PRIME

Pioneering Real-time Impact Monitoring and Evaluation
PUTTING PRIME INTO PRACTICE

PRIME NEWSFLASH, THIRD AND FOURTH QUARTER OF 2014

PRIME has evolved rapidly since July with many thoughts, discussions and decisions turned into reality and put into practice in the second half of 2014. In this newsletter we give an overview of key activities in the period August to November 2014 including: the start of the cohort analysis, the finalization of the case study methodology, and the preparation of the case study mission to Peru and Bangladesh.

In the second half of 2014, the PRIME research team started their first systematic analysis of the PUM and CBI data that was collected as part of their monitoring and evaluation systems (M&E). In preparation of the analysis a number of sessions to export the data from the respective PUM and CBI internal databases were organized. Subsequently, the exported data has been restructured and cleaned by the research team. This was a time-intensive process where the realities of collecting data from the field for M&E purposes and preparing data for rigorous scientific analyses converged. Subsequently, the research team conducted a first series of descriptive analyses on this data. Given that the datasets so far pertain to the period before the implementation of the new PRIME data collection methodology (which focuses strongly on collecting a wide range of quantitative process and outcome indicators that can be used in the cohort analysis) the current data is being used to enable the research team to draw up some interesting descriptive statistics, questions for future research, and as far as data allows, to add an additional data point. Results will be reported by the end of 2014 and made publicly available on our website in the first quarter of 2015.

The project team prepared a detailed document (referred to as the "identification strategy" document) elaborating on the exact methodology used to analyse the impact of CBI and PUM. The impact of CBI and PUM business support programmes will be assessed through three different cohort methodologies: within cohort analysis, between cohort analysis and difference in differences analysis. A cohort refers to a group of firms that have received support in the same year or time period. In the identification strategy, the project team put the proposed methodologies into a mathematical framework and clarified which statistical methods will be used to apply them. This document will be made available together with the analysis mentioned above.

Throughout the third quarter of 2014, **the "large N" indicators** agreed upon earlier this year have been **fine-tuned and are in the process of being integrated in the M&E systems of PUM and CBI.** We expect that by the end of the first quarter of 2015 all the proposed changes will have been implemented.

CBI has successfully launched the online survey instrument developed earlier this year to collect data of supported SMEs. The survey will be used to fill the

What is PRIME? 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) have developed 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.

How does PRIME use the M&E data? Time-series datasets will be constructed with data on key indicators of SME clients. This dataset will be used in the econometric analysis of impact and to develop a typology of different modalities of support provided.

How does PRIME use the case studies? The case studies are complementary to the quantitative analysis of the monitoring data. Case studies will include in-depth semi-structured interviews with client enterprises, non-client enterprises, BSO representatives, and local (sector) experts in order to get a deeper understanding of the mechanisms that resulted in the (non) changes in SME processes and performance. Case studies will also include the measurement of key indicators among non-supported firms.

gap between our first cohort (2013) and the integration of the revised M&E indicators due at the beginning of next year. This survey is mostly focused on the measurement of knowledge and practices (immediate and intermediate outcomes). So far, 135 SMEs have successfully completed the survey. At a later stage, the survey will also be sent to those SMEs that received support from PUM. The pilot-testing phase for PUM will start soon.

In the last quarter of 2014, the case study methodology report has been finalized. This document outlines the methodology that will be used for the qualitative PRIME case studies. The case studies aim to answer how and why CBI and PUM interventions work, for whom they work, and under what conditions. The methodology of the case studies will consist of in-depth and semi-structured interviews with client enterprises, non-client enterprises, BSO representatives, and local (sector) experts in order to get a deeper understanding of the mechanisms that affect SME processes and performance. The case studies consist of preparatory desk research, field missions and (comparative) analysis of the results. The case studies will also be used to prepare for any additional data collection if needed, and to identify stakeholders for the verification workshops that are to be conducted in 2016. Case studies will be conducted in at least six beneficiary countries.

The case studies for Peru and Bangladesh have started. The first mission to Peru was conducted in the last week of November. The case study focuses on the high value agricultural products sector. Because this is a very large sector, we will focus on SMEs that are involved in the supply of semi-finished products. This sector relates to three of the five sectors of the CBI new integrated country programme. In addition, CBI and PUM have both been active in this sector previously, and we expect to find quite some synergy between the two organizations in this sector. The sector of high value agricultural products is particularly interesting for PRIME given the link to primary production. Moreover, a large portion of PUM and CBI clients operate in the sector of primary production. Finally, this sector offers good potential as a research component linked to the producer level supply side. Results of the first mission will be available in the beginning of 2015.

The PRIME research team also made preparations for the first mission to Bangladesh, which will be implemented by Erasmus University and local consultants in December 2014. After desk research and exploration of the activities of CBI and PUM in this country, it was decided that this case study would focus on the IT-sector, which is a booming segment of the local economy. The aim of the case study is to obtain in-depth insights into the mechanisms through which PUM and CBI support drive development and the export success of firms in the sector. In addition, the first mission will serve to explore the possibilities for implementing a complementary quantitative analysis on the effects of SME support in the IT-sector more broadly. Possibilities for implementing such as study will be explored together with the local IT-sector organization.

The International Trade Centre (ITC) asked for a proposal on the services to be provided by PRIME to the M&E component in ITC's Netherland Trust Fund (NTF-III) Export Sector Competitiveness Programme. After several rounds of consultations the research proposal aligns with the PRIME programme. The approach revolves around capturing changes in core indicators of client SMEs that are similar to the system developed for CBI. This will maximize synergy and harmonize approaches to data-collection, although adapted to suit the unique circumstances of ITC. A concept note describes the work-packages. These are: 1) overall guidance on ITC's approach to impact evaluation focusing on the NTF III portfolio; 2) guidance on the monitoring architecture and generation of monitoring data analysis for the five NTF III countries. This should be delivered in real-time as the data is meant to support NTF III management to assess progress. And 3), two case studies focusing on assessing the impact of the NTF III. These will be conducted according to internationally recognized quality criteria for impact evaluations.

In September, the research team welcomed Haki Pamuk, who has a post-doctoral position at the Development Economics group of Wageningen University. Haki Pamuk will be part of the core research team. So far his work has mainly focused on the design and implementation of the cohort analysis.

The web-site www.primepartnership.nl has been upgraded and now includes the policy briefs on the methodological approaches. Along with this open website is an internal team-site that has been set-up as the repository of data sets, mission reports and interview summaries (the raw data to be used later in the qualitative synthesis of findings).
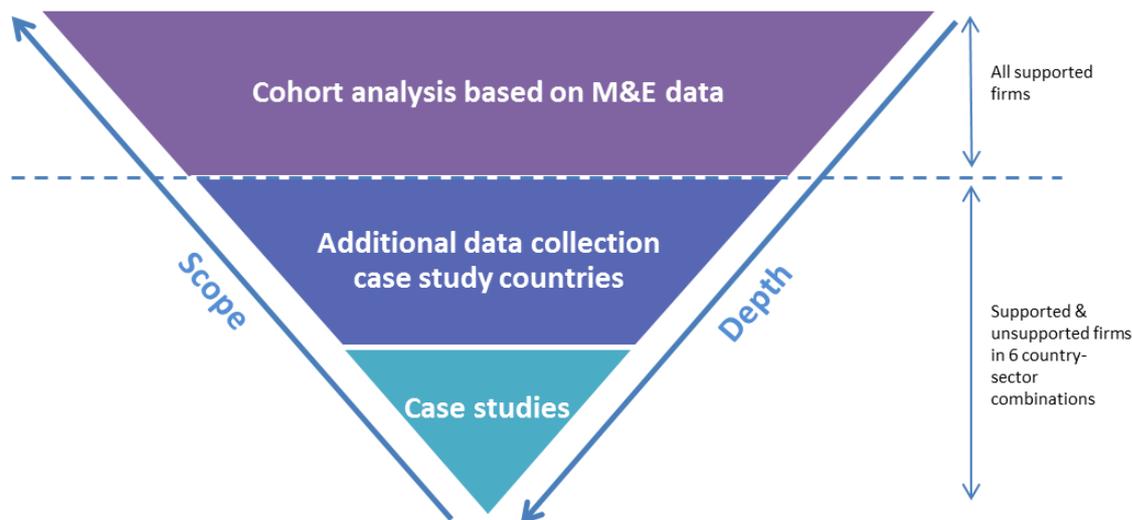
Programme overview presented in Manila

Elsbeth Akkerman wll replace Marhijn Visser in the Advisory Committee. Elsbeth Akkerman is Deputy Permanent Representative to the WTO/Head Economic Affairs Section in Geneva. We look forward working with her.

In September, one of our key researchers presented PRIME during a three-day "Making Impact Evaluation Matter" **conference** in Manila, which was organised by 3ie in partnership with the Asian Development Bank and the Philippine Institute for Development Studies. A key message was that to make impact evaluation matter requires strong collaboration between researchers, policy makers and policy implementers. We feel that PRIME is a good example of such collaboration in practice.

Two PRIME researchers are currently in an advanced stage of working out a possible randomized experiment with PUM. This experiment would be implemented in one or two countries in which PUM operates. The proposed experiment will provide answers to two key questions. Firstly, it will provide rigorous evidence about the effect of different recruitment strategies on the uptake of the PUM support by SMEs. Secondly, it would provide rigorous evidence about the subsequent causal effect of the PUM support on the performance of these SMEs. This experiment is planned to start in 2015 and run until 2017.