

CBI and PUM contribution to development: insights from the online surveys

November 2016

www.primepartnership.nl

What is the intervention logic of CBI and PUM?

CBI aims to contribute to sustainable economic development in developing countries through the expansion of the exports from these countries. To do so, CBI provides advice, counselling and market information to Small and Medium size enterprises (SMEs) in order to facilitate exports and sector growth. PUM wants to contribute to sustainable economic development in low income countries through knowledge transfer to SMEs, the promotion of business links with Dutch firms and, to a smaller extent, by facilitating small grants.

This support is expected to improve the performance of these SMEs in turnover, profits, employment, sustainability and/or exports. However, this process takes time. In the short term the support is expected to be measurable by the adoption of improved business practices that result from the support of the PUM experts to the firms.

Is this supported by evidence?

In 2014 and 2016, PRIME collected data through an on-line survey to SMEs. Based on the answers to only two questions on ten different business management areas – Have your business practices changed in this area? Is this change influenced by CBI/PUM support? – a Contribution Score is computed that is indicative of effectiveness. And, it permits comparison between support institutions. We find that the Contribution scores correlate positively with the increase in profits in the SMEs.

The figure present contribution scores per area, and indicates that CBI has highest effectiveness in addressing 'quality requirements of international buyers' and improving 'marketing techniques', while PUM is especially effective in improving 'Ideas about new products' and 'Efficient ways of organising the production process. The support of both CBI and PUM is less effective in improving financial management of the SMEs.

