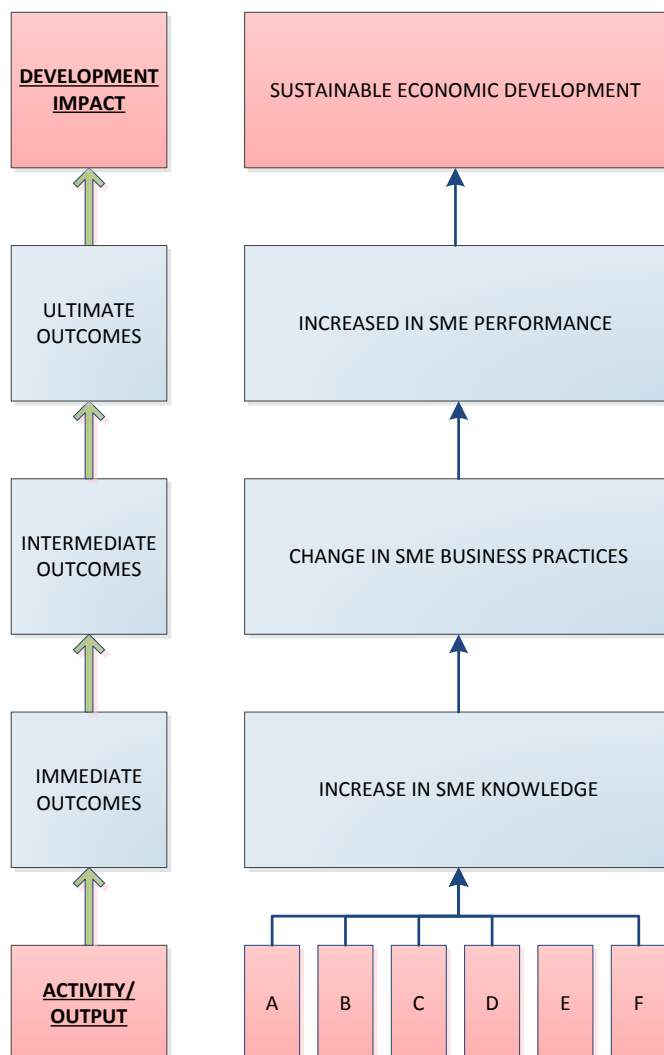


Monitoring and evaluation of business development support to small and medium enterprises

August 2014

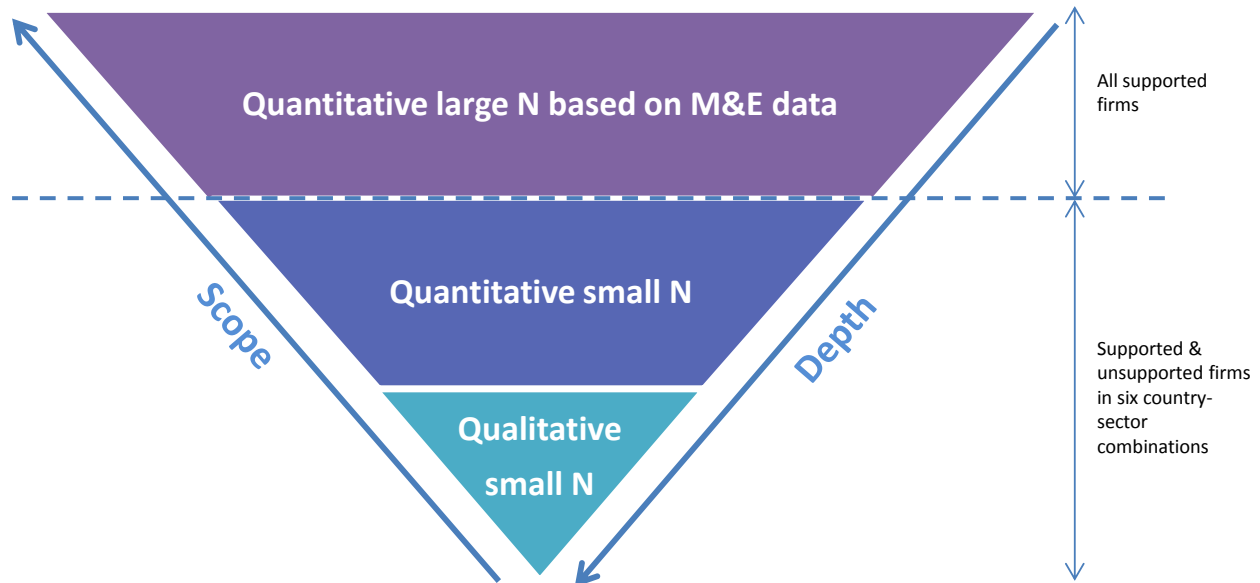
www.primepartnership.nl

The Centre for the Promotion of Imports from Developing Countries (CBI), the Foundation Netherlands Senior Experts (PUM), the Agricultural Economics Research Institute (LEI Wageningen UR) and the Erasmus School of Economics (ESE) develop a joint programme to pioneer impact evaluation methods of support to small and medium enterprises in developing countries. The PRIME programme is designed to develop an approach to data collection that enables the impact of PUM and CBI to be tracked while at the same time giving both organisations more insight into their interventions and the opportunity to learn about how they can manage for greater impact.



While traditional evaluations of business-support initiatives tend to track results anecdotally, presenting case studies of successful projects, they have difficulties in making more generalized inferences based on comparative research. Little generic insight is generated about what type of support works, for whom it works, and under which conditions. The direct effects of the support are at the company level and will result in improved company strategies. These strategies are assumed to create turnover, profits and employment. This increased performance is expected to generate developmental impacts (e.g. poverty alleviation, competitiveness, economic growth).

The PRIME research wants to check these assumptions of impact, and explore which conditions help or constrain the effectiveness of the support, and for what type of firm. Tracing the impact of business support interventions is challenging, as the processes and mechanisms that cause positive outcomes are often a result of many other influencing factors, and outcomes often need some time to mature. A mix of methods is required to capture changes in outcomes along the intervention logic and to test if the causal assumptions hold.



PRIME combines different research components which differ in scope and depth. Yearly monitoring of outcomes in all supported companies is complemented by quantitative and qualitative research in six countries. In these case studies, PRIME combines qualitative and quantitative research on supported and unsupported firms in specific sectors. PRIME also made a literature review of the academic studies on effectiveness of similar types of interventions. Policy briefs are available on the website www.primepartnership.nl.

Yearly monitoring of outcomes in supported companies

During the coming years, time-series datasets will be constructed on key indicators/characteristics of all SME clients that started receiving support since 2013. This information on the changes in indicators in (groups of) firms be analysed every year, as 'real-time monitoring'. After some years, the dataset will be used in the econometric analysis of changes in firm outcomes during the years (time-series), and comparing between groups of companies that started receiving support at different points in time (cohort analysis).

More in-depth analysis through case-studies

- ***Qualitative research on processes and mechanisms that define effectiveness***

Qualitative case studies look into processes and influencing factors in more detail and explore why, for whom and in which contexts interventions seem to work better. The case study countries and sectors are selected to maximize the overlap in CBI and PUM clients and will also look to other SME-support initiatives provided by others.

- ***Quantitative research on supported and unsupported companies***

Through surveys in the sector, we will collect additional data on the changes in unsupported firms. This will help to reflect on the counterfactual: what would likely have happened to the firm without the support of CBI and PUM. The research designs in each country are tuned to the characteristics of the country and sector.

- ***Verification workshops with focus group discussions***

The results of the research will be used as input for: regional Verification Workshops; mini-conferences with focus group discussions between the supported SMEs in each sector; presentations by external experts, and critical-review by knowledgeable stakeholders.