoring process, if lower level businesses continued to be targeted for the project. This education could be included as part of a longer induction programme taking place over a period of time (say three months, but not continuously). Such prior preparation of clients would release mentors to focus on their primary support roles for the growth of the clients and their businesses. A 'basic business toolbox' could be created containing basic fact sheets in simple English (and maybe other languages as well) about the different aspects of starting up and managing a business, business registration, applicable legislation, VAT, obtaining a business banking account, recordkeeping, the mentoring relationship, expectations, managing HIV/AIDS in the workplace, and so on. In this way, a bridge could start to be built between inexperienced young business people who lack a basic knowledge of business, and the mentoring process.

-END-

APPENDIX A: Terms of Reference for the Evaluation

1. Background

- 1.1. During 2005-6, with funding from the NBI, the Royal Netherlands Embassy, Kellogg Foundation and the Swiss-South African Co-operative Initiative, The Nations Trust (TNT) implemented a Youth Enterprise Volunteer Mentorship project for emerging young entrepreneurs who have taken business-development loans from TNT.
- 1.2. The principal objective of this project was to recruit a maximum of 150 mentors to provide mentorship to some 200 new enterprises to grow the businesses and increase their profitability. A secondary objective was to test the hypothesis that volunteer mentorship is a value-adding and cost-effective intervention for a micro-lending agency such as TNT that seeks to promote youth enterprise in particular.
- 1.3. As required by the agreements between TNT and its sponsors, this project is now due for evaluation.

2. Objectives and Scope

The evaluation is largely summative and for the purpose of accountability, However, it may also serve a formative and developmental function in informing decisions about the future of this model of lending tied to mentoring. Thus, the most likely uses to which the evaluation will be put are:

- To establish whether TNT fulfilled its contractual obligations to the sponsors
- To inform a decision by current and prospective sponsors on whether and to what extent to fund TNT in 2006 and beyond
- To inform a decision by TNT on whether and to what extent this project should be replicated or followed-on in any way
- To inform decisions by TNT regarding the development of their lending and mentoring model, and the improvement of the planning and implementation of similar programmes in future
- To support future proposals by TNT to other potential funders

2.1. In essence, the sponsors would like the evaluation to answer four key questions:

- **Has TNT done what it was required to?** (i.e. verification that the various inputs, services and activities required by the contracts between TNT and its sponsors took place, and analysis of income and expenditure against budget).
- **Has it been done well?** (i.e. an appraisal of the quality of the mentorship programme, its underlying philosophy, mode of delivery, value and relevance to participating entrepreneurs, impact on their businesses and practicality).

- **What can (a) TNT (b) sponsors, (c) mentors learn from this experience?**
- **How should TNT modify or adapt its mentorship programme in future?**

3. Deliverables

The deliverables will be a report of about 20-30 pages (excl appendices) by the end of March 2006. The report will comprise:

- Documentation and interpretation of data in a form comprehensible to outside parties unfamiliar with the programme
- Conclusions and recommendations relevant to the particular interests of TNT and the sponsors
- Two additional easy-to-read summaries, one aimed primarily at mentors and the other at a more general readership

A draft report must be submitted by e-mail by 24 March 2006. The final report must be submitted by e-mail with a hard copy (including appendices) by 31 March 2006

4. Time Frame

The time-frame is estimated as follows:

- **January 2006:** **Identify evaluator(s)**
- **February 2006:** **Brief evaluator(s); field work & data-gathering begins**
- **Early March 2006:** **Field work concluded; draft report written**
- **Late March 2006:** **Writing and presentation of final report**
Final payment on acceptance by sponsors of final report

Expertise Required

The evaluator should:

- have knowledge and experience of the micro-lending sector in South Africa
- have knowledge of issues relating to SMME development
- have extensive experience of monitoring and evaluating development initiatives in South Africa
- be familiar with issues relating to youth development, particularly those relating to income and employment
- have experience of working with donors and with the NGO sector

APPENDIX B: Original evaluation proposal submitted by the independent evaluator

Consultant's Expertise and Experience

I managed a 2-year loans and after-care service for micro entrepreneurs trained and established by the organization ~ I worked solely in the SMME sector between 1982 and 1992 in policy research and field positions ~ From 1993 – 2004, I was engaged in community development, adult education and community education, training and development, often working with youth, in different parts of the country, addressing issues relating to self-employment either directly or indirectly ~ I have extensive practical experience of formative evaluation as part of project development and management positions held and consulting assignments undertaken between 1993 and 2004 ~ Over the last five years, I have undertaken summative evaluation in the primary and secondary education sectors ~ Most recently, I have had formative and summative evaluation planning experience (training needs and impact assessment) in the youth enterprise sector. (I have been exposed to the *Measuring Programmatic Impact* model of the Youth Development Network in this regard). ~ Currently I am completing an evaluation of a newspapers-in-education project to redesign project strategy and the associated training plan for the next 4 years. ~ As Director of Junior Achievement SA between 2004 and 2005 and as a member of the Youth Development Network during this time, I have further developed my knowledge of youth employment and development ~ I attended the Youth Employment Global Summit in Mexico in October 2004 as part of the YDN delegation ~ I have an extensive background in working with both donors and NGOs as both an employee and as a development consultant.

Proposed Work Plan and Time Frame

Work Activity	Date/s	Sample numbers	Remarks
Familiarisation and preparatory discussions to develop the final evaluation framework design and to inform the development of the research instruments	February - March	7	TNT Director TNT Project Manager/Coordinator NBI senior project staff 1 donor 1 youth entrepreneur/1 mentor
Research instrumentation development	March		4 discussion checklists and short questionnaires (approved by client)
Field research activities (Johannesburg and Cape Town)	March	200 youth entrepreneurs 20 volunteer mentors 2 donors 5 entrepreneur – mentor pairs 5 business visits	Donor interviews 10 focus groups (20 youth entrepreneurs per group) - with/without mentors 2 focus groups (10 mentors per group) Observation of 5 pair guided discussions between mentors/youth entrepreneurs (assistance given to set up groups and interviews by project coordinator)
Collation and analysis of findings and report writing	March- April		
Draft report	April		
Final report	April		
Presentation	April		

APPENDIX C: Final Evaluation Framework Design

Date	Research activity	Respondents	Respondent numbers
PHASE 1 27 Feb-8 March			
	NBI and TNT Briefing Meeting	NBI, TNT and SSACI (evaluation leader)	
	NBI and TNT staff interviews	TNT Director, NBI Project Director and Programme Manager, TNT National Programmes Manager, TNT Cape Town office Regional Manager	5 project staff members
	Donor and sponsor interviews	SSACI, RNE, SEDA, Bowman Gilfillan W K Kellogg Foundation	4 sponsors WK Kellogg Foundation not interviewed
	Young entrepreneur and mentor discussions		1 entrepreneur 1 mentor
	Research frame and instruments finalised		Approved by client
PHASE 2 8 - 28 March 2006			
Johannesburg	2 mentor-entrepreneur pairs discussions/ observations		2 mentors 2 entrepreneurs
	3 business visits		3 entrepreneurs
	3 entrepreneurs with mentors focus groups		17 entrepreneurs
	1 entrepreneurs without mentors focus group		6 entrepreneurs
	1 mentors focus group		5 mentors

Date	Research activity	Respondents	Respondent numbers
Cape Town	2 x mentor-entrepreneur pairs		2 mentors 2 entrepreneurs
	2 business visits		2 entrepreneurs
	1 entrepreneurs with mentors focus group		11
	1 entrepreneurs without mentors focus group		Both clients without mentors groups No clients with mentors interviewed in Cape Town
	1 mentors group		5
	TOTALS	Entrepreneurs	44 (22%)
		Mentors	14 (14%)
		Sponsors	3 (60%)
		Staff (NBI/TNT)	5
		Professional services provider	1
		All respondents	68
PHASE 3 (Findings analysis and report writing)			
29 March – 12 April	Draft Report		
13 April	Report sent out for stakeholders comments		
17 April	Final Report		
18 April	Report presentation		TNT, NBI, Sponsors, UYF
12 May 2006	Submission of final report after receipt of a written response from the project partners		Report submitted to Ken Duncan at SSACI for distribution to stakeholders
17 May 2006	Submission of two summaries of the report for mentors and clients after approval of the final report		Reports submitted to Ken Duncan for distribution to mentors and clients

APPENDIX D: Five business stories of entrepreneurs visited as part of the evaluation**R&E Lifestyle Design – Evelyn and Richard Zynster**

Evelyn and Richard run a re-upholstery, curtaining and blinds business in Wynberg in Cape Town. They offer a diverse product range with pelmets, padding of headboards, cushions and bed linen. They offer custom made products serving the needs of their customers. They have been matched with a mentor, but have not seen the person yet. They are asking when the mentor will start. They have the necessary on the job knowledge, but understand that the mentor will bring skills and knowledge they do not yet have. TNT chose the mentor for them and they understand that the process is to choose a person who is in their field. They are happy about that. They were consulted about who they would like and understand that they can ask for someone else if they are not happy with the mentor. Their loans officer at the TNT office phones them regularly to ask how they are doing. They are happy about all of this. They were not happy about the loans process however. The process was very long and slow. They had to keep following up on the loan. They dealt with another loans officer before the current one. This caused problems in their business. Their business is very busy and they needed industrial equipment for speed and efficiency of servicing their orders. They could not get the turnover they needed at the beginning. They started to wonder whether it was all worthwhile – all the effort and meetings. They thought they should give up and then the loan came through and they were ok.

They think the project is very good. 'We have the vision for our business and can create work, but we do not have the finance'. They are very happy with the staff and the project activities. They have been invited to and have attended meetings at TNT Cape Town. They have the following suggestions for improving the project. The loan covers only their equipment from the suppliers. They would like cash as well as bridging finance up front. As the business expands, they need more machinery and cash for wages. They need a good cash-flow and the loan could help with this and buying additional stock. Working capital as part of the loan would have made their business easier at the beginning and improved turnover. They feel that R20 000 would have been sufficient. (30% of the original loan). They originally had 5 employees, they now have 8. They have experienced high and fast growth since they received the loan.

The owners have a great deal of practical experience at what they do, and this kind of business is in their family background. The mentor will add value with their formal business knowledge and skills in marketing, administration and accounts. They do keep books and have a computer, but their records keeping appears to be basic. The use of the computer for their accounts and records will add to the productivity of the business. They keep sales and turnover records, quotations orders and out-going work records, as well as records of purchasing and expenses, staff and their accounts. They are recording their income on the computer currently. They want the mentor as a third eye in their business. Evelyn says she is a life long learner and is looking forward to working with the mentor.

Décor'dent Living – Warda Albertyn

Warda has run the business in Goodwood in Cape Town for the last 6 years with two installers, who work with her on contract. The business started in window coverings and then she saw she could expand. Blinds are mostly seasonal products. 'I moved into curtaining and rails as well then'. She is currently upgrading her home business. It has a very upmarket appearance and markets her business well from a good residential area. She has now grown her business to be a full blown interior décor business. She does not have a mentor as yet. One is due to start with her soon.

She is trying to move into the government sector doing work on tender in the low cost housing sector. She needs advice about how to compete with large VAT registered businesses in this sector. She had doubled her turnover in the last year mainly as a result of referrals. She works with an accountant and has a receptionist. She does not want to take further loans from TNT. She is trying now to take her business to another level on a full time basis. UYF has assisted her as well as TNT. They helped her to get an article in a business magazine. She also went to The Business Place in Cape Town and made use of the voucher programme to compile her business plan. To date, she has made very little use of the project apart from the loan. She is happy with the contact she has had, although she found the loans process very slow. This caused her problems. The interest rates are too high for an empowerment programme. She is uncertain how a mentor can help her but thinks that her financial management could improve. She feels very strongly that all the businesses in the project should be networked with one another. She met Stephen Curry for the first time in the meeting with the evaluator of the project. She feels she needs to be more a part of the project family. She feels TNT should make more effort to involve her in the project. Warda had not been invited to the legal clinic for example. She used to deal with someone who left TNT and has had 2 meetings with the current loans officer. Communications between herself and TNT were not good at the beginning. She would like staff to follow up more and keep in touch with how her business is doing. She feels that she may not be receiving enough attention because she keeps her loan repayments up to date. Warda believes in gathering lots of information for her business. Her desk was covered with information brochures on the day of the evaluator's visit. She is looking at financing and sources of finance and needs advice about which way to go.

She has been to India for negotiations for her business with a furniture supplier. She would like some training in project management. She would like a mentor to advise her on marketing, finance and government tenders. Her loan is with Unilever but she had problems and wanted to stop it. It was slow, there were paperwork processing problems at TNT and she was not happy with the terms and conditions of the loan. There has been no follow up by Unilever and no correspondence. 'I just pay the loan and carry on'. During the visit, a customer came in response to an advertisement that Warda had placed in a local community newspaper.

She made suggestions concerning the future of the project as follows. A contact list of all clients should be distributed to network clients with one another. TNT should maintain a database of skilled professionals for business linkages and networking. They should also broker their clients with government departments and promote their services. She was very enthusiastic about the possibility of an entrepreneurs' learning forum where clients could meet and learn from one another. She was also keen to set up a local womens' business forum where she lives for support and networking. She felt that larger loans should be available at more reasonable interest rates.

Thandi's Perfume and Cosmetics Shop

Thandi's business is located at Megawatt Park in a superb position in the retail complex. The shop is impressive. Unfortunately, Thandi's business currently has financial problems. She does not have a mentor but urgently needs one. The shop needs stock. She keeps records but records her income and expenses on a daily basis in separate books. She needs to record them together and keep a daily and monthly balance. She records her credit sales, which are high. The evaluator noted in the region of R2000 in credit sales on one page of her record. This money should be brought in immediately to release money for stock. She should reduce her credit sales by 50% immediately and eliminate sales on credit completely over a period of time. She has the opportunity to become an Eskom registered supplier but cannot take advantage of it. She needs a computer and a fax machine to do this. She has problems with orders currently, no transport to collect orders, and her suppliers will only supply for cash. She needs a sales assistant to man the shop while she attends to orders and marketing. Two customers came into the shop whilst the evaluator was there and complained about their orders. Her customer service needs to improve urgently. She seemed de-motivated at the time of the visit and was thinking negatively. She is an Avon cosmetics representative and sells on commission. She has employed Eskom employees as Avon agents. This business urgently needs help from a mentor and she was advised to contact Noko at TNT.

Nkosi Tuck Shop

Anna Nkosi runs a neat well organised tuck shop located at her home in Dobsonville in Soweto. She keeps daily records of her sales and expenses with a daily and monthly balance. She sells faxes, photocopies, phone cards, as well as foodstuffs, household requisites, sweets, ice cream and cold drinks. She also has a 50-50 arrangement on 2 pin ball machines supplied by another company. She buys fresh bread and milk for sale on a daily basis. She currently makes a profit of about R5000 per month after her loan has been paid and money put in the bank to pay her loan during the winter months when her sales are lower. She wants to pay back her first loan by the end of this year and apply for a second loan. It is a Unilever loan and she fears that getting a second loan from TNT might be difficult because she is over 35. She has plans for the future to expand her business but stay in the same neighbourhood. She wants to go on serving her customers of many years because they have helped to build her business. This may be difficult at her current premises because she has very little space to expand. She may need to move the tuck shop to new premises in the same area. She wants to add a computer to her current photocopying and faxing equipment in order to offer CV printing services, and laminating. She already has a laminating machine. She needs an electronic cash till to manage her cash takings more efficiently and improve security. At the moment she keeps money in different parts of the shop from the different sales.

She has been registered as a general dealer since 2001. She has been in business for 5 years. She has 1 employee in the business and is also assisted by her husband and daughter. She plans to employ one further employee in due course as a shop assistant. She would like to take over the book keeping in the business from her son, once she has a computer. She currently is paying off a loan of R21 000 over 18 months. She has a good monthly turnover but works very long hours from early morning to 8pm and also at weekends.

Her net income from the business is small considering the turnover and the hours worked. The reason for this is that she pays high prices from Makro for her supplies. She has approached Makro to see what they can do for her. They have told her that there is a buying group called Bambanani buying from them in bulk at lower prices and with discounts. She has approached the group to join them at her mentor's suggestion and will attend their next meeting. She has also tried to start a buying group of tuck shop owners herself but it did not work. She would like TNT's help to start a Dobsonville Tuck Shop Owners Association. Anna's business is sound and well organised. She gets regular good advice from her mentor and is on track for repaying her first loan. She had considerable work experience before starting her business and grew up in a home where her father ran a local bioscope in Dobsonville.

D'Bete Financials

Cindi D'Bete runs a formal registered accounting company in Braamfontein in Johannesburg. The offices are well organised and formal with a reception area, a boardroom as well as offices. She has well organised files in the reception area and a range of business equipment. She has a receptionist and employs other staff. She started her business in 2002 as an accounting practice. She traded as a sole proprietor until 2006. She works with her husband and brother in the business. She has a good mentor whom she values highly. She feels that she is not skilled as yet in the areas of HR management and public relations. Her management skills are also not as sharp as she would like them to be. She took a loan from TNT in 2004. She had 7 employees in her business which affected her cash-flow and profitability, but now has 3 after working with her mentor. She feels she had too many people due to her lack of management skills. She has been using students now to do her data processing but still employs a receptionist. She also employs a family member as a tax administrator. He earns a salary together with her husband who is a Board member responsible for marketing and management.

She is 'crazy about' accounting by her own admission, and highly passionate about her business. She was very good at maths at school. She worked as an all-rounder for several years in a company before starting her own business. She feels this has stood her in good stead for opening her own business. She is a typical entrepreneur who loves her freedom, hates routine, likes variety in her work and does not want to work for anyone else. She is well organised, disciplined and a good time manager who keeps her weekend time for her family. She has a small son.

She took a loan over 24 months at 17% interest with a repayment of about R1000 per month. She is very happy with the benefits she is getting from the project. Her business turnover has increased from R150 000 per year in 2002 to R600 000 for the current year. She aims to increase this further in 2007 to R1.2m. She will be 30 this year. As far as her record keeping is concerned, she is developing paperless systems as she goes. So far, she has computerised her billing and time-sheets for her client work. She also uses a SARS system for tax returns. She keeps financial, hr, debtors and creditors records. Debtors are quite a big part of her business which she needs to keep a tight control on for the effect on her cash-flow. Tax returns represent about 30% of her business, payroll admin about 20% and accounting and bookkeeping about 40%.

She feels she is getting to know the project since she has had a mentor. Both she and her mentor feel it has taken time to understand the project. Her mentor knew the NBI but not TNT. Cindi felt the project was about older business people helping young entrepreneurs to develop, but her mentor is the same age as her. Her mentor is giving her a wealth of information and advice. 'I wanted to buy a boss' she says before the mentor, but now she understands she has a partner to help her and guide her on a voluntary basis. She says she does not know who is behind the project. She knows Noko and she knows Unilever who gave her the loan. She says that if she had known who the funders were on the project, it would have motivated her even more on the project. She also was not aware that there were expectations of growth in her business concerning turnover, profitability and employment creation.

She says she would like to be a mentor herself on the project one day when she has more expertise and experience. She is very supportive of her mentor. She likes him and respects his business abilities. She is also happy with the following aspects of the project: her recruitment, the mentor matching, simplicity of the loan process and the business plan. She feels TNT lost the plot with the induction process for new clients. She says to her knowledge it happened with a few clients that the induction process was not good. Noko explained to her that there were internal problems at TNT. Her expectations were that the project would assist her to stabilise her business (which has happened), and to then grow her business which is now happening. But she feels she is not there yet. Her mentor is advising her about strategy concerning the bottom line and investing in her business. She says she would like to go on working with her mentor after August 2006. She feels she needs another 6-12 months of mentoring before she is ready to fly. She does feel part of the project and is in regular contact with Noko. She wants to know if mentoring is possible without a loan, however, because she feels that mentoring is more important than a loan. The main benefits for her are: managing her cash-flow effectively, growing as a person, time saving, and strategising. She does not feel dependent on her mentor. He gives her advice but she makes her own business decisions.

She would be keen to see the project introduce a learning forum for entrepreneurs in the future. She does not feel she wants to do any training however. She made the point that if she could have chosen her own mentor, she would have wanted to do this, She would still have chosen a white male, however, because they are more experienced in business at this stage in South Africa.

**APPENDIX E: Mentoring at-risk youth: a selected bibliography of handbooks and guides
(Source: Internet search)**

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Simon White and Peter Kenyon

Mentor support (extract from the book)

One of the most beneficial areas of support and advice that can be offered to young men and women starting in business is that of mentor support. That is, informal advice and guidance from someone who has good business experience and, in some cases, business networks that may assist a young person with little experience and few contacts. Research in Australia (Kenyon and White 1996 and Johnstone 1993) has found that this form of support is of great value to young people because it helps overcome two of the major problems faced by young women and men as they enter business: limited life and business experience and the lack of networks and contacts.

In India, the Bharatiya Yuva Shakti Trust (BYST) claims that its most beneficial service to young entrepreneurs is creating one-to-one linkages along the lines of the "Guru-Shishya Tradition", where the teacher (mentor) not only teaches, but guides and helps to develop discipline. The "Guru-Shishya Tradition" reflects an Indian philosophy, in which three persons are depicted, one of whom is larger and is helping the other two. The mentors of this organization, who are all interested professionals, give personalized advice and maintain regular contact with the youth enterprise. They monitor progress, help solve problems, and generally assist in the development of the enterprise. The mentor provides regular reports to the BYST Secretariat.

Those organizations that claim good results through mentor support strategies and programmes stress the need for careful selection of mentors - to find people who are prepared to coach and support young women and men, rather than lecture or give unnecessary advice. Guidelines to assist the mentor and young person to understand what is expected of them may also be useful. Mentor training that explains the roles, expectations and limitations, (i.e. boundaries), of the mentor relationship is important. As is training in basic counselling and support skills. Regular monitoring of the mentor-young person relationship, especially in situations where problems are likely to arise, is essential.

ADDENDUM

Response received from the project partnership concerning the evaluation report (with some comments in reply from the evaluator)

Introduction

When the Nations Trust in partnership with the National Business Initiative launched the Youth Enterprise Volunteer Mentorship Programme as a pilot towards the end of 2004, with the objectives of garnering the support of individuals and companies to volunteer their support to grow youth businesses, the partners were clear on the need for an independent evaluation at the end of the project to measure its impact and give recommendations on the future of such a model. Thus Ms Jan A Beeton of Integrated Futures Ubumbano, under the oversight of SSACI, was commissioned to complete an impact assessment on the project and produce an impact assessment report as outlined in the Terms of Reference. The project partners are aware of some of the projects successes, failures and challenges and therefore welcome the criticisms. However we feel that the evaluation report contains a number of statements and judgments that are concerning. We strongly believe that if these are not addressed the report would paint a biased, unfair and sometimes untrue account of the project over its cycle.

In view of any assessment on the project the project partners generally contend that:

- 1) The programme has proven that there are many individuals and corporations who are prepared (and inspired) to provide volunteer mentoring support to start-up youth and women entrepreneurs. This is significant as the 'common-sense' contention has been that this would be a wholly impossible task.
- 2) The programme has proven that in most instances where mentors have been recruited and matched with clients, the relationship tends to work well and add value to both the mentors and the mentees.

Response by evaluator: The project did not prove this. It succeeded in achieving only 36 active matches between mentors and clients. Only 5 matches that appeared to be working were evaluated as part of the research. There was evidence of mismatch and mentors dropping out of the project in large numbers.

- 3) The project partners have worked well together, and our assumption that each party has a set of specialist skills and experiential base that can add value has been vindicated.

Response by evaluator: Staff and donor respondents interviewed by the evaluator indicated that the partnership did not work particularly well.

We further contend that the pilot experienced successes, failures and challenges such as the recurring problem of staff turnover (in both partner organisations) and the resultant under-performance of the pilot programme.

Response by evaluator: Since the objectives of the project were not achieved, the project cannot be said to have achieved successes. There were some instances of success within the project.

This underperformance is clear to the project partners and should be stated strongly upfront. However we feel that the evaluation report contains a number of judgments/statements/comments etc that are concerning. We strongly believe that if these are not addressed the report would paint a biased, unfair and sometimes untrue account of the project over its cycle.

In overview, we would like to indicate that we were aware of the fact that the programme could be improved upon quite substantially, particularly from a management and operational perspective.

The YEMP management would welcome a full day, multi-stakeholder workshop to discuss some of the more pertinent issues raised in the evaluation report, possibly as precursor and as part of the planning of the next phase.

We have given an overview of the concern areas below and gone on to list in detail concerns that need to be addressed before the report may be considered as a final assessment.

Areas of concern

- There seems to be lack of understanding by the evaluator of the entire project and how it is linked to the TNT financing arm.

Response by evaluator: Since no examples were given of the alleged lack of understanding on her part, the evaluator feels unable to respond to or accept the comment.

- The report is largely based on individual comments and not in-depth analysis of the issue. Individual's points of views were not challenged but in many cases quoted directly. This may paint a highly opinionated and biased account.

Response by evaluator: Direct quotes by respondents were used to illustrate points made in the report to add reader interest. Where possible, the evaluator has given analysis and comments. In-depth analysis was not possible because the samples of clients and mentors interviewed were small. The size of the samples interviewed was the responsibility of the project partners.

- Not all necessary information/documents were taken into account when reaching certain conclusions. In some instances the documents were in the possession of the evaluator, in others they were not requested.

Response by evaluator: The provision of documents to the evaluator was the responsibility of the project partners. She made repeated requests to TNT in particular that was not made available to her. Since the information not referred to by the evaluator is not specified, she feels unable to respond to or accept this comment.

- Evaluator's judgments largely based on outdated business plan without considering other documents, activity plans etc.

Response by evaluator: The document she based her comments on was provided to her by the NBI and was, to her knowledge, the final business plan. .

- The evaluator's copy of the terms of reference (as attached to the impact assessment report) is outdated. This may not be the evaluator's error. The concern though is that the additional changes made to the original terms of reference may have not been incorporated.

Response by evaluator: The terms of reference used were provided by the stakeholders at the briefing meeting dated 27 February 2006. A minor adjustment has been made after receiving another copy of the ToR from the NBI. There were no major changes between the draft and final terms of reference.

- It is clear – based on a large number of quotes in the report – that many clients interviewed understood the questions asked and evaluation to be on the Nations Trust and not the mentoring programme.

Response by evaluator: This is not correct. No questions were put to respondents about TNT. They were asked about the project and the mentoring.

- Comments on the loan officer's methods, interest rates etc are not directly relevant. The concern is whether the evaluator was able to separate these issues. If some interviewees could not distinguish between the loan process and mentoring some of the conclusions drawn become questionable.

Response by the evaluator: Since the project was based on a joint loans-mentoring model, the evaluator felt it appropriate to address both parts of the model in the report.

- It is surprising that the evaluator never engaged NBI on issues relating to recruitment as NBI was the lead agency for recruitment.

Response by evaluator: This is not correct. Discussions were held on the issues in the initial interview with the NBI staff. The issues were followed up in an e-mail with them before the draft report was completed. Responses were not received before the draft report was submitted. Extensive follow-up discussions have taken place and documents provided for the final report after the evaluator approached the NBI staff once more and requested further documents and answers to questions put to them.

- The evaluator interviewed both clients who had mentors and who did not, mentors who were actively mentoring and some who had not begun. There is no distinction between the different groups with regard to the comments. This potentially creates biased and unfounded view points.

Response by evaluator: These comments have been addressed in situ in the final report.

- In many of the sections there is clear contradiction in statements from interviewees. The evaluator does not draw balanced conclusions from these and therefore creates more confusion than clarity by including them.

Response by evaluator: Since no specific examples to support the claims made are given, the evaluator feels unable to respond to, or accept, the comment.

- At the admission of the evaluator ‘the research was conducted informally, and not all the evidence gathered was reliable for a variety of reasons’ but the evaluator has gone on to draw conclusions in areas where there is little basis.

Response by evaluator: The ‘conclusions’ drawn from the impact assessment with clients (if this is what is referred to here) were clearly labelled ‘tentative’ (or experimental). The evaluator clearly indicated that further research was needed.

- There is a lot of unnecessary repetition

Response by evaluator: Since no examples were given, the evaluator feels unable to respond or accept the comment.

- Some of the topics covered, comments raised by both the evaluator and respondents fall outside the scope of the evaluation and should be excluded.

Response by evaluator: Comments as above (if loans)

The rest of this document attempts to point the reader to the concerns raised above in a more detailed and substantive manner. We hope by addressing these matters we will be in a better position to make informed judgments on the project as we intended too.

Impact Assessment Report Feedback

We plan to make 4 types of comment:

- a) Factual and informational correction or addition
- b) Contextual clarification
- c) Differing perspective
- d) Strongly agree / acknowledged

Executive Summary

Page	Reference	Statement	Correction	Comment by Project Partners	Response by Evaluator
3	Primary objective	200 mentors	150 mentors	Refer to Business Plan and ToR	Changes made throughout the report. The evaluator was advised by Noko Maoko after discussion to use 200 mentors and 200 clients (this conflicted with the ToR document).
3	Bowman Gilfillan		Bowman is not a sponsor & should not be listed as such	The logo should be removed	This was done
3	Duration	28 months...	The project began August 2004	This was after the signing of the MOU. Aug – Oct 2004 was used to debate approaches, systems and procedures to be adopted in the pilot. These three months was a relatively efficient and short period for this kind of work, considering that all project materials (a full manual) had been developed by then to guide the implementation. A	Changes made where necessary in the report.
				There is a clear distinction between project sponsors (donors) and project participants. Many of the sponsors and participants came on board while the project was in progress. A	
	Loans	UYF	Some clients were granted loans by TNT long before the start of this partnership project. It is critical to understand this context		

	<u>Project partners comments</u>		<u>Evaluator's response</u>
P3, Exec Summary	<p>The overall conclusion that the project did not succeed in meeting its objectives is partially true, but possibly stated too strongly/bluntly.</p> <p>67% of the target of 150 volunteers was achieved. That is, 101 mentors were recruited.</p> <p>In terms of how much value was added, it is also clear that in many instances both the volunteers and TNT clients felt that their relationships with each other was very successful.</p> <p>To the extent that the evaluator was not able to speak to more clients or mentors, we need to stress the following:</p> <p>a) Youth approach TNT for enterprise finance. Their participation in the YEMP programme is voluntary, as is their participation in any 'extra-loan activity'. The evaluator (and TNT) inability to get them more active (and committed) in the evaluation exercise, while frustrating, cannot be used to infer anything of substance. Clearly stated in the proposal that TNT would do the logistics- Ashley himself said Noko would be fully available do this.</p> <p>b) NBI and the evaluator's inability to get more substantial mentor involvement must be seen in a similar light.</p> <p>As it is, the 'volunteer experts' like CAFSA felt that the YEMP programme was too demanding on mentors' time. They felt that 3 hours per month, and 12 month's commitment at a time, was too onerous on volunteers.</p> <p>c) It must be borne in mind that mentors also attend mentor development seminars, induction programmes, and visits from other TNT/NBI partners from time to time. As shown in the evaluation exercise, many mentors indicated that they already spend more than the required 3 hours per month counselling TNT clients.</p> <p>d) The evaluator was not prepared to do telephonic interviews and/or send questionnaires to potential mentor or client respondents as suggested by project staff.</p> <p>Without commenting on the legitimacy of this approach, it did restrict the number of respondents in the final instance.</p>		<p>Changes were made where necessary in the report</p> <p>Only 36 mentors were active on the project at the end</p> <p>This was the responsibility of the project partners in terms of the proposal agreed between the consultant and the stakeholders. The project partners failed to obtain the necessary numbers of respondents for the evaluator to interview.</p> <p>Telephone interviews and e-mail/postal questionnaires were not agreed in the proposal accepted by the stakeholders and set out in the contract with the client. This approach would have changed the time frame for the evaluation significantly and the cost. It was the responsibility of the project partners to approach SSACI in this regard.</p>

As above	<p>Clients were not 'selected'. All TNTYEF clients supported with Umsobomvu funding were considered eligible for participation. A key change in the mentoring approach was to make the programme entirely voluntary for TNT clients. The TNTYEMP manager, Noko Maoka was assigned the task of prioritizing clients for support. It was always also understood that already financed and to-be-financed clients</p> <p>Having a mentor available was never a pre-condition for the approval of enterprise finance</p> <p>The rate at which enterprise finance was approved was always a function of the amount of loans capital available.</p>		The evaluator does not agree with this and has addressed the issue in situ in the report.
P4 – Exec Summary Para 1	<p>Agree with key reasons for project not achieving its outcomes.</p> <p>Time lags and delays were a function of staff turnover and hr issues.</p> <p>At some point in the evaluation report it needs to be clarified what exactly these hr issues were. Eg. Stephen, Ernest, Sonia, Ivan, Rebecca, etc. together with a timeline.</p> <p>Mentors loss of interest (and not project staff)</p>		<p>Inefficiencies on the part of project staff were also considered reasons. Unnecessary delays were also experienced by the evaluator in the organisation of the evaluation fieldwork.</p> <p>This was done early in the report under 'project structure'.</p>
As above Para 2	The purpose of the work has always been absolutely clear to the partners. The evaluator has erroneously inferred that the absence of a vision and mission statement meant that the project was ill-defined		A key question concerned what kinds of businesses could benefit from mentoring in terms of the objectives to be achieved. This was not paid sufficient attention to in the conceptualisation of the project in the evaluator's view.
P3, Pa 2, L2	The idea that mentoring is a high level process which is possibly unsuitable for TNTYEF-type clients needs extensive debate. The project was never about microfinance or mentorship per se, but rather an all-in attempt to overcome youth start-up enterprise challenges.		The project was based on a joint loans-mentoring model and was completely about these elements.
As above	It could be inferred that the project never paid any attention to 'impact assessment'. TNT has a huge impact assessment framework from which it distilled critical impact assessment indices. These were then translated into a specially designed (albeit limited) computer database for holding baseline data on all clients, and for input of mentor reporting information. At the time that the evaluation was conducted, all TNTYEF clients' baseline data had been inputted into the system, and a number of mentor reports had been captured. During January and February 2006, all TNTYEF		No comparative impact assessment data was made available to the evaluator as part of the evaluation.

	loan staff had been assigned to visit clients, using the mentor report format to produce a survey update of the performance of clients' businesses.			
	Has the evaluator considered the 'total number of mentors' over the project lifecycle up to the date of the evaluation? Or has it just been the total number of current mentors?			The project partners did not succeed in obtaining more than 14 mentors for the evaluation,
P3, Pa 2, L5	Although the evaluator admits that research was informal & to an extent unreliable the report attempts to draw clear conclusions based on untested data.			The conclusions were clearly labelled 'tentative' and the evaluator explained in her comments that they needed further research .
P4, Pa 3	Fully agree with the recommendations			

Introduction

	<u>Project partners comments</u>	<u>Evaluator's response</u>
P5, Pa 1,2 & 3	The proposal for the YEMP partnership arose from TNT seeking to migrate from paid to volunteer mentors, recognizing NBI's experience with EnterPrize, and its corporate membership. TNT's role is dramatically underplayed and borders on falsification. Obviously, both partners had their own genesis in the YEMP project, and found a good basis for co-operation, but TNT initiated the partnership.	The information used was taken from the project background given in the overview as part of the Business Plan for the project. The evaluator did not falsify data.
P5 Para 2	Some of the donors were on board prior to the YEMP initiative, and others like SEDA joined later. Some, like the AHI were long term institutional supporters, and by implication thus supported the YEMP initiative.	
P5 – Introduction Para 3	The second approach failed for a variety of reasons. It was partially successful, but mentor motives and competence persisted as a worrying factor. There were also not that many 'full-time' mentors available who would 'work' for the stipend offered by TNT – not with the better paid Thuso and Sizanani programmes (Khula and banking sector respectively) in the market.	Additions made in situ to the report.
P6 – Philosophy of Project Para 1	TNT approached NBI, not because of the veracity of the Enterprize programme per se. The fact that NBI had experience with the Enterprize programme, its relative strength in marketing programmes to its corporate membership base and its professionalism were the key factors agitating TNT is seeking the partnership. It was always assumed that the 2 programmes' experience would have to be distilled into one project to meet the sustainability and growth challenges faced by young micro entrepreneurs.	Changes made under Introduction as above

As above	Paying mentors was a fundraising challenge, and the shift to volunteer mentors had little to do with avoiding the complexities of working with paid mentors.	The evaluator notes that the shift to the use of volunteer mentors was not a principled one but more about the lack of funding available to pay them.
As above	Working the 'caring and sharing motive' of corporate volunteers had less to do with charity than with using corporate volunteers experience, skills, networks and marketing potential	
P7 – Evaluation Methodology Para 2	Replace 'the project documentation index' with 'project documentation manual'	The document given to the evaluator by the project manager at NBI is entitled 'Business Advice and Support Services – Volunteer Mentoring Programme Documentation Index'. The evaluator has nevertheless made the necessary changes in the report.
P7, Point 2,3, & 4	The evaluation was also conducted to inform NBI thinking	The information in the report was taken verbatim from the terms of reference.
P7 Para 2	Replace 'the project documentation index' with 'project documentation manual'	Comments as above.

The Findings of the Evaluation

Question 1	Score	Comments by project partners	Changes suggested	Response by evaluator
Develop a project plan	NBI - 3	Was developed by NBI & TNT	Change to NBI & TNT	The memorandum of understanding clearly identifies the NBI as the partner responsible for developing the project plan under 'The Role of the NBI'.
Initiate project fundraising	TNT - 0	<p>TNT and the NBI took collective responsibility of fund raising after both signed the MOU. However, each partner was responsible for reporting to funders that were linked to each institution prior to the partnership. The project budget was achieved.</p> <p>Financial reports from both TNT & NBI were available at the beginning of the evaluation.</p> <p>The amount in the project plan is a proposed figure. Please see detailed budgets</p>	There were no funding problems & the report should reflect as such.	No consolidated project finance report was available at the time of the evaluation. The evaluator has nevertheless given a rating in situ in the report based on the statements made by the project partners here.

Loans		TNT has processed over 1,400 loan applications to date. Every single loan has a complete application file with all relevant details.		A rating has been added to the report based on this response, with a note attached that the files remained unseen by the evaluator at the time of submitting the final report.
Mentors – clients – project engagement framework		A framework and methodology for engagement between mentors and clients was fully developed prior to mentor recruitment, and the mentor / project engagement fully planned in the induction programme, which programme was also fully designed prior to project implementation.		A rating has been assigned by the evaluator in situ in the report for the mentoring guide document entitled 'Youth Enterprise Mentoring Project – Mentor Guide'. Since she understood framework and methodology for engagement to mean a detailed focus on mentoring with case studies and 'how to' information, she did not connect the guide produced with this contractual obligation.
Develop mentor recruitment...	NBI - 0	There was a strategy. Marketing material. NBI was not interviewed re the strategy & necessary documents weren't requested		Evaluator disagrees with some parts of this comment. A question was included for the interview conducted with the NBI on 27.02.06. (See the checklist of questions for the interview sent to NBI staff in this regard). . Some information was provided in the interview. An e-mail was sent to Ernest Mamabolo on 6 April 2006 requesting further information before the draft report was completed. The evaluator did not receive a reply. After follow up on 4 May 2006, information has been provided and a telephone interview conducted with Ernest Mamabolo. Ratings have now been assigned and changed where necessary. Further information has also been added to the report where appropriate. .
Recruit volunteer mentors...	NBI - 2	NBI drove the process both organizations participated		This was the overall responsibility of the NBI in terms of the memorandum of understanding agreed between the NBI and TNT.
Select youth enterprises	TNT- 2	TNT loan application process is not directly related to this project. The forms 'not seen' were available. This should be re-rated		The evaluator disagrees for the reasons already given above. They were not made available for the evaluator to see on 2 occasions she visited TNT offices on 27 and 28 March 2006. The section has been amended to reflect the fact that clients were not selected but rather recruited or prioritized for the project from amongst a total of 500 clients earmarked for the project. A rating has been assigned.

Develop a database.....	NBI/TNT – 1	The Database was fully developed by December 2004, but had technical problems around accessibility for NBI via internet (although NBI had access to information). All clients' baseline data is in the YEMP database. Mentor reports in the database are few.		Changes have been made in situ in the report
Develop an information...	TNT – 0	The information system is very well developed, but poorly exercised in that mentor reports are too few.		A rating has been given for the system.
		The mentor-client relations manual is contained in the mentors' induction programme which was fully developed. It was always assumed that the content would grow from the mentor development workshops.		
P10 – The findings See Table		The mentor induction programme was fully developed, as was the materials provided to mentors.		Many respondents commented that the programme was too short and did not contain information they wanted to be covered.
P10 – The findings See Table		The information system is very well developed, but poorly exercised in that mentor reports are too few.		The evaluator disagrees. The system is unable to generate comparative impact assessment data.
P12 – Notes to Table		There is a mentor and client induction programme, but often, for the sake of progress, alternatives had to be found, such as brief introductory discussions with mentors and/or clients. There is also no formal agreement document, but once mentors registered, they were considered eligible for deployment.		An agreement between mentors and clients was required in terms of the agreement between SSACI and TNT. A document for exchange between the mentor and client in terms of inputs and outputs for the year was also required.
P12 – Notes to Table		Noko is the YEMP project national manager as well as the YEMP Gauteng regional manager. The whole paragraph is problematic. The financial mismanagement issue is misrepresented. It was staff theft and they were fired. 'Mismanagement' is a euphemism at best, and misleading at worst.		Changes have been made where necessary in the report. Relevant changes have been made within the paragraph. The evaluator disagrees that the whole paragraph is problematic or that she was guilty of misrepresentation. She was trying to be sensitive about issues that may be confidential.

		While it impacted on the time and mental resources that TNT management had to devote to the project, and while it impacted on relations with affected clients only, it had no direct impact on the outcomes.		If time and mental resources were affected, and client relations, then ipso facto there must have been an affect on project outcomes.
		Please explain that in August 2004, TNT's most experienced mentor manager left the programme. He was replaced in November 2004. His replacement left in January 2005 due to a nervous breakdown. She was replaced by another recruit, and it was discovered in June 2005 that the Cape Town mentor manager had falsified his volunteer recruit and client contact reports. Following extensive disciplinary steps, he was finally dismissed in October 2005. By then the merger with Umsobomvu started surfacing.		The details of the hr difficulties were considered not necessary to explore in detail in the report. Some of it may also be confidential in the evaluator's view. Enough information was given in the report in the evaluator's view to understand the impact of the issues on the achievements of the project.

Footnotes

			Comments by project partners	Evaluator's response
	Business Plan:	Detailed budget...	A detailed budget exists. The evaluator should have enquired.	She did on several occasions. Only TNT budgets were received, not a specific project budget.
	Mentors marketing		Action plans were agreed in bi-weekly meetings & actioned.	The action plans referred to in the report were the ones contained in the project Business Plan. A reference has been added in situ in the report concerning the monthly activity plans followed up in bi-weekly meetings between the project partners.
	Marketing Material	Benefits...	The evaluator did not look at sponsor presentations & other marketing material, therefore cannot make a balanced judgment on projects marketing.	The information was not made available to her prior to her following up with the NBI on 4 May 2006.
	Mentors/coaches recruitment	50%	Please revise figure	Revision made wherever necessary.
	Client Selection	Poor loans writing...	This is not part of this programme.	Evaluator disagrees for the reasons stated above.
	Mentors & Clients database	Functional...	This is incorrect. The database was functional, but NBI could not access via internet until December.	The mistake has been rectified.

Question Two: Has the project done well?

		Comments by project partners	Evaluator response
P14, Pa 2	The current structure...	Please clarify on the statement that the current structure does not allow for delegation.	Clarification made.
P14, Pa 3	The partnership between NBI and TNT	The consensus is the partnership worked and the challenges that existed were reasonable. This is to an extent mentioned here but is in contrast to the table on page 52	The evaluator does not agree with these comments. Whereas one staff member felt the partnership had worked well, two other staff members and a donor did not.
	Project communication & recruitment of mentors	This section reveals a lack of understanding or judgment from the evaluator. Direct quotes like the lack of a marketing 'hit list' are wrong and unnecessary (these marketing lists exist and are available for the evaluator). Quotes like 'mentoring has nothing to do with my company' and the Mount Nelson are again unjustified and show limited understanding of the issues. We suggest that the evaluator re-visit this section after ascertaining the necessary facts.	The first was a direct quote by a senior staff member of TNT. The other two quotes were made by mentors interviewed. The one is a fact and the other was the mentor's view. It is justifiable to reflect views expressed by stakeholders, whether others agree with them or not. Comments can only be removed if the project partners are able to prove they were not true.
P15 – Management of the project		Ashley du Plooy and Xolile Xaga took executive responsibility. Noko and Ernest took management responsibility.	The relevant changes have been made.
P15 – Time lags and delays	Needs to be more accurately phrased. The project started in August 2004.		This change has been made throughout the report and references to time lags because of the pre-project planning phase have also been deleted.
P16 – Project communication and recruitment	Partially agree that marketing and recruitment could have been more energetic		
	SSACI comments on role of NBI	This is not represented accurately in the report – as indicated by Ken Duncan's comments during the feedback session – This creates the worry that other comments or statements have been misrepresented.	Ken Duncan asked for the remark to be re-phrased only because it was ambiguous. This has been done. The evaluator is very concerned that project partners feel she may have been guilty of misrepresentation. Whereas she accepts that she may have made mistakes, there has been no deliberate misrepresentation.

P18, Pa 5	Client Selection	TNT is always looking at ways to improve client selection. While we respect the feedback regarding the loan process, the evaluator should have been clear regarding the contents of the terms of reference and the issues to be included in the report. The loan process re-surfaces in other sections of the report. These sections are not relevant	The evaluator disagrees for the reasons already stated.
P19 – Record-keeping	An electronic database of over 500 enterprises' baseline data is in place.		Changes have been made to reflect the total number of clients on the database and to clarify that 200 of these clients were prioritised for inclusion in the project.
P21 – Nature of Loans granted	Interest rates, loan sizes and repayment periods have been a necessary compromise. They are a function of many other complex factors. If TNT had not been willing to compromise on some of these factors, there would have been 0 loans as opposed to 1400+ loans. The question asked is whether this falls within the terms of reference.		Some of this information has been added in situ in the report.
P22, Pa 2 The Loans Process	Slow loans processing was often a factor of having to wait for new capital flows, or clients not complying with all loan application requirements. The loans were distinctly left out of the TOR from the beginning. It should not be included here.		The evaluator disagrees with all the comments made. Her reasons have already been given above.
P22 – The loans process Para 2	The difference between UYF and Unilever loans in terms of disbursement is complex		

	and requires a long debate. The spirit and philosophy of the project is simply to do its best to make the best decisions about whom to grant loans to and about how to best do this. There are very good and well considered reasons for why for why TNT does what it does and how.		
P22 – The loans process Para 2	<p>The age limit is a factor that has stood TNT in very good stead as it was the only youth enterprise finance in the country for a long time, and it could thus weather the attrition that took place in the microfinance sector.</p> <p>Further loans must be provided by the bank. It is one of the project's objectives.</p> <p>The issue of the interest rate rebate has not been reported in detail as clients who pay their Unilever loans on time are eligible for a rebate. This matter must be addressed urgently.</p>		An addition has been made in situ to the report in this regard.
P18, Pa 4	Communications between clients & loan officers	This relates to TNT client processes, which are not within the scope of the project or the evaluation.	See comments already made on this

		Comments by project partners	Response by evaluator
P18, Pa 5	Client Selection	This is not within the scope of the evaluation.	As above
P23, Pa 1	Financial Management	Financial statements are available. Financial reports were either sent as sections in the quarterly reports, or as annexures to the funders reviewed by management of both institutions to report to their boards.	<p>Although examples of sponsors' reports were made available to the evaluator, no annexures concerning financial reports were attached. (SSACI, SEDA, and RNE)</p> <p>No financial information was in the NBI or TNT quarterly progress reports made available to the evaluator.</p> <p>Project financial statements were not made available to the evaluator in spite of several requests to TNT. NBI reported that an end of project financial report was not yet available.</p>
P23, Pa 2		No mentoring finance was diverted to Loans administration	Noted. The question was removed from the report.
P23 – Para 3		The whole notion of training and professionalizing mentorship is a huge one for debate. There are many factors mitigating against taking more of the volunteers' time to for in-depth, accredited training.	<p>A question concerning this possibility was put to mentors and most of those interviewed were keen on the idea.</p> <p>The project partners appear overly sensitive about engaging with mentors more than the minimum</p>
P23, Pa 2	R8000-R9000 (cost per client of running the programme)	How was this figure deduced? Was it from actual budget spent or pre-project estimated projections? Is the figure correct and what is the basis? Based on evaluators limited understanding of the finances one can assume the figure is inaccurate. The concern is this was discussed with respondents.	The figure was arrived at by dividing the projected funding required for the project by 200 clients on the project (R8788 per client). The evaluator considers the project partners not to have been very helpful providing financial information on the project and that this remark is unfair. See comments made above about the lack of financial information made available to her in spite of many requests,

		Comments by project partners	Response by evaluator
P25 – Para 1		What's the (material) difference between mentoring and on-the-job training. From a practitioner perspective, this is splitting hairs.	Mentoring and training are two totally different processes. The project partners seem to have missed the points made in the report about the implications of the differences for the design of the project.
P25, Pa 2	Is what the project doing really mentoring...	Based on the limitations of the methodology used during this evaluation, it is not clear how the evaluator would reach this conclusion. The comparison made with clients without mentors and those with mentors does not help to understand how the evaluator reached her conclusions. What the evaluator has done is state individual responses to the question. No 'text book' answer to the question has been given to disclaim or substantiate the queries. This is not done at any other point in the report.	Her findings were based on comments made by different mentors, two donors and one project staff member. The comments made by these respondents were considered to be particularly insightful concerning what had happened on the project. Many clients' comments on their mentors also appeared to be in line with this finding. In other words, a pattern emerged from differing comments which pointed to the finding.
P26 – Para 1		Mentors' dedication and commitment – shows that the job can be done.	The evaluator does not entirely agree. It was logical that the 14 mentors who took part in the research would be those who were dedicated and committed because they took the time to take part. The majority of mentors registered by the project were either inactive or deregistered by the end of the project. The fact that the project management and implementation were weak and that there were issues around the use of volunteer mentors that may have influenced mentors being inactive or deregistered at the end of the project complicates the picture.
P26, Pa 2	Racial demographic of mentors	The racial profiling of mentors that attended the evaluation workshops is not necessarily a reflection of the overall racial profile of mentors. Please clarify the inclusion of this in the report as it may give the reader the impression that Cape Town mentors are coloured and black, while Gauteng mentors are white.	An analysis done by the evaluator of mentors active in Gauteng and the Western Cape revealed that the majority of mentors in Gauteng are white and the majority in the Western Cape black.
P27, Pa 2	Induction and orientation...	There is contradiction in the report as to whether or not client inductions took place. They did so, but evidently not as successfully as should have been. The section is filled with contradictory remarks which create confusion more than they provide clarity	Both positive and negative comments were made, and reflected in the report. The section has been re-organised hopefully for greater clarity, and some comments have been added by the evaluator in situ.

P27 - Characteristics of mentors Para 1		Mentors are only selected at matching stage. It is inappropriate to refuse volunteers and better to use them where they can be of help (when the appropriate situation arises).	The evaluator strongly disagrees with these comments and believes that there should have been a stringent selection process of mentors in the best interests of the clients before they were registered and inducted to the project
P27 - Characteristics of mentors Para 1		It is inappropriate to use clients as mentors, especially when they're still active borrowers.	The evaluator does not agree
P27 - Characteristics of mentors Para 1		There is an appeal process for changing mentor client matches. The process is simple, and this information is shared at mentor induction.	The comment has been taken out of the report, although it referred to an appeal mechanism to accompany a stringent selection process for mentors, in the event that they were turned down.
P29 – Para 1	Diversity issues	The issue of diversity is over-stated. It has more practical application when it comes to transport and mentors' security should they visit certain township-based businesses.	The evaluator does not agree.
P31 –	Mentee selection of mentors	This is a definite and positive proposal, but should again not be a blanket across-the-board policy.	
P32, Pa 1	Did mentoring work?	Too much focus was placed on the mentors interviewed. The assumption made is that mentors not present were not active or did not see value. A serious shortcoming of the evaluation is it did not utilize other means for data gathering, such as telephonic or face to face interviews. The evaluator was willing to only consider group sessions and when she did not meet her targets she did not re-strategise.	See comments already made above. Since the majority of mentors on the project were either inactive or deregistered at the end of the project, the assumption was valid. 22 mentors who were active on the project were not interviewed.
P34, Pa 2	Mentors incentives and expenses	There are incentives that were offered to mentors by mentors never took them up. This was never investigated by the evaluator.	The evaluator questions the fairness of this comment. The issue was never mentioned to her by any of the staff or mentor respondents, even when the issue of volunteering was discussed. The incentives were also not included in agreements between TNT and mentors.
P35, Pa 3	Training and Development	It is factually incorrect that nothing has happened re training and development. The development seminars, speaker topics and development handbooks are an indication of this. This statement is inappropriate.	This comment was made by a mentor in the Cape Town office.
P35 – Para 3	Management of mentors	Agree very strongly that a mentor feedback system is critical, and that it did not happen adequately	
P36 – Training and support		The Umsobomvu voucher programme provides the technical back-up	

Bullet 1		Comments by project partners	Response by evaluator
P39 – Current forms of business		Close corporations were not prioritized. It was accidental.	This comment has been added to the report.
P40, Pa 3	Clients views about...	It is clear that the majority of the comments are not directly related to the project but rather to TNT and their processes. It is also clear that respondents were not clear as to what the evaluation was about. Comments that are out of context should not be included here.	The evaluator considers TNT and its processes to be relevant areas for comment since the project utilized a joint loans-mentoring model. The evaluator disagrees that clients were not clear concerning the evaluation. Their comments concerning the TNT loans process were their first responses to a question concerning how they viewed the project overall.
		The relevant comments should rather be included as appendix and a summative assessment of the client views are covered here.	
P45 – Last Para	Analysis of clients with mentors	It is generally the case that unreliable turnover figures are provided by clients. It is desirable that we track this aspect, but is it possible???	
P45 – Analysis of major findings		Unilever demanded that we fund only existing enterprises with a 6-month plus track record.	
P54 - Conceptualisation of project Para 1		TNT strongly disputes the divergence between itself and NBI as stated by the evaluator. The analysis is spurious.	The divergence between the project partners was mentioned by a donor and validated by the evaluator in her dealings with both organisations.
P54 –	Effectiveness of business planning	As a pilot project, it is necessary to see how the project 'pans out' – as quoted from sponsor / partner.	The evaluator disagrees with this comment. There were clear objectives to be achieved by the pilot project.
P55 - Effectiveness of business planning		TNT disputes the assertion that the project did not have a clear vision, and that this led to its failure. We concur that project management could be a lot tighter.	Since the project did not achieve its objectives, it was reasonable to conclude that one of the factors might have been a lack of a clear vision and mission. In terms of a classical strategic planning approach, specific objectives are derived from aims, which in turn are derived from a mission and ultimately a vision. The evaluator agrees that the objectives were clear from the beginning of the project. Her question was could they be achieved with the kinds of businesses targeted and by the use of mentoring with businesses for which it may

			not have been appropriate?
		The TNT loans selection process cannot be all things to all people. We would strongly dispute that TNT staff don't know where they going or what they're doing. This statement is insulting and is not supported by the organisation's stature in the SMME or youth development sector.	The evaluator did not say this. Her comments related to the need for efficient and effective project management and the achievement of the results intended. Many NGOs fall down on both counts. By the project partners' own admission, moreover, the project did not succeed on either count. She has attempted to balance her conclusions in this regard by making reference to external factors that were not within the control of the project partners in executing the project.
P55 – Para 1	Integrated project planning	A good deal of clarity around project responsibilities and roles existed. Most of what was not adequately managed resulted from the staffing challenges experienced in both partner organisations.	The evaluator disagrees. She pointed to the issues concerning the staffing challenges more than once in this report. An informal project structure and the fact that there was not one overall project manager contributed to the mix ups in roles and responsibilities in her view.
P55 – Volunteering model Para 1		Agree strongly with need for more aggressive and systematic marketing	
P56 – Volunteering model Para 2		Agreed that good reports were required to reliably demonstrate impact. Conversely, it is also important to note that the mentor - client relationship has its most important value in their interaction with each other. No amount of reporting can recreate that value.	There was little evidence that this happened on the project.
P57 – Whose business is BDS Para 2		Very sound measures for monitoring impact and information production were put in place. The poor rate of mentor reporting undermined the successful conclusion of the exercise	The evaluator disputes this. No measures were put in place for comparative reporting from the beginning to end of the project. Mentors were also not managed effectively to submit regular reports.

Conclusions

Project Key Success Indicators	Report Success Rating	Comments by project partners	Evaluator's response
Was the hypothesis provided that youth clients with loans fare better with mentoring?	No	It is fair to conclude that this question cannot be answered at this stage. Answering No is not acknowledging this. The report should be brave enough to say it is too early to draw any conclusion	The evaluator based her answer on the findings of the evaluation.
Did the project partnership work	No	The project team all concurs that the partnership worked. That there were and are still challenges which are reasonable, do not mean the partnership did not work. No dispute resolution meetings were held between the partners. Individual comments seem to have outweighed the general view in coming to the reports conclusion. Please provide further clarity.	As above
Did the project structure work?	No	Again we disagree and need clarity on how this conclusion was reached	As above
Did the joint project management work?	No	Specific challenges were highlighted by the project team in the interviews. These though cannot be seen as overall failure. Please substantiate.	As above
Did the overall project implementation work?	No	Please provide details, i.e. name milestone and reasoning behind why it did not work. We disagree that implementation did not work.	As above
Was client tracking done?	No	Baseline data was collected with clients signed up for loans. In February this year clients surveys were done telephonically	As above

Recommendations

One	TNT is an enterprise start-up agency (not micro-lending) Nothing qualifies SEDA to provide direction, either on lending or mentoring, but it is nevertheless important that they participate in the proposed planning exercise.
Two	Agree strongly that this would be useful. One, to prove to partners and stakeholders that the project has been thoroughly conceptualized. Two, because it can help to cover gaps and consolidate partners and stakeholders' understanding and buy-in.
Three	Very strong disagreement, particularly with the notion that the project becomes a pot of money for specialists.
Four	Strongly agree
Five	The sense of belonging to the project is more material to mentors than clients. Clients represent a 'market' who simply approach TNT for finance. They are not signing up for anything more than money, and where appropriate, business support.
Six	The project has already addressed this. Needs a little more energy.
Seven	It is highly debatable whether accreditation and certification is an appropriate activity for the project.
Eight	Strongly agree

Other Documents not considered by the evaluator

Heading/Paragraph	Comment by project partners	Evaluator's response
Funders & Support Organisation List	This was in each quarterly progress report to sponsors. Detailed budgets available	The evaluator was aware of this information but does not see of what additional value it was for her findings.
Funding Report	This was in each quarterly progress report to sponsors. Detailed budgets available	Same as above
Client Database & hard copies of registration	The client database was not accessed to view the type of information captured in it. Hard copies of client forms containing - to a limited level – impact indicators were not studied	This information was not made available to the evaluator. Several requests were made to view the database.
Mentor Database	The mentor database and an analysis and interpretation of the status of mentors (both past and present)	
TOR	Updated version.	One minor change was made to the ToR used in the appendix to reflect the target of 150 mentors. Otherwise, all documents available were similar.
Marketing Strategy and documentation	Databases, letters, presentations, etc.	This has now been addressed after further follow up with Ernest Mamabolo at the NBI on 4.05.06. Most of this information was not originally made available to the evaluator.