Pioneering Real-time Impact Monitoring and Evaluation

PRIME NEWSFLASH, THIRD AND FOURTH QUARTER OF 2016

This semester PRIME worked especially on data collected with the online survey in PUM clients, which took place between September-October 2016. We also prepared the ground for further incorporating the data collection tools and metrics in the regular monitoring and evaluation system in CBI. A case study mission took place to Indonesia by Frank Hubers on the support in the aquaculture sector. Also, the case study report on the support in Bolivia's tourism sector has been completed.

What is PRIME? The Centre for the Promotion of Imports from Developing Countries (CBI), the Foundation Netherlands Senior Experts (PUM), Wageningen University & Research (WUR) 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.

www.primepartnership.nl

PRIME survey data used in the external evaluation of PUM that was sent to Parliament

Minister Ploumen (Ministry of Trade and Development Cooperation) formally presented the evaluation of PUM to the Parliament. The evaluation made use of the data collected through the PRIME online surveys. They used an adapted measure of the effectiveness of the support, similar to the one developed in PRIME, and show positive effects on knowledge and practices. The PUM evaluators conclude that PRIME is a useful approach for impact assessment in private sector development.

PRIME ITC Bangladesh

PRIME research team finalised the collection of baseline data for PRIME-ITC Bangladesh evaluation. Data was collected from 39 NTF-III firms, 2 PUM beneficiaries and 500 unsupported firms in IT/ITES sector in Bangladesh and data cleaning process was finalised last September. An objective of PRIME-ITC Bangladesh evaluation is to assess the effect of ITC program on the services of Bangladesh Association of Software and Information Services (BASIS). To reach this objective, the PRIME research team launched a special module in the evaluation. This sub-study specifically investigates how usage of BASIS training and services by IT/ITES companies from Dhaka, Bangladesh are related to the export performance of those companies. The first data analysis has already been conducted. The study is planned to be finalized until February 2017.

Case study report Bolivia highlights the limited results of the direct support to small travel agencies
The support of CBI and PUM to SMEs generates positive changes in knowledge on business management and export skills. The translation of this knowledge to changes in business practices is reduced to only some SMEs only. The changes in export performance are minor or absent. The interviews showed that CBi and PUM have an undisputed contributory role of CBI and PUM in the changes of knowledge of the SMEs related to product development, financial and non-financial data management, sustainability issues and ideas for sector coordination. However, for most of the SMEs, the economic impact of this knowledge is not yet clear, which also reduces their willingness to pay for the support. The activities of the supported SMEs are unlikely to result in a sustained flow of European visitors with impact on sector competitiveness and job creation.

- The role of CBI in innovation and upgrading in the sector through the support in developing new products, branding destinations and the introduction of new quality assurance certification is recognised by the sector organisations, and, when successful in some pilot firms might stimulate other SMEs to replicate. Innovation and quality improvement in the sector is a more likely development result of the support to travel agencies than exports or job creation. CBI is valued for its expertise and approach to developing skills and attract direct clients from Europe, but most agencies do not consider it as their main market for growth.

- PUM works in tourism with firms that are owned by relatively rich families or part of international hotel networks. Their support is considered valuable in developing services for high-end customers, both national and international clients. The supported hotels are in the category of the most expensive ones, despite the fact that that the costs of PUM support for hotels are relatively low (they tend to have spare capacity to lodge the expert, and participation of less capitalised hotels would be possible.

- Because European travel agencies and international donors are interested in this class of high-end hotels, synergy between CBI and PUM in tourist development is undoubtedly present. This is also confirmed by the active participation of several hotel-agency combinations in the CBI workshops. The interviews with these agencies suggest that visibility of their hotels to larger international and domestic travel agencies may be a more promising venue to generate additional exports than presenting their small inbound travel agencies on international fairs.

Online survey graphics
In the course of 2016 for CBI, we collected data from 368 firms through the online survey. For PUM we collected online data from 1165 firms. We gave insight into the self-reported effectiveness according to the 2016 survey data and how it compared to the 2015 data. The contributions scores are based on self-reported changes in specific knowledge or practice areas, how it changed and how much of the extent to which this change was influenced CBI or PUM. We used the results for a one-pager that can be used by CBI and PUM to inform their constituency. The graphs are also prominent on the revamped website.

What is the intervention logic of CBI and PUM?

CBIs 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, counseling 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 o 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. Moreover, 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 the 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 the area of financial management.

Area	CBI contribution to SME development
Average	45%
Ideas about new product & services	49%
Leading, planning and organizing the business	49%
Effects of the business on the environment	40%
Efficient ways of organising the production process or service delivery	40%
Ways to retain, motivate and train employees	33%
Quality requirements of (inter)national buyers	59%
Marketing techniques to increase sales of your product or service	60%
Financial management	28%

Area	PUM contribution to SME development
Average	37%
Ideas about new product & services	41%
Effects of the business on the environment	30%
Efficient ways of organising the production process or service delivery	43%
Ways to retain, motivate and train employees	36%
Quality requirements of (inter)national buyers	38%
Marketing techniques to increase sales of your product or service	34%
Leading, planning and organizing the business	37%
Financial management	23%